

**RESTATED AND AMENDED BYLAWS of
HOOPER IRRIGATION COMPANY
A NONPROFIT CORPORATION**

Adopted June 13, 2022 (Revised 12/12/2022)

ARTICLE I

Name and Location

Section 1. The name of this nonprofit mutual corporation is HOOPER IRRIGATION COMPANY.

Section 2. The principal office of the Company shall be located in Hooper City, County of Weber, State of Utah.

Section 3. The registered agent of the Company shall be as provided in the Company's Articles of Incorporation, and may be changed from time to time by the Board of Directors in accordance with the provisions of the Utah Revised Nonprofit Corporation Act.

ARTICLE II

General Purposes

Section 1. The Company is a nonprofit mutual water company which operates a water system for the benefit of its members. The purposes for which this Company is formed, and the powers which it may exercise, are set forth in the Utah Revised Nonprofit Corporation Act, as amended, and in the Articles of Incorporation of the Company, as amended.

ARTICLE III

Seal

Section 1. The seal of the Company shall have inscribed thereon the name of the Company, the year of its organization, and the words "Corporation Not for Profit."

Section 2. The Secretary of the Company shall have custody of the seal.

Section 3. The seal may be used for causing it, or a facsimile thereof, to be impressed or affixed or reproduced or otherwise.

ARTICLE IV

Fiscal Year

Section 1. The fiscal year of the Company shall be from January 1st to December 31st each year.

ARTICLE V

Membership

Section 1. Number of Shares. The total number of shares evidencing membership in this Company is 15,840. The Company has sufficient facilities and water rights to service the number of shares currently issued.

Section 2. New Shares. The issuance of new shares to provide additional water service can only occur if:

1. the Board of Directors determines that there is sufficient capacity in the system to provide the requested additional service;
2. the Board of Directors determines that providing the requested additional service will not be detrimental to the interests of the Company and/or its shareholders as a group;
3. the Company acquires title to sufficient water rights to cover the requested additional service, with approved points of diversion and places of use that are consistent with the Company's system and service area; and
4. any acquiring shareholder pays to the Company a fee representing a proportionate share of the value of the Company's existing facilities

Upon compliance with these requirements and resolution of the Board of Directors approving the same, the appropriate number of new shares shall be issued. Such number shall be determined in a manner that maintains in each existing share the right to an undiminished quantity of water. The new shareholder(s) must also bear the cost of any additions or changes to Company facilities needed to provide the additional service.

Section 3. Undivided Interest. Each share shall represent an undivided interest in the assets of the Company and shall entitle the holder thereof to delivery of water in accordance with the terms of these Bylaws, the Company's policies, and/or any special written agreement with the Company.

Section 4. Classes of Shares. Each share shall represent an undivided interest in the assets of the Company. The aggregate number of shares the Company is has authority to issue is 15,840 shares, all of which shall have no par value and which shall consist of nine (9) Classes of shares as follows:

- A. **Class A Shares:** water used in traditional irrigation and stock watering on the shareholder's land, which is delivered to shareholders through the Company canal system. The number of Class A shares the Company has authority to issue is 8,500 shares.
- B. **Class AA Shares:** water stored by a shareholder for use in traditional irrigation and stock watering on land controlled by the shareholder, and delivered to the shareholder's storage facility through the Company canal system. The number of Class AA shares the Company has authority to issue is 1,000 shares.
- C. **Class B Shares:** water shares purchased from Weber Basin in 1978 and 1990 used on the shareholder's land and delivered to shareholders under contract with the Company. The number of Class B shares the Company has authority to issue is 320 shares.
- D. **Class BB Shares:** water shares purchased from Weber Basin in 1978 and 1990 used on the shareholder's land and delivered to shareholder's storage facility under contract with the Company. The number of Class BB shares the Company has authority to issue is 320 shares.
- E. **Class C Shares:** water used on the shareholder's land and delivered to shareholders through the Company's pressurized secondary system. Class C shareholders shall complete a Service Agreement with Company prior to obtaining benefits of membership. This

Service Agreement may designate, among other things, the size of the service area and fees. The Company shall also determine the amount of water each Class C share is entitled to receive based upon service area and any other factors the Board of Directors shall determine is just and reasonable. One Class C share shall be entitled to one quarter (1/4) of one vote as other Classes. The Company is authorized to convert any Class of shares into Class C shares or vice-versa, upon proper request and satisfaction of other requirements as may be required by the board of directors, including but not limited to payment of fees. **Class C Shares shall run with the land, in other words, once any share is converted into Class C share(s), it shall remain attached to the parcel within the Company's service area on which the water is used, and ownership of the share or shares dedicated to the parcel shall transfer to a new owner when new ownership of the parcel is established.** The number of Class C shares the Company has authority to issue is 5,000 shares.

- F. **Class D Shares:** water held by or for the benefit of a municipality or governmental entity, for the purpose of providing secondary water service to itself or others, and delivered by the Company to a specific point for distribution through a system owned or controlled by the municipality or governmental entity. The number of Class D shares the Company has authority to issue is 500 shares.
- G. **Class DD Shares:** water stored by or for the benefit of a municipality or governmental entity, for the purpose of providing secondary water service to itself or others, and delivered by the Company to the storage facility of the shareholder entity. The number of Class DD shares the Company has authority to issue is 500 shares.
- H. **Class E Shares:** water held by or for the benefit of a nonprofit water company, water district, or governmental entity, whose primary purpose is providing culinary water service to itself or others, and delivered by the Company to a specific point for distribution through a system owned or controlled by the municipality or governmental entity. The number of Class E shares the Company has authority to issue is 100 shares.
- I. **Class EE Shares:** water stored by or for the benefit of a nonprofit water company, water district, or governmental entity, whose primary purpose is providing culinary water service to itself or others, and delivered by the Company to the storage facility of the shareholder entity. The number of Class EE shares the Company has authority to issue is 100 shares.

Section 5. Class C Shares to Run With the Land. Each share of Class C shall run with the land: In other words, irrigation rights under such shares shall remain attached to the parcel within the Company's service area on which the water is used, and ownership of the share or shares dedicated to that parcel shall transfer to the new owner when the owner of such a parcel conveys the parcel to another. The seller of a parcel attached to a Company share or shares bears the sole responsibility to recover the value of such share or shares when selling his or her property to another.

Section 6. Right of First Refusal. In the event a member owning a share of Class A, AA, B, BB, D, DD, E, or EE desires to transfer all or any portion of his shares in the Company separately from the property to which those shares are used under the above paragraph, he shall first give to the Company written notice of his intentions, which notice shall contain the name and address of the proposed transferee and the price, terms and number of shares proposed to be transferred. Such notice shall constitute an offer to sell those interests to the Company upon

reasonable terms and conditions. The Company shall have thirty (30) days in which to exercise its right of first refusal and accept the offer to transfer. Any transfer of Company shares that is made not in compliance with this paragraph is void *ab initio*.

Section 7. Transfer of Shares. Shares in the Company are transferable on the books of the Company only in accordance with the following procedures and subject to approval of said transfer by the Board of Directors:

1. The share certificate must be presented to the Company's Secretary duly signed by the person in whose name the share appears on the Company's books, or by his or her legal representative(s), or by his or her duly authorized agent. In the case of a transfer by an authorized agent, a copy of the duly executed and acknowledged power of attorney shall be deposited with the Secretary. Lost Certificate and Indemnification affidavits are also available from the Secretary. The share certificate must be surrendered to the Secretary and canceled before a new certificate may be issued.
2. Payment of a change fee as set by the board from time to time. The change fee and all past due balances must be paid before a change can be made.
3. The name, address, telephone number, and e-mail address of the new owner must be provided, and the new owner, his or her legal representative(s), or his duly authorized agent must sign for the receipt of the new certificate. Again, where an authorized agent is used, a copy of the duly executed and acknowledged power of attorney shall be deposited with the Secretary.
4. Shares may be transferred only in increments as determined by the Board of Directors from time to time.
5. Shares may be transferred only when all owed assessments, fees, charges, interest, attorney's fees, and costs owed to the Company by the member have been fully paid to the Company.
6. No transfer shall be made upon the books of the Company within fourteen (14) days immediately preceding the annual meeting of the members.
7. It is the member's responsibility to bring transfers of shares to the attention of the Company. Until the above steps are taken, the owner of shares as recorded on the Company's books remains legally responsible to the Company for payment of all obligations owed to the Company.
8. Any transfer that results in or is intended to result in a change to underlying water rights with regard to point of diversion, time, place, or nature of use must be done in accordance with the Company's Change Application Policy.
9. Upon the transfer of any Class A, Class AA, Class B, Class BB, or Class C share to or for the benefit of a municipality or other governmental entity, or entity who holds the shares for the primary purpose of providing culinary or secondary water service to others, the shares being transferred will automatically convert to Class D or Class DD shares (as appropriate, in the case of secondary water), or to Class E or Class EE shares (as appropriate, in the case of culinary water).
10. Except as set forth above, Shares may be converted to a different share Class only in accordance with the Company's Change Application Policy. Upon approval of any change in accordance therewith, share certificates for the appropriate number

of shares in the new share Class, as determined by the Company's Board of Directors, shall be issued upon the surrender of share certificates for the former share Class.

Section 8. Lien. The Company shall have a lien upon all share interests for any unpaid assessments, fees, charges, interest, attorney's fees, costs, or the like, due and owing from such member. Said lien shall attach to the real property serviced by the Company's water system under such member's shares, and shall be a burden upon the real property and run with the real property title. The Company is authorized, empowered, and invested with the right, authority, and power to record a lien upon said property with the Weber County Recorder's Office, where said lien will remain in effect until all sums plus interest and costs are paid in full. After said sums have been fully paid, the Company shall cause a notice of release of lien or similar document to be filed upon said real property.

Section 9. Voting Shareholder. When more than one person holds the interest in a share, the vote shall be exercised by the person in whose name the certificate is registered or by such person as the several persons may designate on a form approved by the Company, but in no event shall more than one vote be cast with respect to any share (or 1/4 vote in the case of Class C Shares).

Section 10. Termination of Shares. When a Class C share in the Company is not transferred, it shall terminate upon the disposition of or other termination of the shareholder's interest in the property, regardless of whether the certificate is surrendered to the Company. Shares may also be terminated by action of the Board of Directors where the use of the property is changed in a way that: materially increases the amount of water consumed; prejudices other existing shareholders; or prejudices the orderly operation of the Company's system.

Section 11. Effects of Termination. Termination of the shares of any member shall not disqualify any other person with interest in the property from obtaining shares, provided that such other person otherwise meets the requirements of these Bylaws.

Section 12. Receivership. In the event that a shareholder's property interest is divested, other than by voluntary means or by termination pursuant to these Bylaws, such member's shares shall pass to the trustee, receiver, executor, or the like who will be entitled either in person or through a designated representative to exercise all the rights incident to such shares. The trustee, receiver, executor, or the like, may terminate such shares by written notice delivered or mailed to the Secretary of the Company. Upon the final disposition of such property rights, the owner thereof shall be entitled to shares in like manner as if the shares had been transferred to him by the original member as set forth in this Article.

ARTICLE VI

Share Certificates

Section 1. Certificates. Shares in the Company shall be represented by share certificates, unless Class C shares which may be represented by a Service Agreement. Such certificates shall represent the right to use and enjoy the benefits of the Company's water supply system upon the payment of necessary assessments, if any, and of reasonable charges based upon such use,

provided that such use and enjoyment are consistent with the rules, regulations, and contracts affecting the same as may from time to time be prescribed by the Board of Directors.

Section 2. Description of Share Certificates. The certificates of shares in the Company shall be in such form as shall be determined by the Board of Directors. The certificates shall be consecutively numbered and duly signed by the President, or such other officer as may be authorized by law and by the Board of Directors, and shall be countersigned by the Secretary and sealed with the seal of the Company. The certificates shall exhibit the member's name and the total number of shares represented thereby. Class C share certificates or service agreements shall bear the following restriction:

The shares represented by this certificate/service agreement are permanently attached to the lot on which the water is used. This certificate cannot be conveyed without conveying the associate lot(s), described as

_____.

The certificate or service agreement may also exhibit any other condition(s) or restriction(s) placed on the share, together with any other information designated by the Board of Directors. Such information shall be perpetuated on any and all subsequent transfers of such shares. The name and address of the member, the number of shares, the nature and place of use, any condition(s) or restriction(s) placed thereon, and the date of issue shall be entered in the share transfer books of the Company which shall be kept at the principal office of the Company. Notwithstanding the above, when Class A or AA shares are converted to Class C shares, or if Class C shares should be issued by the Company, no certificate shall be issued by the Company to the shareholder. The owner of the lot serviced by a Class C share shall be deemed to be the owner of the Class C share. However, all provisions in these Bylaws regarding attachment of shares to the lot on which they are used will apply to Class C shares.

Section 3. Conditions and Restrictions on Shares. Upon written request and 15 days' notice from the Company, share certificates shall be surrendered to the Company for re-issuance to the shareholder with any reasonable condition(s) or restriction(s) written thereon.

Section 4. Lost, Stolen, or Destroyed Certificates. If a member shall claim that a certificate has been lost, stolen, or destroyed, the Board of Directors may, at its discretion, direct that a new certificate be issued, upon the making of an affidavit of that fact by the person claiming that the old certificate was lost, stolen, or destroyed, and upon the deposit of a bond or other indemnity in such form and amount and with such sureties, if any, as the Board may require.

Section 5. Member of Record. The Company shall be entitled to treat the holder of record according to the share transfer books of the Company of any share as the holder in fact thereof, and shall not be bound to recognize any equitable claim or other claim to, or interest in, such share on the part of any other person, whether or not the Company shall have express or other notice thereof, except as expressly provided by the laws of the State of Utah.

ARTICLE VII
Meeting of Members

Section 1. Annual Meeting. The Annual Meeting of the Members of the Company shall be held in the County of Weber, State of Utah, on the first Monday in February each year, with at least twenty-eight (28) days advance written notice of the date, time, and place of said meeting. Failure to hold this meeting as appointed herein shall not impair, in any way, any of the Company's corporate rights. Any such missed meeting may be held thereafter with twenty-eight (28) days advance written notice of the date, time, and place of said meeting. The Annual Meeting of the Members may be held by telephonic or electronic means and a shareholder who, through those means, votes at a meeting or establishes a communications link to a meeting shall be deemed to be present at that meeting.

Section 2. Special Meetings. Special Meetings of the Members may be called at any time by written request of the President, by a majority of all Directors, or by the owners of at least 25% of the issued and outstanding shares of the Company whenever a petition requesting such meeting is signed by the holders of such shares and presented to the Secretary or to the Board of Directors. The petition required herein shall specify the purpose(s) of the special meeting and a date, time, and place for the meeting that is reasonable under the circumstances. The purpose of every special meeting shall be stated in the notice thereof, and no business shall be transacted thereat except such as is specified in the notice. Special Meetings of the Members may be held by telephonic or electronic means and a shareholder who, through those means, votes at a meeting or establishes a communications link to a meeting shall be deemed to be present at that meeting.

Section 3. Notice. Special meetings of the members of the Company may be held when properly called as described in Section 2 above and upon notice of the date, time, place, and purpose of such meetings, as prescribed by UTAH CODE ANN. §16-6a-704 *et seq.*

Section 4. Form of Notice. Notice of meetings of members of the Company, both regular and special, shall be given by notice E-mail or mailed by personal delivery or by first-class mail to each member of record as of the record date established pursuant to Section 9 of this Article. Such notice shall be addressed to the first named individual or owner that appears on each share certificate in the records of the Company. The e-mailing of all required notices under the Articles of Incorporation and these Bylaws shall be deemed to be delivered when sent and addressed to the shareholder at his/her e-mail address as it appears on the Company's books. The mailing of all required notices under the Articles of Incorporation and these Bylaws shall be deemed to be delivered when deposited in the United States First-Class Mail, addressed to the shareholder at his/her address as it appears on the Company's share transfer books, and with postage provided thereon.

Section 5. Time of Notice. Notice of meetings of members of the Company shall be given not less than twenty-eight (28) days prior to such meeting, and shall state the nature, time, place, and purpose of the meeting; but no failure or irregularity of notice of any annual meeting, regularly held, shall affect any proceedings taken thereat.

Section 6. Waiver of Notice. Whenever any notice is required to be given, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be equivalent to the giving of such notice.

Section 7. Quorum. At a meeting of members, the presence of members entitled to cast in their own right or by proxy five percent (5%) of the total number of votes shall constitute a quorum and, except as otherwise provided for herein or in the Articles of Incorporation, a majority vote of such quorum shall be a majority vote of the members and shall be the action of the members on that matter, to the maximum extent allowed by law.

Section 8. Order of Business. The Order of Business at all annual meetings of the members, and at all special meetings as applicable, shall be as follows:

1. Call to order, roll call, and proof of quorum.
2. Reading of notice of the meeting.
3. Reading of and action on any unapproved minutes.
4. Secretary's report on the number of shares present in person or by proxy.
5. President's business report.
6. Presentation of the Annual Report on the Financial Condition of the Company.
7. Reports of officers and committees.
8. Elections of Directors.
9. Unfinished business.
10. New business.
11. Adjournment.

Section 9. Member-of-Record Date. For purposes of determining members entitled to receive notice of, or to vote at, any meeting of members or any adjournment thereof, or in order to make a determination of members for any other proper purpose, the Company's share transfer books shall be closed for fourteen (14) calendar days prior to issuance of notice for such meeting. The date the share transfer books are closed shall be the Member-of-Record Date, and the members as they are then listed on the share transfer books shall be the members entitled to vote at such meeting. The Company's share transfer books shall be *prima facie* evidence as to the list of members who are entitled to vote at such meeting. For the Annual Meeting of Members held on the first Monday in February, the Member-of-Record Date and the closing of the share transfer books shall be the preceding December 31.

Section 10. Inspection of Records. In accordance with Utah law, any member desiring to inspect or copy the records of the Company shall submit to the Company Secretary a completed *Demand to Inspect and/or Receive Copies of Company Records* ("Records Request") in substantially the same form as prescribed by Company policy. Review of the Records shall be conducted only during regular business hours and at the Company's principal office.

Section 11. Voting Rights. All Company members are entitled to vote in the election of Directors for the District or Share Class to which they belong. Members holding shares of Class A, AA, B, BB, and C are also entitled to vote in elections pertaining to (a) the Company's organizational structure, Articles of Incorporation, and to the extent specified hereunder, the

Bylaws; (b) the sale, transfer, or other conveyance of substantially all the assets of the Company and the operation of the Company's water system to any other entity; and (c) such other matters as the Board of Directors deem appropriate to place before the members. Members holding Class A, Class AA, Class B, Class BB, Class D, Class DD, Class E, and Class EE shares are entitled to cast one vote for each share held and a corresponding fractional vote for each fraction of a share held. Members holding Class C shares are entitled to cast one-quarter (1/4) of one vote for each share held. Cumulative voting shall not be allowed.

Section 12. Proxy. Votes may be cast in person or by written, authorized proxy. Proxies may be general or restrictive. Each proxy must be executed in writing by the shareholder or the shareholder's duly authorized attorney. The proxies shall be filed with the Secretary of the Company before or at the time of the meeting. No proxy shall be valid after the expiration of six (6) months from the date of its execution unless its duration shall have been specified therein, nor shall it be valid after termination of the share by cessation of the shareholder's interest in the property. Every proxy shall be revocable at the discretion of the person executing it or of his or her personal representative(s) or assign(s).

Section 13. Voting by Certain Types of Members. Special voting rules and procedures apply to certain types of members as follows:

1. Corporate and Governmental Members. Shares held in the name of a corporation, limited liability company, or other legal entity may be voted by such officer, agent, or proxy as the bylaws of such corporation may prescribe, or, in the absence of such provision, as the governing body of such entity may determine. Shares held by a governmental entity may be voted by the designee duly authorized by the governmental entity's legislative body.
2. Representative Members. Shares held by a personal representative, administrator, executor, guardian, or conservator may be voted either in person or by proxy without a transfer of such shares into his/her name. Shares held in the name of a trustee may be voted by the trustee either in person or by proxy, but no trustee shall be entitled to vote shares held by the trustee without a transfer of such shares into such trustee's name.
3. Members in Receivership. Shares held in the name of a receiver may be voted by that receiver, and shares held by or under the control of a receiver may be voted by that receiver without the transfer thereof into the receiver's name if authority so to do is contained in an appropriate order of the Court by which that receiver was appointed.
4. Members Holding Pledged Shares. A member whose shares are pledged shall be entitled to vote those shares until the shares have been transferred into the name of the pledgee and, thereafter, the pledgee shall be entitled to vote the shares so transferred.
5. Treasury shares. Shares in the Company belonging to the Company or held by it in a fiduciary capacity shall not be voted, directly or indirectly, at any meeting, and shall not be counted in determining the total number of issued and outstanding shares at any given time.

ARTICLE VIII
Directors and Officers

Section 1. Board. The Board of Directors shall consist of seven (7) Directors elected by the Company's members, until such time as Additional Board Members qualify as stated below.

Section 2. Additional Board Members. At the next annual meeting of members following the date when more than four thousand (4,000) combined shares of Classes D, DD, E & EE are issued, the number of Directors will be increased to include one Director owning Class D, DD, E and/or EE shares. At the next annual meeting of members following the date when more than eight thousand (8,000) shares of Class C are issued, the number of Directors will be increased to include one Director owning Class C shares. In no event shall the Board of Directors consist of more than nine (9) Directors—seven from Classes A, AA, B, and/or BB, one from Class C, and one from Classes D, DD, E and/or EE, as set forth above.

Section 3. Election of Directors. Directors of the Company shall be elected at the Annual Meeting of the Members. The person receiving the highest number of votes for each open Director position shall be elected thereto. No cumulative voting shall be allowed. If there shall be a failure to elect the necessary Director(s) at the annual meeting, the Board or President shall call and give notice of a special meeting of members for the purpose of electing the necessary Director(s).

Section 4. Representation of Directors. For purposes of representation on the Board of Directors, the Company shall be divided into seven geographic districts. These districts correspond to the lateral systems owned by the Company, and will be known as the North Branch District, the Muskrat District, the Flinders District, the Frew District (which is comprised of the South 1, 2, 3, 4 & 5, and the Zinie branches), the South End District, the Taylor District, and the West Weber District. At all times, each of the seven districts shall be represented on the Board by one Director owning one or more Class A, AA, B, and/or BB shares appurtenant to a parcel within the district's geographical boundaries. Company members are members of the district from which they obtain water, and shall vote only to elect the Director from the district(s) to which the member belongs. The president of the board of directors shall also be over the main canal.

Section 5. Tenure of Directors. At each annual meeting thereafter, the members shall elect for a term of two years the number of Directors whose terms of office have expired. Each Director shall hold office for the term for which he/she is elected and until his/her successor shall have been elected and qualified, or until death, resignation, or removal.

Section 6. Qualifications of Directors. Each Director shall be a member of the Company, or a duly appointed representative of a member if the member is not a natural person, and shall have the following additional qualification:

1. Have completed and delivered an Application for Director to the Secretary of the Corporation, with attached code of ethics, at least thirty-one (31) days prior to the Annual Shareholder Meeting;
2. Own at least ten (10) shares in the Company, or if the member is not a natural person, be a duly appointed representative of a member owning at least ten (10) shares in the Company; and

3. Be current in all assessments owed to the Company, and have no outstanding and unpaid penalties, interest or fees owed to the Company.

If no member qualifies as stated above, then any one or more of the requirements stated above may be temporarily waived by the Board.

Section 7. Resignation of Directors. A Director may resign at any time by giving written notice to the Board of Directors. Unless otherwise specified in the notice, the resignation shall take effect upon receipt thereof by the Board, regardless of whether it is accepted by the Board.

Section 8. Removal of Directors. Any or all Directors may be removed for cause by a majority vote of the members at a duly called member meeting where a quorum is present, or by a majority vote of the Board of Directors at a duly called Board meeting. A Director may be removed without cause only by a majority vote of the members at a duly called member meeting where a quorum is present.

Section 9. Vacancy of Director. A vacancy caused by the resignation, removal, or death of a Director shall be filled by a person appointed and approved by a majority vote of the Board of Directors at a duly called Board meeting. The Director so elected shall hold office for the unexpired term of his/her predecessor.

Section 10. Directors' Meetings. A regular meeting of the Board of Directors may be held without any notice, other than that given by this Bylaw, immediately following and at the same location as the annual meeting of members. The Directors may provide by resolution the time and place for additional regular meetings without any notice other than that given by such a resolution or as consented to by the directors.

Section 11. Special Board Meetings. Special meetings of the Board of Directors may be called by the President or by the written request of any two Directors given to the President. The President shall fix a reasonable time and place for the meeting.

Section 12. Notice of Board Meetings. Meetings of the Board of Directors, regular or special, may be held upon such notice as the Board may prescribe by resolution or as consented to by the directors. Attendance of a Director at any meeting shall constitute waiver of notice of such meeting except where such Director attends a meeting for the express purpose of objecting to the transacting of any business at that meeting on the grounds that the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board need be specified in the notice or waiver of notice of such meeting.

Section 13. Quorum. A majority of the Board of Directors shall constitute a quorum at any meeting of the Board. The affirmative vote of the majority of the Directors at a meeting at which a quorum is present shall be the act of the Board. If a quorum shall not be present at any meeting of the Board of Directors, those present shall adjourn the meeting, from time to time, until a quorum shall be present.

Section 14. Voting by Directors. At all meetings of the Board of Directors, each Director is to have one (1) vote. The act of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors. In the event that any addition to the Board of Directors results in an even number of Directors on the Board, an additional temporary *pro tem* Director shall be appointed by the Board. The *pro tem* Director shall serve only during a time when there is an even number of Directors on the Board.

Section 15. Presumption of Assent. A Director who is present at a meeting of the Board of Directors at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless that Director's dissent is entered in the minutes of the meeting or unless he or she shall file written dissent to such action with the person acting as the Secretary of the meeting before the adjournment thereof or shall forward such dissent, by registered or certified mail, to the Secretary of the Company immediately after the adjournment of the meeting. Such right to dissent shall not apply to a Director who voted in favor of such action.

Section 16. Compensation of Directors. Directors shall receive no compensation for their services as directors. By resolution of the Board of Directors, the Directors may be paid their expenses, if any, of attendance at each meeting of the Board of Directors. No such payment shall preclude any Director from serving the Company in any other capacity and receiving compensation for such service.

Section 17. Election of Officers. The Board of Directors shall meet within twenty-eight (28) days after the annual election of Directors and shall elect a President and a Vice President from among themselves, as well as a Secretary and a Treasurer who need not be members of the Board of Directors, each of whom shall hold office until the next annual meeting and until the election and qualification of his/her successor, unless sooner removed by death, resignation, or for cause.

Section 18. Resignation of Officers. An officer may resign at any time by giving written notice to the Secretary, or to the President in the case of the resignation of the Secretary. Unless otherwise specified in the notice, the resignation shall take effect upon receipt of said notice, regardless of whether the resignation is accepted by the Company.

Section 19. Removal of Officers. Any or all of the officers may be removed by a majority vote of the Board of Directors whenever the Board determines it is in the best interests of the Company. The removal of an officer shall not prejudice any contract rights of the removed officer. However, election or appointment as an officer, of itself, shall not create any contract rights.

Section 20. Vacancy of Officer. A vacancy caused by the resignation, removal, or death of an officer shall be filled by a majority vote of the Board of Directors.

Section 21. Compensation of Officers. By resolution of the Board of Directors, the Officers may be paid a reasonable stipend for their services. This stipend may be paid to the Officers directly or it may be issued and applied as a credit against the assessments levied on the Officers' shares. No such payment shall preclude any Officer from serving the Company in any other capacity and receiving compensation therefore.

ARTICLE IX
Powers & Duties of Directors

Section 1. Powers & Duties of Board of Directors. The Board of Directors, subject to restrictions of law, the Articles of Incorporation, and these Bylaws, shall exercise all the powers of the Company. Each Director shall ascribe to a code of ethics adopted by the Board. Without prejudice to or limitation upon their general powers, it is hereby expressly provided that the Board of Directors shall have and are hereby given full power and authority in respect to the matters hereinafter set forth to be exercised by resolution duly adopted by the Board:

1. To select and appoint all officers, agents, or employees of the Company, including but not limited to, a General Water Master; a General Water Master shall have responsibility for the entire Company system and such duties and responsibilities as shall be appointed from time to time by the Board of Directors.
2. To remove such General Water Master, agents or employees of the Company, prescribe such duties, and designate such powers as may not be inconsistent with these Bylaws, to fix their compensation and to pay for faithful services.
3. To borrow from any source money, goods, or services, and to make and issue notes and other negotiable or nonnegotiable instruments evidencing indebtedness of the Company; to make and issue mortgages, deeds of trust, pledges of revenue, trust agreements, security agreements, financing statements, and other instruments evidencing a security interest in the assets of the Company; and to do every act and thing necessary to effectuate the same.
4. From time to time to prescribe, adopt, and amend such equitable uniform rules and regulations as, in its discretion, may be deemed essential or convenient for the conduct of the business and affairs of the Company and the guidance and control of its officers and employees, and to prescribe adequate penalties for any breach.
5. To order, at least once each year, an audit of the books and accounts of the Company by a competent public auditor or accountant. The report prepared by such auditor or accountant shall be submitted to the members of the Company at their annual meeting, together with a proposed budget for the ensuing year. Copies of such audits and budgets shall be submitted to such parties as may be required by other agreements.
6. To require all officers, agents and employees charged with responsibility for the custody of any of the funds of the Company to give adequate bonds, the cost thereof to be paid by the Company.
7. To select one or more banks to act as depositories of the funds of the Company and to determine the manner of receiving, depositing, and disbursing the funds of the Company and the form of checks and the person or persons by whom the same shall be signed, with the power to change such banks and the person or persons signing such checks and the form thereof at will.
8. To approve membership applications and to cause to be issued appropriate certificates of shares. The Board may make binding commitments to issue share certificates and to permit the connection of proper ties to the system in the future in cases involving proper construction, or may issue such certificates prior to the commencement of the proposed construction.

9. To fix and alter the charges to be paid by each member for services rendered by the Company to the member, including connection fees where such are deemed to be necessary by the Board, and to fix and alter the method of billing, time of payment, manner of connection, and penalties for late or nonpayment of the same. The Board may establish one or more classes of users.
10. To levy assessments against the members of the Company in such manner and upon such proportionate basis as the Directors deem equitable, and to enforce collection of such assessments by the suspension of water service, attachment and foreclosure of liens, or other legal methods.

ARTICLE X
Duties of Officers

Section 1. Election of Officers. The Board of Directors shall elect a President, Vice President, Secretary, and Treasurer. The President and Vice President shall be Directors. The President shall act as the Chairman of the Board of Directors. The Secretary and the Treasurer may be the same person, if so designated by the Board of Directors, but cannot be the same person as the President. The Board of Directors may require the Secretary, the Treasurer, or any other officer or employee of the Company to give to the Company security or bond for the faithful discharge of his or her duties.

Section 2. Duties of the President. The President shall be the principal executive officer of the Company and, subject to the direction of the Board, shall supervise and control all business and affairs of the Company. The President shall preside at all meetings of the members and of the Board of Directors, call special meetings of the Board of Directors, perform all acts and duties usually performed by an executive and presiding officer, and sign all share certificates and such other papers of the Company as he/she may be authorized or directed by the Board of Directors to sign, provided that the Board of Directors may authorize any person to sign any or all checks, contracts, and other instruments in writing on behalf of the Company. The President shall perform such other duties as may be prescribed by the Board of Directors. The President shall:

1. Present a report of the condition of the business of the Company at each annual meeting of the members and Directors;
2. Cause to be called regular and special meetings of the members and Directors in accordance with these Bylaws and the Company's Articles of Incorporation;
3. Appoint and remove, employ and discharge, and fix the compensation of all employees and agents of the Company other than the duly appointed officers, subject to the approval of the Board of Directors;
4. Sign and make all contracts and agreements in the name of the Company, subject to the approval of the Board of Directors;
5. See that the books, reports, statements and certificates required by the statutes are properly kept, made, and filed according to law;
6. Sign all certificates of shares, notes, drafts, or bills of exchange, warrants or other orders for the payment of money duly drawn by the Secretary and/or Treasurer;
7. Enforce these Bylaws and perform all the duties incident to the position and office and which are required by law; and
8. Be the director with duties and responsibilities over the Main Canal system.

Section 3. Duties of the Vice President. In the absence or disability of the President, the Vice President shall perform the duties of the President; provided, however, that in case of death, resignation or disability of the President, the Board of Directors may declare the office vacant and elect his/her successor. When so acting, the Vice President shall have all the powers—and be subject to all the responsibilities—hereby given to or imposed upon the President. The Vice President shall also perform such other duties as are from time to time assigned by the President or by the Board of Directors.

Section 4. Duties of the Secretary. The Secretary shall:

1. Keep a complete record of all meetings of the members and all meetings of the Board of Directors;
2. Present to the Board of Directors at their meetings all communications addressed to the Secretary officially, by the President, or any officer or member of the Company;
3. Give and serve all notices of the Company;
4. Have general charge and supervision of the books and records of the Company;
5. attest the President's signature on all membership certificates and other papers pertaining to the Company unless otherwise directed by the Board of Directors;
6. Serve, mail, or deliver all notices required by law and by these Bylaws, and shall make a full report of all matters and business pertaining to his/her office to the members at the annual meeting or at such other time or times as the Board of Directors may require;
7. Properly keep the Company's share certificate records in the manner prescribed by law and by these Bylaws, so as to show at all times the number of shares issued and outstanding, the names and addresses of the owners thereof, the date of issuance, surrender, transfer, termination, cancellation, or forfeiture of each share, and such other information as is appropriate;
8. Keep such share transfer books open daily during the business hours of the office of the Company, to be subject to the inspection of any member of the Company, and to permit such member to make extracts from said books to the extent prescribed by law;
9. Sign all certificates of shares;
10. Keep the Company's seal;
11. Complete and attest all certificates issued and affix said Company seal to all papers requiring seal;
12. Make all reports required by law and perform such other duties as may be required of him/her by the Company or by the Board of Directors;
13. Upon the election of his/her successor, turn over to him/her all books and other property belonging to the Company that he/she may have in his/her possession;
14. Perform such duties with respect to the finances of the Company as may be prescribed by the Board of Directors; and
15. Attend to all correspondence and perform all duties incident to the office of Secretary.

Section 5. Duties of the Treasurer. The Treasurer shall:

1. Have the care and custody of and be responsible for all the funds and securities of the Company;
2. Deposit all such funds in the name of the Company in such bank or banks, trust company or trust companies, or safe deposit vaults as the Board of Directors may designate; exhibit at all reasonable times the Company's books and accounts to any Director or member of the Company, upon application, at the office of the Company during business hours; render a statement of the conditions of the finances of the Company at each regular meeting of the Board of Directors and at such other times as shall be required;
3. Render a full financial report at the annual meeting of the members;
4. Keep, at the office of the Company, correct books of account of all the Company's business and transactions and such other books of account as the Board of Directors may require; and
5. Do and perform all duties appertaining to the office of Treasurer and such other duties as are from time to time assigned by the President or the Board of Directors.

ARTICLE XI

Water Delivery - Benefits and Duties of Members

Section 1. Water Delivery to Members. The Company's responsibility to deliver water to the Company's members is met and complete when the Company delivers water to the point where water is diverted out of the Company-owned system and into the private ditches, pipes, other conveyances, or storage facilities owned by the member(s). The Company has no responsibility to deliver water directly to each member's property or place of use.

Section 2. Members' Conveyances, Ditches, and Storage Facilities. It shall be the duty of each member, and not of the Company, to properly and suitably prepare and maintain such private ditches, pipes, other conveyances, or storage facilities as may be necessary to receive, convey, and/or store the water so delivered.

Section 3. Liability. The Company shall have no responsibility whatsoever to construct, repair, recover, clear, treat, or otherwise maintain or contribute to the construction or maintenance of the private ditches, pipes, other conveyances, or storage facilities of the members, nor shall the Company be liable for failure to do so or for failure to compel others to do so.

Section 4. Company Participation. The Company may, at the discretion of the Board of Directors, participate in the construction or maintenance of private conveyances or storage facilities if it provides a benefit to the Company as determined by the Board of Directors.

Section 5. Water Master on Private Ditches. It shall be the duty of the members who use water form a local or private ditch or ditches to appoint a water master over each private ditch within thirty (30) days of the date on which a vacancy arises. The identity of such local water master should be reported to the secretary of the Company as soon as possible following appointment. The local water master shall be responsible for inspecting and overseeing the maintenance of the private ditch to ensure good condition and capability of conveying water to the

members. Such maintenance shall be conducted at the expense of or with the efforts of the members who draw water from said ditch, and shall not be the sole responsibility of the local water master. The Company Water Master is hereby authorized to shut off water to any private ditch until it is properly maintained and prepared to convey water.

Section 6. Water Schedules. Delivery of water to the Company's members shall be according to schedules, except in limited circumstances evidenced by special written agreements approved by the Board of Directors. In the event any member shall take water out of turn, such activity shall be reported immediately to the Company. The Board of Directors is authorized to adopt by resolution penalties for taking water out of turn, which may include, but not be limited to fines, fees, and/or suspension of water turn. The Company shall have no liability to any member who has been shown to have taken water out of turn for loss of any subsequent water turn. The foregoing shall not be construed to limit the Company or any other person injured by the accused member from seeking any other remedies available in law or equity.

Section 7. Water Shortage. In the event that the Company's water supply shall be insufficient to meet all the needs of the members, the Company may prorate the available water among the various members on such basis as is deemed equitable by the Board of Directors.

ARTICLE XII

Assessments

The shares of this Company may be assessed in such amounts and at such times and in such manner and for such uses and purposes pertaining to the operation and maintenance of the water system as the Board of Directors may determine.

Section 1. Notice of Assessment. The Company shall provide a Notice of Assessment to each member on whom an assessment is levied. The notice of assessment may be given either personally to each member, e-mailed to the e-mail address of record for each member, and/or by mail addressed to the address of record for each member. The first named individual or owner that appears on a share certificate in the records of the Company shall be the member to whom all notices shall be addressed and sent. It is the express duty of each member to timely notify the Company of any address changes. The Notice of Assessment may be in a form prescribed by the Secretary. The annual assessment of the Company shall be made on the 24th day of August of each year, although additional or partial assessments may be made at other times in the discretion of the Board of Directors.

Section 2. Notice to Member. If any portion of the assessment mentioned in the notice of assessment remains unpaid on the day specified thereon as to when the share shall be delinquent, the Secretary shall, unless otherwise directed by the Board of Directors, give notice that the share is delinquent to the member owning the delinquent share either personally, e-mailed to the e-mail address of record for the member, and/or by mail addressed to the address of record for the member. The Notice to Member should be in substantially the same form as that attached hereto as Attachment "D". The annual assessment of the Company shall be due on November 15th of each year, and shall be delinquent if unpaid thereafter.

Section 3. Notice of Delinquency and Sale. If any portion of the assessment mentioned in the Notice of Assessment remains unpaid on the day specified thereon as to when the share shall be delinquent, the Secretary shall, unless otherwise directed by the Board of Directors, cause a Notice of Delinquency to be published in some newspaper of general circulation in the place where the Company's principal place of business is located. The Notice of Delinquency and Sale, when published in a daily newspaper must be published for ten (10) days previous to the day of sale; when published in a weekly or semiweekly paper it must be published in each issue there for two (2) weeks previous to the day of sale. The first publication of all delinquent sales must be at least fifteen (15) days prior to the day of sale. The notice of delinquency should be in substantially the same form as that attached hereto as Attachment "E".

Section 4. Jurisdiction to Sell Shares. By giving the notices of delinquency and sale as required by these Bylaws, the Company acquires jurisdiction to sell and convey a perfect title to all of the share described in said notices upon which any portion of the assessment, any accrued interest, or any expenses of advertising remains unpaid at the close of business on the day before the sale, along with any assessments subsequently levied. However, the Company shall not sell any more shares than are necessary to pay the assessments due and expenses of advertising and sale. The sale of such share shall be in increments of full shares first and then a pre-existing fraction share, if any. In the event the member desires to pay the delinquent assessment prior to the sale, such assessments will not be considered paid unless such payment includes any accrued interest and the actual expenses of advertising the sale, including legal costs and attorney's fees.

Section 5. Purchase of Delinquent Shares by Company. The Company, through any officer or director, may make an opening minimum bid at the sale of shares in the amount of the assessment, the accrued interest, and the expenses due. Thereafter, the Company, if authorized by the Board of Directors, may enter higher bids as so authorized. If the Company is the highest bidder, the amount of the assessment, interest, and expenses shall be credited as paid in full on the Company's books and entry of the transfer of the share to the Company shall be made on the books thereof. While the share remains the property of the Company, it is not assessable, nor shall any dividends be declared thereon, but all assessments and dividends shall be apportioned upon the shares held by the members of the Company. Such share may be subsequently sold at fair market value to a qualified buyer or buyers in accordance with the Company's Articles and Bylaws.

Section 6. Extension of Time Specified in Notices. The dates set forth in any notice of assessment, notice of delinquency, or notice of sale served or published according to the provisions hereof may be extended from time to time by motion and order of the Board of Directors, entered on the records of the Company for any period or periods, but no order extending the time for the performance of any act specified in any notice shall be effective unless and new notice is timely served or published reflecting the extension.

Section 7. Errors or Omissions in Proceedings. No assessment is invalidated by a failure to give the notices provided for herein, nor by the nonperformance of any act required in order to enforce payment of the same, but in case of any substantial error or omission in the course of proceedings for collection, the defective proceedings, except the levying of the assessment, are void and notice must begin anew for that proceeding and all subsequent proceedings.

Section 8. Actions to Recover Share Sold. No action shall be sustained to recover shares sold for delinquent assessment upon the ground or irregularity or defect of the notice of the sale or defect or irregularity in the sale, unless the person seeking to maintain such action first pays or tenders to the Company or to the person holding the shares sold, the sum for which the same was sold, together with all subsequent assessments which may have been paid thereon, or in the case of shares sold to the Company, all subsequent assessments levied upon the outstanding share of the Company, and interest on such sums from the time they were paid or payable; and no such action shall be sustained unless the same is commenced by the filing of a complaint within six (6) months after such sale.

Section 9. Affidavit or Declaration of Notice Provided. Affidavits or declarations made by the Secretary of personal service or of the mailing of notices shall be prima facie evidence thereof. The publication of notices relating to assessments may be proved by the affidavit or declaration of the principal, printer foreman, or other authorized agent of the newspaper in which the same were published; and the affidavit or declaration of the Secretary or auctioneer, shall be prima facie evidence of the time and place of sale, of the quantity and particular description of the share sold, and to whom and for what price, and of the fact of the purchase money being paid. The affidavits or declarations shall be filed in the office of the Company and copies of the same certified by the Secretary thereof shall be prima facie evidence of the facts stated therein.

ARTICLE XIII **Financial Matters**

Section 1. Handling of Financial Matters. All contracts, loans, checks, notes, evidences of indebtedness, and other such documents shall be signed by the officers as specified in these Bylaws or by such persons as the Board of Directors may from time to time designate in such manner as shall be determined by the Board. All funds of the Company not otherwise employed shall be regularly deposited to the credit of the Company in such financial institution(s) as the Board of Directors shall designate.

Section 2. Contracts, Loans, and Other Obligations. No contract, loan, or other such obligation shall be executed in the name of or on behalf of the Company by any officer or agent of the Company, unless such officer or agent be specifically authorized to do so by a resolution of the Board of Directors, which authorization may be general or limited to specific conditions or circumstances.

Section 3. Annual Financial Report. The President and the Board of Directors shall prepare, or cause to be prepared by a qualified accountant, an annual report on the financial condition of the Company at the end of each fiscal year. The President or his designee shall present this report to the members at the annual meeting.

Section 4. Surplus Funds. In the event that there should exist surplus funds or net income at the end of the fiscal year after provisions are made for the payment of the expenses of operation and maintenance and the funding of the various reserves for depreciation, debt retirement, and other purposes, including those required by the terms of any borrowing transaction, the surplus funds may be placed in an existing or new reserve account to be used for the improvement and/or

extension of the Company's facilities as the Board of Directors may determine to be in the best interests of the Company and to the extent not otherwise provided for by any contractual arrangement. The occurrence of surplus funds or net income above the requirements of the Company as described above, including, if any, a reserve for improvements and extension of the facilities, shall be taken into consideration by the Board of Directors in determining the water rates to be charged to shareholders for the following year.

ARTICLE XIV **Indemnification**

Section 1. Indemnification of Company Representatives. Any person made a party to or involved in any civil, criminal, or administrative action by reason of the fact that such person or his/her testator or intestate is or was a director, officer, or employee of the Company, or of any corporation which he/she, the testator, or intestate served in at the request of the Company, shall be indemnified by the Company against expenses reasonably incurred by him or her or imposed on him or her in connection with or resulting from the defense of such action and in connection with or resulting from any appeal thereon, except with respect to matters as to which it is adjudged in such action that such officer, director, or employee was liable to the Company, or to such other corporation, for negligence or misconduct in the performance of his or her duty. As used herein, the term "expense" shall include all obligations incurred by such person for the payment of money, including without limitation attorney's fees, judgments, awards, fines, penalties, and amounts paid in satisfaction of judgment or in settlement of any such action, except amounts paid to the Company or such other corporation by him or her.

Section 2. Liability for Negligence or Misconduct. A judgment or conviction, whether after plea of guilty or *nolo contendere* or its equivalent, or after trial, shall not of itself be deemed an adjudication that such director, officer or employee is liable to the Company, or such other corporation, for negligence or misconduct in the performance of his or her duties. Determination of the rights of such indemnification and the amount thereof may be made at the option of the person to be indemnified pursuant to procedure set forth, from time to time, in the Bylaws, or by any of the following procedures: (a) order of the Court or administrative body or agency having jurisdiction of the action; (b) resolution adopted by a majority of the quorum of the Board of Directors without counting in such majority any directors who have incurred expenses in connection with such an action; (c) if there is no quorum of directors who have not incurred expense in connection with such action, then by resolution adopted by a majority of the committee of members and directors who have not incurred such expenses appointed by the Board of Directors; (d) resolution adopted by a majority of the quorum of the Directors entitled to vote at any meeting; or (e) order of any Court having jurisdiction over the Company. Any such determination that a payment by way of indemnity should be made will be binding upon the Company. Such right of indemnification shall not be exclusive of any other right which such directors, officers, and employees of the Company and the other persons above mentioned may have or hereafter acquire, and without limiting the generality of such statement, they shall be entitled to their respective rights of indemnification under any Bylaw, Agreement, vote of members, provision of law, or otherwise, in addition to their rights under this Article. The provisions of this Article shall apply to any member of any committee appointed by the Board of Directors as fully as though each person had been a director, officer, or employee of the Company.

ARTICLE XV
Inspection of Records

In accordance with Utah Law, any member desiring to inspect or copy the records of the Company shall submit to the Company Secretary a completed Demand to Inspect and/or Receive Copies of Company Records (“Records Request”) is substantially the same form as that attached hereo as Attachment “F”. Review of the Records will be conducted only during regular business hours and at the Company’s principal office.

ARTICLE XVI
Amendments

Except as prohibited by law with regard to modification of quorum requirements for shareholders, quorum requirements for Directors, and elections of Directors as specified by UTAH CODE ANN. §16-10a-1020 *et seq.*, these Bylaws may be repealed or amended by a majority vote of a quorum of the Board of Directors at any regular meeting or special meeting called for that purpose.

ARTICLE XVII
Severability

If any provision of these Bylaws, or the application of any provision to any person or circumstance, is held invalid, the remainder of the Bylaws shall be given effect without the invalid provision or application.

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We certify that the foregoing Amended Bylaws were duly adopted by a majority vote of the Board of Directors on the 8th day of August, 2022, representing the number of affirmative votes sufficient for approval, and that the same are in full force and effect and have not been amended further.

Given under our hands and the seal of the corporation, this ___ day of _____, 2022.

BY THE COMPANY:

MICHELLE PINKSTON, Secretary

THEO COX, Board President