

BYLAWS
OF THE
FOUNTAIN GREEN IRRIGATION COMPANY, REINCORPORATED

APPROVED ON JANUARY 2, 2021, AND EXECUTED ON JANUARY 2, 2021

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ARTICLE I - NAME

The name of this non-profit mutual benefit water company is the Fountain Green Irrigation Company, Reincorporated (hereinafter the “**Company**”).

ARTICLE II - DURATION

The period of duration of the Company will be perpetual.

ARTICLE III - PURPOSE

The Company is a mutual benefit non-profit irrigation corporation that operates an irrigation water distribution system on behalf of its members. The Company may engage in any act or activity allowed by law in accordance with Article V of its Restated and Amended Articles of Incorporation and the provisions of the Utah Revised Non-Profit Corporation Act, which is found at Title 16, Chapter 6a of the Utah Code.

ARTICLE IV - FISCAL YEAR

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

ARTICLE V - PRINCIPAL OFFICE AND REGISTERED AGENT

The principal place of business and registered agent of the Company will be as provided in Articles II and III of the Company’s Amended and Restated Articles of Incorporation and may be changed from time to time by the Board of Directors.

ARTICLE VI - STOCK

- A. CLASSES OF STOCK.** All members of the Company must be stockholders. There are presently three classes of membership shares, which represent the three distinct divisions of the Company’s water system: (1) Big Springs Division Shares; (2) Pole Canyon Division Shares; and (3) Birch Creek Division Shares. The rights, obligations, and limitations on each class are as follows:
- 1. Big Springs Division Shares.** Big Springs Division Shares represent Big Springs Stream, which flows first through the DWR Fountain Green fish hatchery and then through a pipeline and into the Company’s water system, together with its tributaries, the water from Log Canyon, and Big Hollow. Big Springs Division Shares shall only be issued upon a duly approved resolution by the Board of Directors upon terms and conditions assuring that the Company receives or has received a water right for one acre-feet of water to assure that the Company is able to provide water service to the Big Springs Division members who will hold Big Springs Division Shares. The decision by the Board of Directors as to the issuance of Big Springs Division Shares will be final. No Big Springs Division share may be issued unless the Company owns facilities, works, and rights necessary to serve

the property designated on the Share with water. Big Springs Division shares represent an actual and proportionate ownership in the water rights and facilities committed to this class of Shares and no interest whatsoever in the water rights, diversion facilities, water distribution works, or storage facilities under the Pole Canyon Division and Birch Creek Division. Holders of Big Springs Division Shares will have one vote per Share in accordance with the Company's Amended and Restated Articles of Incorporation. Big Springs Division Shares are fully assessable in such manner as may be authorized by law and as is specifically provided for in Utah Code Title 16, Chapter 4.

- 2. Pole Canyon Division Shares.** Pole Canyon Shares represent the water from Pole Canyon, Little Maple Canyon, Crooked Canyon, and Squaw Springs. Pole Canyon Division Shares shall only be issued upon a duly approved resolution by the Board of Directors upon terms and conditions assuring that the Company receives or has received a water right for two and one-half acre-feet of water to assure that the Company is able to provide water service to the Pole Canyon Division members who will hold Pole Canyon Division Shares. The decision by the Board of Directors as to the issuance of Pole Canyon Division Shares will be final. No Pole Canyon Division share may be issued unless the Company owns facilities, works, and rights necessary to serve the property designated on the Share with water. Pole Canyon Division shares represent an actual and proportionate ownership in the water rights and facilities committed to this class of Shares and no interest whatsoever in the water rights, diversion facilities, water distribution works, or storage facilities under the Big Springs Division and Birch Creek Division. Holders of Pole Canyon Division Shares will have one vote per Share in accordance with the Company's Amended and Restated Articles of Incorporation. Pole Canyon Division Shares are fully assessable in such manner as may be authorized by law and as is specifically provided for in Utah Code Title 16, Chapter 4.
- 3. Birch Creek Division Shares.** Birch Creek Shares represent the water from Birch Creek. Birch Creek Division Shares shall only be issued upon a duly approved resolution by the Board of Directors upon terms and conditions assuring that the Company receives or has received a water right for two acre-feet of water to assure that the Company is able to provide water service to the Birch Creek Division members who will hold Birch Creek Division Shares. The decision by the Board of Directors as to the issuance of Birch Creek Division Shares will be final. No Birch Creek Division share may be issued unless the Company owns facilities, works, and rights necessary to serve the property designated on the Share with water. Birch Creek Division shares represent an actual and proportionate ownership in the water rights and facilities committed to this class of Shares and no interest whatsoever in the water rights, diversion facilities, water distribution works, or storage facilities under the Big Springs Division and Pole Canyon Division. Holders of Birch Creek Division Shares will have one vote per Share in accordance with the Company's Amended and Restated Articles of Incorporation. Birch Creek Division Shares are fully assessable in such manner as may be authorized by law and as is specifically provided for in Utah Code Title 16, Chapter 4.

B. TRANSFER OF STOCK. The Company's stock is transferable on the books of the Company only in accordance with the following procedures and subject to approval of said transfer by the Company's President.

1. The stock certificate must be presented first to the Company's President.
2. The Company's President may approve a proposed stock transfer if the shares of stock will be transferred to an individual or entity capable of being served water by the Company and within the Company's service area.
3. A proposed stock transfer that seeks to transfer a share beyond the stock's assigned division will not be approved without approval of the full Board. By way of illustration, a Big Springs Division Share cannot be transferred into the Pole Creek Canyon or Birch Creek Divisions; a Pole Canyon Share cannot be transferred into the Big Springs or Birch Creek Divisions; and a Birch Creek Division Share cannot be transferred into the Big Springs or Pole Canyon Divisions.
4. After the President has approved the stock transfer, the Secretary will keep the stock certificate that was presented and must prepare a new certificate for the new owner that must be signed by both the President and the Secretary. The signing of the certificate must be properly witnessed and the name of the new owner must be included in the space provided. In the case of a transfer by an authorized agent, a copy of the duly executed and acknowledged power of attorney must be deposited with the Secretary. The old stock certificate must be surrendered to either the President or the Secretary and canceled or a lost certificate application presented before a new certificate may be issued.
5. The cost of a stock certificate transfer is \$25.00 plus the Company's out-of-pocket costs. The transfer fee and all past due balances associated with the share being transferred must be paid before a transfer can be made.
6. The name, address, and telephone number of the new owner must be provided and the new owner, his or her legal representative(s), or his or her 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 must be deposited with the Secretary.
7. No transfer will be made upon the books of the Company within 10 days immediately preceding the annual meeting of the members.
8. It is the member's responsibility to bring transfers of stock to the attention of the Company. Until the above steps are taken, the owner of stock as recorded on the Company's books remains legally responsible to the Company for payment of all obligations owed to the Company.

- C. DESCRIPTION OF STOCK CERTIFICATES.** The Board of Directors must set, and may from time to time revise, the form of the Company's stock certificates. The certificates must be consecutively numbered and duly signed by the President, or another member of the Board of Directors as designated by the President, and countersigned by the Secretary pursuant to Article VI(B)(1) above and sealed with the seal of the Company. The certificates must exhibit the Member's name, the division of share, the total number of shares of stock represented thereby, any condition(s) or restriction(s) placed thereon, the source of water from which the water represented by the certificate is to be drawn, and any other information designated by the Board of Directors. Such information must be perpetuated on all subsequent transfers of such stock. Each stock certificate must state that the share cannot be transferred beyond the division the share is assigned to.
- D. STOCK TRANSFER BOOKS.** The name and address of the Member, the class of shares, the number of shares, the nature and place of use, any condition(s) or restriction(s) placed thereon, and the date of issue must be entered in the stock transfer books of the Company, which must be stored, along with any blank certificates, in a safe location (e.g., a safe deposit box at a bank) selected by the Board of Directors. Any Member may also request to inspect the stock transfer books.
- E. SURRENDER AND REISSUANCE OF STOCK CERTIFICATES.** Upon written request and a 15-day written notice from the Company, stock certificates must be surrendered to the Company for re-issuance to the Member with any reasonable condition(s) or restriction(s) written thereon.
- F. LOST, STOLEN, OR DESTROYED CERTIFICATES.** If a Member claims that a certificate has been lost, stolen, or destroyed, the Board will direct that a new certificate be issued if the Member (1) signs an affidavit (i) explaining how and when the old certificate was lost, stolen, or destroyed, and (ii) that the Member has not sold or transferred the share certificate, or entered into an agreement to sell or transfer the share certificate, (2) makes a deposit of a bond or other indemnity in such form and amount and with such sureties, if any, as the Board may require in accordance with the procedure provided in Utah Code Section 70A-8-409.1, as may be amended (the "**Replacement Statute**"), and (3) submits to the Company Secretary a completed Request for Replacement Certificate ("**Replacement Form**") in substantially the same form as that attached hereto as **Attachment A**, along with an application fee of \$25.00 plus the Company's out-of-pocket costs. The Company will not process the Replacement Form unless the application fee has been paid and all assessments related to the shares represented by the lost, stolen, or destroyed certificate have been paid current. If the Company's costs in processing the Replacement Form exceed the amount of the application fee under this paragraph, the person filing the Replacement Form must reimburse the Company for those costs before a replacement certificate is issued. If the Board decides to proceed under subsection (5) of the Replacement Statute, the notices required thereunder must be substantially in the form as that attached hereto as **Attachment B**. If any person objects to the Company issuing a replacement certificate, the Board may, in its sole discretion, elect to proceed in any of the alternatives in subsection (5)(f) of the Replacement Statute.

- G. MEMBER OF RECORD.** The Company must treat the holder of record according to the stock transfer books of the Company of any share as the holder in fact thereof, and will 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 will have express or other notice thereof, except as expressly provided by the laws of this State.

ARTICLE VII - MEMBERS

- A. ANNUAL MEETINGS.** The Annual Meeting of the Members of the Company will be held at 10:00 a.m. on the first Saturday of January of each year, or at such other date and time as the Board of Directors may determine, with 15 to 30 days advance written notice of the date, time, and place of said meeting. Failure to hold this meeting as appointed herein will not impair in any way any of the Company's corporate rights and any missed meeting may be held thereafter with 15 to 30 days advance written notice of the date, time, and place of said meeting.
- B. SPECIAL MEMBER MEETINGS.** Special Meetings of the Members of the Company may be held as necessary when properly called and upon written notice of the date, time, and place of such meetings.
- C. CALLING SPECIAL MEMBER MEETINGS.** The President may call any special meeting of the Members by written request. At least 10 Members of the Company may call a meeting of the Members of the Company, including special meetings by written request. The written requests required herein must be given to the President and must specify the purpose(s) and a date, time, and place for the meeting that is reasonable under the circumstances.
- D. SPECIAL MEMBER MEETING NOTICE.** The Secretary must provide notice of all special member meetings by mail to all Members of record. The Secretary must mail the notice at least 10 days before the date of the meeting. The notice must specify the date, time, and place for the meeting, and if it is a special meeting, the general purpose(s) for which it is being called.
- E. MAILING AND EMAILING NOTICE.** The mailing of all required notices under the Company's Second Amended and Restated Articles of Incorporation and these Bylaws will be deemed to be delivered when deposited in the United States mail, addressed to the Member at his or her address as it appears on the Company's stock transfer books, and with postage provided thereon, or when sent by email.
- F. 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, will be equivalent to the giving of such notice. Attendance of a Member at any meeting will constitute waiver of notice of such meeting except where such Member attends a meeting for the express purpose of objecting to the transacting of any business at

that meeting because the meeting is not lawfully called or convened, and where said purpose is duly announced on the record of the meeting.

- G. VOTING LIST AND MEMBER OF RECORD DATE.** For voting purposes, the member of record date must be 10 days prior to any Member meeting. The Secretary must close and bring current the stock transfer books as of such date. The stock transfer books will be subject to inspection by any Member at any time during the meeting. The stock transfer books will be prima facie evidence as to the list of Members who are entitled to vote at the meeting. When a determination of Members entitled to vote at any meeting of Members has been made as provided herein, such determination will apply to any adjournment thereof. If, under emergency conditions, the stock transfer books cannot be closed for 10 days prior to the meeting, the record date will be fixed for the determination of Members entitled to vote at such a meeting of members as the date on which notice of the meeting is mailed.

For the purpose of determining Members entitled to receive notice of any meeting of members, or in order to make a determination of Members for any other proper purpose, the Company's Members as they are then listed on the stock transfer books must be the Members of record and said books must be closed for that event and the record date for that event will be the date on which said books were closed.

- H. VOTING.** The manner of voting for the election of Officers, or in the determination of any other question before the Members of the Company, may be via voice vote, by uplifted hand, by standing vote, or by secret written ballot, with each Member entitled to one vote for each share of stock issued and outstanding in the name of such Member on the books of the Company on the date of record. In the case of fractional shares, the votes cast as part of a share vote thereon must be assigned the same fractional value as that of the fractional share and must be counted accordingly. Cumulative voting is not allowed.
- I. PROXY.** Votes may be cast in person or by written, authorized proxy. Each proxy must be executed in writing by the Member or the Member's duly authorized attorney in fact by completing the form attached as **Attachment C**. The completed and signed proxy form must be filed in writing or by email with the Secretary of the Company before or at the time of the meeting. No proxy will be valid after the expiration of 11 months from the date of its execution unless its duration will have been specified therein. Every proxy is revocable at the discretion of the person executing it or of his or her personal representative(s) or assign(s).
- J. VOTING BY CERTAIN TYPES OF MEMBERS.** Special voting rules and procedures apply to certain types of members as follows:
1. Corporate Members. Shares held in the name of a corporation, limited liability company, partnership, or other business entity may be voted by such officer, agent, partner, or proxy as the governing documents of such entity may prescribe, or, in

the absence of such provision, as the board of directors, managers, members, partners, or other leadership of such entity may determine.

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 or 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 will be entitled to vote shares held by the trustee without a transfer of such shares into that trustee's name on behalf of the trust.
 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 be contained in an appropriate Order of the Court by which that receiver was appointed.
 4. Members of Pledged Shares. A Member whose shares are pledged will be entitled to vote those shares until the shares have been transferred into the name of the pledgee and, thereafter, the pledgee will be entitled to vote the shares so transferred.
 5. Treasury Shares. Shares of stock in this Company belonging to this Company or held by it in a fiduciary capacity must not be voted, directly or indirectly, at any meeting, and must not be counted in determining the total number of outstanding shares at any given time.
- K. QUORUM.** The Members present in person or by proxy at any duly called meeting of the members will constitute a quorum. Except as otherwise provided herein or in the Second Amended and Restated Articles of Incorporation, a majority vote of the Members will be the action of the Members on that matter, to the maximum extent allowed by law.
- L. PRESUMPTION OF ASSENT.** A Member who is present at a meeting of the Members at which action on any corporate matter is taken will be presumed to have assented to the action taken unless that Member's dissent is entered in the minutes of the meeting or unless he or she files written dissent to such action with the person acting as the Secretary of the meeting before the adjournment thereof or forwards such dissent, by registered or certified mail, to the Secretary of the Company immediately after the adjournment of the meeting. Such right to dissent will not apply to a Member who voted in favor of such action.
- M. ORDER OF BUSINESS.** The order of business at all annual meetings of the Members, and at all special meeting as applicable, will be as follows:
1. Roll Call.
 2. Reading of the notice of the meeting.

3. Reading of the minutes of the preceding meeting and approval thereof.
4. Secretary's report on the number of shares of stock present in person or by proxy.
5. President's Business Report.
6. Presentation of the Annual Review on the financial condition of the Company.
7. Report from Board members.
8. Unfinished business.
9. New Business.
10. Elections.

If an Officer, Director, or Member desires to have an Article or Bylaw change placed on the agenda under "New Business," they shall notify the Secretary of that request at least five days before the meeting and shall provide a copy of the proposed change to the Secretary. Although other items may be added to the agenda at any time, every reasonable effort should be made to notify the Secretary of such items at least 24 hours in advance so that they can be listed on the agenda and so that others can be better prepared to address them. If at least 24 hours advance notice to the Secretary is not given, the matter may be discussed, but action on the matter may also be deferred to a later meeting at the discretion of the President and/or the Board of Directors.

- N. **REQUIREMENT TO GRANT EASEMENTS AND MAINTAIN EASEMENT AREAS.** As a precondition to the right to receive any water deliveries through the Company's distribution system, a Member that has an existing Company distribution facility of any type, including, but not limited to, delivery, overflow, runoff, and return flow channels, located in whole or in part on that Member's property, shall, within fifteen days of being requested to do so, execute and deliver to the Company, an easement for said facility in a form that is acceptable to the Company, encompassing the least amount of area needed to reasonably fulfill the purpose of the facility. The Company shall be responsible for providing the form and the legal description and for recording the easement. Water deliveries through the Company's distribution system to Members is also preconditioned upon the Member properly maintaining the Member's portion of the system in accordance with the Company's policies and procedures.

ARTICLE VIII - BOARD OF DIRECTORS

- A. **ELECTION OF DIRECTORS.** The Board of Directors will consist of six Directors elected by the Company's Members. Elections for directorships must be held at the annual meetings of the Company. The person receiving the highest number of votes for each position open must be elected thereto. If there is a failure to elect the necessary Director(s)

at the annual meeting, the Board of Directors or President must call and give notice of a special meeting of the Members for the purpose of electing the necessary Director(s).

- B. TENURE AND QUALIFICATIONS OF DIRECTORS.** Each Director will hold office for a term of four years and thereafter until a successor has been duly elected and qualified. To be eligible to serve on the Board, a Director must own at least one half share of Company stock as shown on the books of the Company and reside within the Company's service area.
- C. POWERS AND DUTIES OF DIRECTORS.** The Board of Directors, with the President, will have the following powers and duties:
1. Control and general management of the affairs, finances, and business of the Company, including hiring employees and determining their compensation and the terms of their employment;
 2. Act in all cases as a regularly convened Board of Directors and to adopt such rules and regulations necessary for the conduct of meetings and the management of the Company as may be deemed proper, so long as they are not inconsistent with these Bylaws, the Company's Second Amended and Restated Articles of Incorporation, and the laws of the State of Utah;
 3. Appoint such watermasters and determine the amount of their compensation as it may deem necessary;
 4. Set the amount of compensation for the Board of Directors, and if necessary, the Secretary, and the Treasurer; and
 5. Levy assessments on the capital stock of the Company as may be necessary to meet the expenses of the Company, provided that the Board of Directors must make such levy no later than the Board of Directors' regular meeting in October of each year.
- D. 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 must take effect upon receipt thereof by the Board of Directors, regardless of whether or not it is accepted by the Board of Directors.
- E. REMOVAL OF DIRECTORS.** Any or all of the Directors may be removed for cause or for having a conflict of interest that impairs their ability to perform their duties as a Director by: (1) a majority vote of the Members at a duly called meeting of the Members where a quorum is present; or (2) 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 all Members present at a duly called meeting of the Members. A Director is removed automatically if the Director divests himself or herself of all Company shares and is, therefore, no longer a Member of the Company or no longer live within the service area.

- F. VACANCIES.** A vacancy caused by the resignation, removal, or death of a Director must be filled by a Director appointed and approved by a majority vote of the Board of Directors at a duly called Board meeting. The Director so elected must hold office for the remainder of the unexpired term of his or her predecessor until the next annual meeting, at which time the Director will be required to seek a new term of their own, subject to approval by a majority vote of the Members.
- G. VOTING.** With the exception of the Director serving as President, at all meetings of the Board of Directors, each Director has one vote. The act of a majority of the Directors present at a meeting at which a quorum is present will be the act of the Board of Directors. The President will only vote in the event there is a tie vote among the Board of Directors.
- H. QUORUM.** Three of the Board Members will constitute a quorum of the Board, provided that the other three members have been duly notified. If a quorum is not present at any meeting of the Board of Directors, those present may adjourn the meeting, from time to time, until a quorum is present.
- I. REGULAR BOARD MEETINGS.** The Board of Directors will hold its regular meetings on a quarterly basis at a date and time determined by the Board, but must provide proper and reasonable notice of the meeting pursuant to Article VIII(K) below..
- J. 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. Any 10 Members of the Company may also call a meeting of the Board of Directors by written requests. The written requests required herein must describe the general purpose(s) of the requested meeting. In consultation with the Board of Directors, the President will fix a time and place for the meeting that is reasonable under the circumstances.
- K. 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. 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.
- L. 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, will be equivalent to the giving of such notice. Attendance of a Director at any meeting will 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 because the meeting is not lawfully called or convened.
- M. 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 will 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 must file written dissent to such action with the person acting

as the Secretary of the meeting before the adjournment thereof or must 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 will not apply to a Director who voted in favor of such action. If a vote by the Board is not unanimous, the individual votes of the Directors must be recorded in the minutes of the meeting.

ARTICLE IX - OFFICERS

- A. ELECTION OF OFFICERS.** The Board of Directors must elect a President and will have the option of either electing a Secretary and Treasurer from among the Directors or hiring a Secretary and Treasurer. The President must be a Director and must act as the Chairman of the Board of Directors. The Treasurer and the Secretary (if elected by the Board) must be Directors. Neither the President, Treasurer, nor Secretary may be the same person.
- B. DUTIES OF OFFICERS.** The duties and powers of the Officers of the Company are as follows:
1. President. The President will be the principal executive Officer of the Company and, with the consent of the Board of Directors, will have the following duties:
 - i. Supervise and control all of the business and affairs of the Company;
 - ii. Preside at all meetings of the Members and of the Board of Directors, provided, that if the President is unable to preside because of absence, disability, or other cause, the next senior Director in time served will preside and exercise the authority of the President during his absence. Call regular and special meetings of the Members and Directors in accordance with Article VII of these Bylaws and the Company's Second and Amended and Restated Articles of Incorporation;
 - iii. 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;
 - iv. Sign and make all contracts, agreements, and other necessary documents in the name of the Company, subject to the approval of the Board of Directors and the provisions of these Bylaws;
 - v. See that the books, reports, statements and certificates required by the statutes are properly kept, made, and filed according to law;
 - vi. Sign all certificates of stock, notes, drafts, or bills of exchange, warrants or other orders for the payment of money duly drawn and signed by the Secretary;

- vii. Enforce these Bylaws and perform all the duties incident to the position and office and which are required by law;
 - viii. Prepare an annual budget and prepare or cause to be prepared an annual financial report in consultation with the Treasurer and in accordance with Article X below;
 - ix. Perform any other task specifically authorized in these Bylaws; and
 - x. Faithfully perform the duties appertaining to the office of President.
2. Secretary. The Secretary will perform the following duties and the Company may contract for commercial/professional services to assist the Secretary in any of these duties:
- i. Serve as the clerk of the Board of Directors and ensure that accurate minutes are kept of the meetings of the Board of Directors and of the meetings of Members in appropriate books;
 - ii. Give and serve all notices of the Company, except as otherwise provided herein;
 - iii. Serve as custodian of the Company's records and of the corporate seal and affix the latter when required, with the authority to designate custodian operations and duties to applicable staff subject to oversight by the President and the Board;
 - iv. Prepare and sign notices of all assessments levied by the Board of Directors to the Members of the Company and deliver the assessments to the Treasurer in accordance with Article XVII;
 - v. Exhibit at all reasonable times the Company's financial books and accounts to any Director or Member of the Company upon written application to the Board of Directors at a mutually agreed-upon time and place during business hours;
 - vi. Keep the records of the names and addresses of each Member and such other information as is appropriate, subject to the inspection of any Member of the Company, and permit such Member to make copies of said records to the extent prescribed by law;
 - vii. Present to the Board of Directors at their meetings all communications addressed to the Secretary officially, by the President, or any Director or Member of the Company; and must attend to all correspondence and perform all duties incident to the office of Secretary;

- viii. Sign with the President all certificates of stock;
 - ix. Sign orders to the Treasurer for the amounts authorized by the Board of Directors;
 - x. Prepare and present a yearly report of the condition of the business of the Company at each annual meeting of the Members and the Board of Directors;
 - xi. Perform such other reports and duties as are from time to time assigned by the President or the Board of Directors;
 - xii. Prepare and provide public notice of the annual water schedules and any modified water schedule made during the irrigation season;
 - xiii. Prepare bills and receipts for a member that owes the Company money;
 - xiv. Perform any other task specifically authorized in these Bylaws; and
 - xv. Faithfully perform the duties appertaining to the office of Secretary.
3. Treasurer. The Treasurer will perform the following duties and the Company may contract for commercial/professional services to assist the Treasurer in performing any of these duties.
- i. The care and custody of all the funds and securities of the Company and the payment of money, which must be authorized for payment by the Secretary only upon orders from the Board of Directors as signed by the President;
 - ii. Review assessments received from the Secretary, send out said notices at the time determined by the Company's Board each year, and receive, record and issue a receipt for, and deposit all incoming assessments, payments, and any other 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;
 - iii. Exhibit at all reasonable times the Company's financial books and accounts to any Director or Member of the Company upon application at the office of the Company during business hours;
 - iv. Prepare the financial statements and 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 may be required, as well as a full financial report at the annual meeting of the Members;

- v. Keep correct books of account of all its business and transactions and such other books of account as the Board of Directors may require consistent with these Bylaws;
- vi. The Treasurer must also perform such other duties as are from time to time assigned by the President or the Board of Directors;
- vii. Perform any other task specifically authorized in these Bylaws; and
- viii. Faithfully perform the duties appertaining to the office of a Treasurer.

C. INFORMATION DISCLOSURES. The Company's Officers will not respond to requests for information about the Company, the Company's records, the value of the Company's shares, or any other requests for information from individuals or entities not Members of the Company without first consulting with the President. If an individual or entity is requesting information from the Company relating to a current or potential lawsuit, administrative action, or any other legal action where the Company is not a named party, the Company will direct the requesting party to file a subpoena for the requested information.

ARTICLE X - EXPENDITURES AND ACCOUNTING

- A. CHECKS.** All Company checks must be signed by both the Treasurer and another member of the Board. In the Treasurer's absence, a second Board member must sign the check.
- 1. The signing of blank checks is prohibited.
 - 2. All entries in the Company checkbook must be entered the day the corresponding expenditure is made, be clearly written, and include an explanatory notation.
 - 3. All checks require the signatures of two members of the Board as provided above.
- B. CASH PAYMENTS.** Payments must not be made from cash on hand other than from a properly established petty cash fund.
- C. TRANSACTIONS.** The Company will not provide payment or reimbursement to a member or any other person or entity for a service, product, or reimbursement request until the member, person, or entity provides the Company with an invoice or document evidencing the Company's obligation to pay. No Member is authorized to utilize the Company's discount pricing with any entity unless the Member receives prior written approval and authorization from the Company's President.
- D. CREDIT CARDS.** The Board must re-approve all open credit card accounts annually.

- E. RECORDS.** All money coming into the Company's account must be recorded in the Company's accounting records.
- F. REVIEW.** The Treasurer and the Secretary must review the Company checkbook(s) along with all deposits, expenditures, and other applicable financial records on a monthly basis to ensure compliance with the Company's annual budget and to identify irregularities, inconsistencies, or conflicts. In consultation with the Secretary, the Treasurer must report to the Board on the results of these monthly reviews during the Board's regular meetings.
- G. ANNUAL BUDGET AND FINANCIAL REVIEW.** The President must prepare an annual budget prior to the beginning of each fiscal year. The President must also prepare, or cause to be prepared by a qualified certified public accountant, an annual financial review on the financial condition of the Company at the end of each fiscal year. The President or his designee must present this report to the Members at the annual meeting. The President must consult with the Treasurer in preparing the annual budget and financial review, but must have ultimate decision-making authority over the preparation and content of the annual budget and financial report.
- H. AUDITS.** Each Member, at the Member's own expense, will have the right to hire an independent certified public accountant to audit the Company's financial records once per year, provided that the Member must pay all of the costs associated with the audit and must reimburse the Company for any costs the Company may incur as a result of the audit, including staff time. To obtain reimbursement from the Member, the Company must provide the Member with an itemized statement detailing the expenses it incurred as a result of the audit and provide the Member with 60 days to pay the amount owing or agreed-upon payment terms the Board deems acceptable. If a Member fails to satisfy the requirements of this Article, the Company will follow the delinquency provisions set forth in Article XVII(C).

ARTICLE XI - COMPENSATION

- A. COMPENSATION OF DIRECTORS AND OFFICERS.** The compensation of the President must cover all work done in the regular performance of his or her duties and will be set initially at \$550.00 per year. The compensation of the Board of Directors must cover all work done in the regular performance of their duties and will be set initially at \$110.00 per year for each member of the Board of Directors. The compensation of the Treasurer and Secretary must cover all work done in the regular performance of their duties and will be set initially at \$1,500 and \$1,250.00 per year respectively. These amounts may be modified from time to time by a majority vote of the Board of 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, and the Officers may be paid a reasonable stipend for their services. No such payment will preclude any Director from serving the Company in any other capacity and receiving compensation therefore.

- B. COMPENSATION OF EMPLOYEES.** By resolution of the Board of Directors, the Company may hire employees and/or contract with independent contractors and may authorize the payment of appropriate compensation to the same.

ARTICLE XII - SERVICE AREA

The Board of Directors must establish, and may from time to time change, enlarge, or reduce the territory that is to be serviced by the Company, i.e., the Company's service area. No reduction of service territory will be made which would cause the discontinuance of service to a Member presently being served without the approval of said Member, if said Member is current on its accounts with the Company.

ARTICLE XIII - WATER DELIVERY AND WATER USE

- A. WATER ALLOCATION FORM.** The Company's Secretary will mail out a water allocation form, in a form similar to the form attached as **Attachment D** by the end of February each year, requesting that each Member designate where the Member's Share(s) will be allocated for the irrigation season. Each Member must fill out the water allocation form and return the completed form to the Company by March 10 of each year. Verbal responses are not permissible and will not be accepted. In filling out the water allocation form, a Member must provide a specific description of the water allocation for the year and may not state "same as last year," "no response," or any other similar response. The Company will not deliver water to a Member until the Member completes and submits the water allocation form to the Company. A lessee of a Share(s) cannot file an allocation form, and must obtain the completed allocation form from the owner of the Share(s).
- B. WATER SCHEDULES.** The Company's Board will adopt and implement a water schedule for the year based on the completed and submitted water allocation forms; how much water each Member is entitled to receive pursuant to the member's Share(s); how much water is lost due to seepage, evaporation, and other causes; how the water deliveries will be operated and maintained; and other emergency and/or force majeure. Throughout the year, the Company's President is authorized to make reasonable changes to the water schedule. The Company will send notice of the water schedule to each Member and post the current water schedule on its website. Deliveries of water to Company Members must be in accordance with their respective shares and the Company's water schedules.
- C. WATER USE.** Each Member may not use more water than the Member's Share(s) permit. Additionally, each Member may only use water pursuant to the Company's current water schedule. While using water pursuant to the Company's current water schedule, each Member must ensure that no sprinkler, sprinkler system, zone, or other water device will exceed 9 gallons per minute at any time unless authorized by the Company's President or the Company's current policy on managing overflow water.
- D. WATER SCHEDULE VIOLATIONS.** It is the responsibility of the Members to comply with the Company's current water schedule and water use restrictions. The Company's watermaster will document and serve a Notice of Violation, using the form attached as **Attachment E**, on each Member who violates the Company's water schedule or water use

restrictions and provide copies of any such notices to the Board. The Notice of Violation will include the name of the Member in violation, the date of the violation, and a brief explanation of the violation. The Company must keep a record of each Notice of Violation for two years after the date the Notice of Violation was issued. If a Member receives three Notices of Violation in one calendar year, the Company's Board will review the Notices of Violation issued and serve a Notice of Termination, attached as **Attachment F**, to the Member that it intends to terminate water deliveries to the Member for the remainder of the irrigation season unless the Member, within 10 days of the date of the Notice of Termination, requests a meeting with the Board to contest the Notices of Violation received or explain why water deliveries should not be terminated. The meeting must be held within 15 days of the Member's request. Following the meeting, the Board will determine whether water deliveries should be terminated to the Member and issue a notice of its decision to the Member within 10 days.

- E. SPRINKLER REQUIREMENTS.** The Company's water schedules must be based on calculations of water pipe size, water pressure, the number of sprinkler nozzles on each water valve zone, and sprinkler nozzle size to ensure, as far as possible, that each Member is only using the amount of water the Member's share(s) permit. Members are also limited to irrigating only the number of acres as assigned by the respective Shares.
- F. ANNUAL SPRINKLER AUDIT.** Before each irrigation season, each Member is required to provide information to the Company's Board regarding the Member's sprinkler system, including the number of water valve zones, the number of sprinkler nozzles on each water valve zone, and the size of each sprinkler nozzle. The Board will use this information to determine its water schedules during the irrigation season. The Board is not required to deliver water to a Member that does not provide the information required in this Article XIII(D).
- G. INSTALLATION OF UNDERGROUND SPRINKLER SYSTEM.** Prior to installing an underground sprinkler system ("**Sprinkler System**"), a Member must first provide a design of the Sprinkler System to the Company's Board, which must include a description of the Sprinkler System, the number of electric valves and clocks, the size and specifications of the materials being used, including the number and type of sprinklers, the size of the nozzles in each sprinkler, and where the Sprinkler System will connect to the Company's water system. The Sprinkler System must include a shut off valve, such as a stop and waste or ball valve, within one foot of the connection to the Company's water system, which must be clearly marked and protected for easy identification. The pipe connecting the Member's Sprinkler System to the Company's water system may not exceed one inch in diameter. Connecting to the Company's water system must be done under the supervision of the Company's watermaster. The Sprinkler System's design must not exceed a flow of 9 gallons per minute per zone. The Company's water system will not be shut down during the irrigation season for a Member to install and connect a Sprinkler System to the Company's water system. After the Sprinkler System is installed, the Member must provide a drawing showing the complete Sprinkler System to the Company in a form that is suitable to be kept in the Company's records.

- H. PRIVATE WELLS.** The Company has entered into agreements in the past allowing for Members to connect their private wells to the Company’s water system. The Company will continue to honor those executed agreements but will not approve any additional agreements to allow Members to connect private wells to the Company’s main water line.
- I. CROSS CONNECTIONS.** Unless approved by the Board, the Company will no longer permit any cross connections. For purposes of this section, a “cross connection” is mixing any two different sources of water, including well water or water from separate divisions. For those cross connections already approved by the Board, the Member is not authorized to utilize the cross connection without the Company’s water master present.
- J. WATER SHORTAGES.** In the event of a water shortage resulting from drought or any other natural or man-made condition or occurrence, the Company will have the authority and the right to declare a water emergency, and to regulate and ration the distribution and use of water to the Members until the Board determines that the water emergency has been resolved.
- K. WATER QUALITY COMPLAINTS.** In 2002, the Company entered into an agreement with the Utah Division of Wildlife Resources (“**DWR**”), which is attached as **Attachment G**, to allow the Company’s water to be diverted through DWR’s fish hatchery. Pursuant to this agreement, DWR is required to return the water to the Company in the same quality as if the water was not diverted through the fish hatchery. If any Member experiences problems with their irrigation lines or sprinklers as a result of water quality issues, the Member should fill out the Complaint Form, attached as **Attachment H**, and submit the completed Complaint Form to the Board. Within 10 days of receiving the completed Complaint Form from a Member, the Board will send the completed Complaint Form to DWR.
- L. WATER RIGHT PROTESTS.** Due to the scarcity of water in the Sevier River drainage, and near the sources of the Company’s water rights, the Company should protest any and all applications to appropriate or change applications that could result in impairment or interference with the Company’s water rights.

ARTICLE XIV - EMERGENCIES

In an emergency, duly authorized officials, employees, agents and/or contractors of the Company will have the right to access the Members’ diversion works and other related facilities to make emergency repairs to the same. The affected Members must reimburse the Company for all reasonable and necessary costs and expenses that the Company may incur in making any such emergency repairs to the Members’ diversion works and related facilities, provided that the Company must give the affected Members an itemized statement of the costs the Company has incurred in making emergency repairs. Upon receipt of such itemized statement, a Member will have 60 days to pay the amount owing in full or to establish installment payments pursuant to terms and conditions that are acceptable to the Board in its sole discretion. If a Member fails to satisfy the requirements of this Article, the Company will follow the delinquency provisions set forth in Article XVII(C).

In the event that the Company must make emergency repairs to diversion works, facilities, infrastructure, real property, and any other property that the Company itself owns, the Company will account for the costs of such repairs through the assessment process set forth in Article XVII.

For the purposes of these Bylaws, the term “emergency” will refer to a situation that poses an immediate risk to health, life, property, or the environment that requires urgent intervention or mitigation to prevent the situation from worsening.

ARTICLE XV - EXPANSION OF WATER SYSTEM

The Company has sufficient facilities and water rights to service the number of shares of Company stock currently issued. The issuance of new stock to provide additional water service can only occur if the following requirements are met:

1. The Board of Directors must determine that there is sufficient capacity in the system to provide the requested additional service;
2. The Board of Directors must determine that the provision of the requested additional service will not be detrimental to the interests of the Company and/or its Members as a group;
3. The 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, must be conveyed to the Company; and
4. A fee representing a proportionate share of the value of the existing facilities must be paid to the Company.

Upon compliance with these requirements and upon resolution of the Board of Directors approving the same, the appropriate number of new shares of stock will be issued. The appropriate number of new shares must be determined in a manner that maintains the right to the same quantity of water per share that existed before the issuance of the new shares and the addition of the new water rights. The new Members must bear the cost of any additions or changes to the Company’s facilities needed to provide the additional service.

ARTICLE XVI - CHANGE APPLICATIONS

The Company must comply with all applicable portions of the Utah Code, including but not limited to Utah Code Ann. § 73-3-3.5, and the policy set forth in **Addendum A**, which is attached and incorporated herein, when processing any change applications sought by Members to change the point of diversion, the place of use, the period of use, the nature of use of a share, and any other change or modification requiring approval from the State Engineer.

The Company discourages any change application that seeks to change the nature of use of a share into domestic use.

ARTICLE XVII - ASSESSMENTS

- A. ASSESSMENTS.** Pursuant to Utah's Share Assessment Act, the Company will assess the Members of the Company that use and divert water from the Company's irrigation system in such amounts needed to pay for all necessary labor and material used in making repairs and improvements; and also with their proportionate share of the necessary labor and material used to make necessary repairs and improvements on the irrigation system. The Company will also have the authority to make other assessments necessary for any and all other purposes pertaining to Company business, as the Board of Directors may from time to time determine consistent with the Company's Second Amended and Restated Articles of Incorporation. Separate classes of Shares may be assessed at different rates as determined by the Company's Board so long as the assessments are equitable.
- B. TIMING OF ASSESSMENTS.** At a date determined by the Board of Directors, the Secretary must ensure that the assessments are delivered to the Treasurer for collection. The Treasurer must then send out notices of all assessments levied by the Board of Directors to the Members of the Company and must collect said assessments from the Members by a date determined by the Board of Directors.
- C. NOTICE OF ASSESSMENT.** The notice of assessment may be given either personally to each Member, by mail addressed to the address of record for each Member, and/or by email. It is the express duty of each Member to timely notify the Company of any address changes. No other means of providing notice is required. The notice of assessment should be substantially similar to the form attached as **Attachment I**.
- D. DELINQUENCY.** All assessments must be due and payable to the Treasurer of the Company within 20 days of the date on the notice of assessment. If any portion of the assessment mentioned in the notice of assessment remains unpaid on the due date, the stock will be declared to be delinquent as of that day and a late penalty of 10% of the assessment will be imposed and interest will accrue on the unpaid assessment and late penalty at a rate of 18% per annum (1.5% per month). The 10% late penalty may be appealed by written notice to the Company's Board within 10 days of receiving notice of the late penalty. If a late penalty is appealed, the Company's Board may forgive the late penalty for good cause. The Board may enforce payment of a delinquent assessment pursuant to applicable law, including but not limited to those remedies that the Board may impose in accordance with its fiduciary duty to its Members as authorized under Utah Code Ann. §16-4-301(3)(a)(ii), and any other remedies available under the Utah Share Assessment Act, Utah § 16-4-101 et seq., or successor statute.
- If the stock is permanently tied or dedicated to a particular parcel, the remedy available to the Company may include termination of water deliveries based on the delinquent stock, provided that the Company must serve the delinquent Member with written notice of its intent to terminate water deliveries at least 10 days before termination.
- If the stock has not been permanently tied or dedicated to a particular parcel, the Company may, in addition, pursue the sale of the delinquent stock.

If so directed by the Board of Directors, the Secretary must give notice that the stock is delinquent either personally to each Member and/or by certified mail return-receipt requested at least 15 days but no more than 30 days before a share is to be sold to the address of record for such Member. The notice of delinquency should be substantially similar to the form attached as **Attachment J**.

- E. NOTICE OF SALE.** The Board of Directors will have the power to advertise and sell that portion of the stock of the delinquent Member as may be needed to pay the delinquent assessment, together with the costs of advertising and the expenses of the sale. The notice of the sale when published in a daily newspaper must be published for two weeks previous to the day of sale; when published in a weekly or semiweekly paper it must be published in each issue thereof for two weeks previous to the day of sale. The first publication of all delinquent sales must be at least 15 days prior to, but not more than 30 days before, the day of sale. The notice of sale of delinquent stock should be substantially similar to the form attached as **Attachment K**.
- F. 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 stock 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 must not sell any more shares of such stock than is necessary to pay the assessments due and expenses of advertising and sale. The sale of such stock must be in increments of full shares first and then a pre-existing fractional share, if any.
- G. PURCHASE OF DELINQUENT SHARES BY COMPANY.** The Company, through the President, may make an opening minimum bid at the sale of delinquent shares in the amount of the assessment, the accrued interest, and the expenses due. If no bidder offers the amount of the assessments and expenses due, the Company, through the President, is hereby authorized to bid in and purchase said shares at the amount of the assessment and expenses due. If the Company is the highest bidder, the amount of the assessment, interest, and expenses must be credited as paid in full on the Company's books and entry of the transfer of the stock to the Company must be made on the books thereof. While the stock remains the property of the Company, it is not assessable, nor will any dividends be declared thereon, but all assessments and dividends must be apportioned upon the stock held by the Members of the Company. Such stock may be subsequently sold at a fair market value to a qualified buyer or buyers in accordance with the Company's Bylaws. The transfer or entry of said stock upon the books of the Company must be held in abeyance for a period of 30 days, during which time the former owner may redeem the stock by paying to the Company a sum equal to the amount the Company paid to purchase the stock together with a penalty of 10 percent of the amount of the purchase price, plus the expenses the Company incurred in advertising and selling the stock.
- H. PURCHASE OF DELINQUENT SHARES BY OFFICER OR DIRECTOR.** An Officer or Director of the Company may bid on and purchase the delinquent shares at the

auction for the Officer's or Director's own benefit. Any shares acquired by an Officer or Director of the Company are subject to redemption by the shareholder for a period of 30 days following the day following the day on which the shares are sold at auction and such shares may be redeemed at a price equal to the amount of the delinquent assessment and all other amounts payable on the day of the sale, plus interest through the day on which the shares are redeemed.

- I. PROCEEDS IN EXCESS OF THE DELINQUENCY.** The Board will promptly pay any proceeds realized from the sale of a delinquent share in excess of the delinquency to the Member whose shares were sold. In seeking to pay the excess proceeds, the Board must comply with the notice requirements of Utah Code §67-4a-501, or any applicable law or successor statute. If the Member of record cannot be found after the Board has provided proper notice to the Member's address of record, the Board must report the amount owing to the Utah Treasurer's Office in accordance with the requirements set forth in the Utah Unclaimed Property Act, Utah Code § 67-4a et seq. Pursuant to Utah Code § 67-4a-403, reports on unclaimed property identified during the 12 months preceding June 30 must be filed with the Treasurer before November 1.
- J. 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 aggregating not more than six months, but no order extending the time for the performance of any act specified in any notice will be effective unless a new notice is timely served or published reflecting the extension.
- K. 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.
- L. ACTIONS TO RECOVER STOCK SOLD.** No action will be sustained to recover stock sold for delinquent assessment upon the ground of 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 stock 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 stock sold to the Company, all subsequent assessments levied upon the outstanding stock of the Company, and interest on such sums from the time they were paid or payable; and no such action will be sustained unless the same is commenced by the filing of a complaint within six months after such sale was made.
- M. AFFIDAVIT OF NOTICE PROVIDED.** Affidavits made by the applicable Board member of personal service or of the mailing of notices will be prima-facie evidence thereof. The publication of notices relating to assessments may be proved by the affidavit

of the printer foreman or principal clerk of the newspaper in which the same were published; and the affidavit of the Secretary or auctioneer will be prima-facie evidence of the time and place of sale, of the quantity and particular description of the stock sold, and to whom and for what price, and of the fact of the purchase money being paid. The affidavits must be filed in the office of the Company and copies of the same certified by the Secretary thereof will be prima-facie evidence of the facts stated therein.

ARTICLE XVIII - INDEMNIFICATION

Any person made a party to or involved in any civil, criminal, or administrative action by reason of the fact that this person or his or her testator or intestate is or was a Director, Officer, or employee of the Company, will 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" includes 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.

A judgment or conviction whether based on plea of guilty or nolo contendere or its equivalent, or after trial, will 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:

1. Order of the Court or administrative body or agency having jurisdiction of the action;
2. 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 action;
3. 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;
4. Resolution adopted by a majority of the quorum of the Directors entitled to vote at any meeting; or
5. 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 will 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 will 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 will 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.

Members using water through the pressurized irrigation system, whether legally or illegally, are responsible for and liable to the Company for all damage caused by the Member to the Company's assets and also liable to any other person or entity for damage caused to land, property, streets or roads and will indemnify the Company for any such liability or damages. In addition, Members are solely liable for their irrigation systems, which includes any and all pipes, canals, or any other water conveyance structure ("**Irrigation System**") up to the point of connection with the Company's water system; their use of their Irrigation Systems; and any damage caused to the Company, or any other person or entity, by the Irrigation Systems, will indemnify the Company for any such liability or damages.

ARTICLE XIX - INSURANCE

The Company must maintain reasonable amounts of errors and omissions liability insurance on the Officers, Directors, and employees of the Company. The Company must also maintain a reasonable amount of general liability insurance on its real property and all water distribution facilities, with a minimum coverage level of one million dollars.

ARTICLE XX – WATER SYSTEM AND RIGHT-OF-WAY ENCROACHMENTS, RELOCATIONS, AND RELATED ISSUES

- A. ENCROACHMENT GENERALLY.** No person or entity of any kind, public or private, may use or construct, install, locate, or place any structure of any kind in, over, under, across, or through the Company's water system and rights-of-way without the express written approval of the Board of Directors as provided through an encroachment or use agreement ("canal agreement") or license. In its discretion, the Board of Directors may also prohibit the introduction of pollutants into its water system and right-of-way, including but not limited to storm water runoff from development, without its express written consent. The Board of Directors will only approve the use of or encroachment upon the Company's water system or right-of-way through the specific grant of an easement or license on forms provided by the Company if the party seeking to use or encroach upon the Company's water system or right-of-way agrees as part of a canal agreement to:
1. Provide the Board of Directors with plans and specifications that set forth in detail the proposed use of the Company's water system and/or right-of-way along with any other information that the Board of Directors determines is necessary to properly review and consider the proposed use;

2. Construct and install the encroachment in good working order, and repair or replace any part of the Company's water system that may be damaged because of the encroachment at the encroaching party's sole cost and expense;
3. Indemnify and hold the Company harmless from and against any liability or damage to the Company's water system and right-of-way and/or to personal or real property owned by the Company, its Members, or any other person that may result from the party's use or encroachment of the Company's water system and right-of-way; and
4. Accept any other reasonable term, condition, or requirement that the Board of Directors may require to protect and further the interests of the Company and its Members, including but not limited to the payment of fees and the Company's expenses in processing requests to use or encroach upon its water system and right-of-way.

B. RELOCATION. In addition to the requirements set forth in Article XX(A) above, the Board of Directors will require parties seeking to relocate a portion of the Company's water system to construct a pipeline to replace the existing canal, ditch, or other structure, unless the Board of Directors determines that the specific circumstances of the relocation do not require the construction of a pipeline. The Board of Directors will only approve relocation projects that it determines in its sole discretion will not impair or adversely affect its Members and the operation, maintenance, and operation of the Company's water system. As part of any agreement involving the relocation of a portion of the Company's water system, the Board of Directors must, in its sole discretion, require the party seeking a relocation to:

1. Construct the relocation project in strict accordance with plans, drawings, and specifications that the Board of Directors has approved prior to the start of construction;
2. Make any necessary repairs or modifications that the Board of Directors may require to ensure that the project conforms to the approved plans, drawings, and specifications;
3. Assume any and all of the costs associated with the relocation project and reimburse the Company for all of the costs it may incur as a result of the relocation project, including but not limited to engineering fees, legal fees, and compensation for the Board Members' time associated with the relocation project;
4. Assume all liability associated with constructing the relocation project and indemnify the Company from and against any action that may arise from the project;
5. Convey full title to the relocation project after the Board of Directors has determined that all terms and conditions of the agreement have been satisfied,

including but not limited to strict adherence to the plans, drawings, and specification the Board has approved for the project; and

6. Agree to any other terms, conditions, or requirements that the Board of Directors may require to ensure that the relocation project will not impair or adversely impact the Company's Members and the operation and maintenance of the Company's canal system.
- C. APPLICATION OF UTAH CODE ANN. § 73-1-15 AND § 73-1-15.5.** The Board of Directors will apply the provisions set forth in Articles XX(A) and XX(B) of these Bylaws in accordance with Utah Code Ann. § 73-1-15 and § 73-1-15.5 or the applicable successor statute. The provisions of Utah Code Ann. § 73-1-15 and § 73-1-15.5, or the applicable successor statute, will control in the event of a conflict with Articles XX(A) and XX(B) of these Bylaws.
- D. TRESPASS.** The Board of Directors must prosecute any unauthorized use, encroachment, or trespass upon the Company's water system and right-of way to the full extent of the law, unless the Board of Directors determines in its sole discretion that prosecution is not in the best interests of the Company or its Members.

ARTICLE XXI – CORPORATE RECORDS

- A. PERMANENT RECORDS.** The Company must keep the following permanent records:
1. Minutes of all meetings of its Members and Board;
 2. A record of all actions taken by the Members or Board without a meeting;
 3. A record of all actions taken by a committee of the Board in place of the Board on behalf of the Company; and
 4. A record of all waivers of notices of meetings of Members and Board or any committee of the Board.
- B. ACCOUNTING RECORDS.** The Company must keep appropriate accounting records, which means, at a minimum, that the Company must keep the last three years of accounting records, including tax returns, financial statements, audits, and any other accounting record.
- C. RECORD OF MEMBERS.** The Company must keep a record of its Members in a form that permits preparation of a list of the name and address of all members in alphabetical order, by class, and showing the number of votes each members is entitled to vote.
- D. RECORDS KEPT AT PRINCIPAL OFFICE.** The Company must keep a copy of each of the following records at its principal office:

1. Articles of Incorporation;
2. Bylaws;
3. Resolutions adopted by the Board relating to the characteristics, qualifications, rights, limitations, and obligations of the Company's Members or any class or category of the Company's Members;
4. Minutes of all Member meeting for a period of three years;
5. Records of all action taken by Members without a meeting for a period of three years;
6. All written communications to Members generally as Members for a period of three years;
7. A list of the names and business or home address of its current Board;
8. A copy of its most recent annual report delivered to the Division of Corporations; and
9. All financial statements prepared for periods ending during the last three years.

E. INSPECTION OF RECORDS BY BOARD OR MEMBERS.

1. Records Kept at Principal Office. A Board of Director or Member is entitled to inspect and copy any of the records described in Article XXI(D) above:
 - i. during regular business hours;
 - ii. at the Company's principal office, and
 - iii. if the Board of Director or Member gives the Company written demand, at least five business days before the date on which the Member wishes to inspect and copy the records.
2. All Other Records. A Board of Director is also entitled to inspect and copy any other Company record:
 - i. during regular business hours,
 - ii. at a reasonable location specified by the Company; and
 - iii. at least five business days before the date on which the Member wishes to inspect and copy the records, if the Director or Member:

1. gives the Company written demand; and
2. the written demand is made in good faith, for a proper purpose, describes with reasonable particularity the purpose and the records the Director or Member desires to inspect, and the records are directly connected with the described purpose.

ARTICLE XXII - AMENDMENTS TO THE BYLAWS

Any amendment regarding Article VI(A) (Classes of Stock), Article VI(B) (Transfer of Stock), Article XIII (Water Delivery and Water Use), and Article XVI (Change Applications) must be approved by a majority of the Company's total members, not just those Members present at a meeting. All other amendments may be made by the Board of Directors or Members as permitted by the Utah Code § 16-6a-1010, as may be amended..

ARTICLE XXIII - SEVERABILITY CLAUSE

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 will be given effect without the invalid provision or application.

[Signatures on following page]

DULY ADOPTED by a majority vote of the shares of the Company present or represented by proxy at the annual meeting of the Members held on __ day of January, 2021, subject to changes the Board of Directors approved and ratified on January __, 2021.

Fountain Green Irrigation Company,
Reincorporated

By: _____
Gregory F. Johnson, President

CERTIFICATE OF SECRETARY

I do hereby certify:

1. That I am the duly appointed and acting Secretary of the Fountain Green Irrigation Company, Reincorporated, a Utah nonprofit corporation; and

2. That the foregoing Bylaws, comprised of 64 numbered pages (excluding the cover page and the table of contents pages but including this page, Attachments A through K, and Addendum, constitute the Bylaws of this Company as duly approved by a majority vote of the Company's Members at the annual meeting held on the __ day of January, 2021.

By: _____
Mary Gilgen, Secretary

ATTACHMENT A

Request for Replacement Certificate

**Fountain Green Irrigation
Company, Reincorporated**
740 West 400 South
Fountain Green, Utah 84632

In accordance with the Company's Bylaws and Utah Code Ann. § 70A-8-409.1, the undersigned requests that the Company issue a replacement certificate. As required by the Company's Bylaws, the undersigned has attached an affidavit to this request (i) explaining how and when the old certificate was lost, stolen, or destroyed, and (ii) that the Member has not sold or transferred the share certificate, or entered into an agreement to sell or transfer the share certificate.

Contact Information

Name:	Telephone:
Address:	Fax:
	E-mail:
Certificate Number:	Number of Shares:

Please describe in detail and to your best knowledge what happened to the original certificate.

If you are not shown as the owner of this certificate on the records of the Company, please provide a detailed description of your claim to ownership of the certificate. Attach additional pages, if necessary, and attach all documents that evidence your ownership.

Signature of Requesting Shareholder		Date	
--	--	-------------	--

ATTACHMENT B

Fountain Green Irrigation Company, Reincorporated

740 West 400 South
Fountain Green, Utah 84632

Date

Re: NOTICE OF REQUEST FOR REPLACEMENT CERTIFICATE

Fountain Green Irrigation Company (“**Company**”) has received a Request for Replacement Certificate from _____, who asserts that Share Certificate No. _____ for _____ shares in the Company has been lost, destroyed, or stolen, and that he/she is the rightful owner of that certificate. An interested person may file a written notice of objection with the Company explaining why a replacement certificate should not be issued. Unless the Company receives a written notice of objection within sixty (60) days of this notice, a replacement certificate will be issued as requested and the original share certificate will be permanently canceled on the records of the Company.

Secretary, Fountain Green Irrigation Company,
Reincorporated

ATTACHMENT C

**FOUNTAIN GREEN IRRIGATION COMPANY, REINCORPORATED
PROXY FORM**

Name of shareholder(s): _____

Address: _____

Shareholder # _____

The undersigned shareholder(s) of Fountain Green Irrigation Company, Reincorporated, hereby appoint(s) _____ as proxy, with full power of substitution, and hereby authorizes said proxy to represent and to vote all of the voting shares of the undersigned for any and all corporate purposes and to the extent permitted by law to shareholders of the Company, as if the undersigned were present, at the Annual Meeting of Shareholders on _____. The shares for which this Proxy is granted consists of all shares in which the undersigned has any right, title, and voting interest.

This Proxy will continue, without limitation under Utah Code § 16-6a-712, as amended or replaced, for a period of 11 months from the date of execution below, unless revoked.

Signature(s): _____ **Date:** _____

_____ **Date:** _____

ATTACHMENT D

Fountain Green Irrigation Company, Inc.

P.O. Box 164 Website -- www.fgicus.com

Fountain Green, Utah 84632

2020 Water Allocation Form

List below where your Fountain Green Irrigation Company water shares (Big Springs Division) are to be allocated. It is necessary to return this form by **March 10, _____**, to insure your water will be **scheduled last year', verbal response, or 'no response' is not sufficient.** Without receiving this form the Company will be released from any responsibility in scheduling your water until the next scheduling period after which this form is received. This form is **MANDATORY**. Water is to be used only according to schedule.

FILL IN ONLY THE LINES THAT PERTAIN TO YOUR CIRCUMSTANCES.

Share Owner: _____ Phone No. _____

I own	_____ shares	Phone No. or Address
I rent	_____ shares from _____	Address _____
	_____ shares from _____	Address _____
	_____ shares from _____	Address _____
	_____ shares from _____	Address _____
I rent	_____ shares to _____	Address _____
	_____ shares to _____	Address _____
	_____ shares to _____	Address _____
	_____ shares to _____	Address _____

TOTAL _____ shares to be scheduled to me. (If you rent out all your shares – this will be "0")

FILL IN BELOW WHERE THE ABOVE WATER SHARES ARE TO BE ALLOCATED.

In the City:

Schedule _____ shares at _____ for a sprinkling system (**1 share min.**).
 (Address)

Schedule _____ shares at _____ for one 13/64" *rainbird* sprinkler/hose.
 (Address)

Schedule _____ shares at _____ for one 13/64" *rainbird* sprinkler/hose.
 (Address)

In the Field:

Schedule _____ shares in **North** Section on a 16 head line.
 Schedule _____ shares in **North** Section on a 5 head line.

Schedule _____ shares in **West** Section on a 16 head line.
 Schedule _____ shares in **West** Section on a 5 head line.

Schedule _____ shares in **East** Section on a 16 head line.
 Schedule _____ shares in **East** Section on a 5 head line.

TOTAL _____ shares scheduled. (Should be the same as 'Total shares to be scheduled to me' above)

Signature of Water Owner/User Date

Note: Please be advised that the Irrigation Company may start filling water lines any time after **March 15th**. Report any irrigation breaks or leaks to Water Master Michael Hansen or Karen Hansen (435) 445-9934.

ATTACHMENT E

FOUNTAIN GREEN IRRIGATION COMPANY, REINCORPORATED
740 West 400 South
Fountain Green, Utah 84632

NOTICE OF VIOLATION

Shareholder Name: _____ Share Certificate No. _____

You are in violation of Article XIII of the Company's Bylaws based on one or more of the following violations:

- Using water in violation of the Company's water schedule
- Using more water than you are entitled to use
- Using more than 9 gallons per minute

DESCRIPTION OF VIOLATION

(Identify date of violation, witnesses, general description of violation):

If available, attach any photographs or evidence of the violation.

Pursuant to Article XIII, Section C of the Company's Bylaws, the Company will terminate its water deliveries to you for the remainder of the irrigation season if you receive three Notices of Violation within one calendar year. On your third Notice of Violation within one calendar year, the Company will issue you a Notice of Termination to terminate your water deliveries. The Notice of Termination will include information about how you can appeal the Notice of Termination.

Date: _____ Name: _____
(Company Watermaster)

Signature: _____

ATTACHMENT F

FOUNTAIN GREEN IRRIGATION COMPANY, REINCORPORATED
740 West 400 South
Fountain Green, Utah 84632

NOTICE OF TERMINATION

Shareholder Name: _____ Share Certificate No. _____

Article XIII, Section C of the Company's Bylaws permits the Company to terminate water deliveries to you if you have received three Notices of Violation within one calendar year for violating the Company's water schedule or water restriction requirements. You received a Notice of Violation on the following dates:

[INSERT DATE]
[INSERT DATE]
[INSERT DATE]

The Company's Board has received the three Notices of Violation issued to you and has determined to terminate any water deliveries to you for the remainder of the irrigation season.

You have the right to appeal the Board's decision to terminate water deliveries to you. If you choose to appeal this decision, you must submit a written notice of appeal to the Board within 15 days of the date of this Notice of Termination.

If you submit a written notice of appeal, the Board will schedule an appeal meeting within 15 days of the date of your written notice of appeal. During the appeal meeting, you will have the opportunity to contest the validity of the Notices of Violation that were provided to you or to explain why water deliveries should not be terminated. Within 10 days after the appeal hearing, the Board will determine and provide you notice about whether the Company will terminate water deliveries to you.

Date: _____ Name: _____
(Company Watermaster)

Signature: _____

ATTACHMENT G

rec'd
1/24/2000

MEMORANDUM OF AGREEMENT

COPY

between the

UTAH DIVISION OF WILDLIFE RESOURCES

and the

FOUNTAIN GREEN IRRIGATION COMPANY

concerning the

**RELOCATION AND CONSTRUCTION OF THE
FOUNTAIN GREEN STATE FISH HATCHERY**

THIS MEMORANDUM OF AGREEMENT is made and entered into this 20th day of December, 2000, between the Utah Division of Wildlife Resources, hereinafter the DIVISION, the Fountain Green Irrigation Company, hereinafter, the COMPANY and individually or collectively the PARTY or PARTIES.

I. EXPLANATORY STATEMENT

Whereas, water rights in Big Springs, a major water source for many Fountain Green water users, are shared with the City of Fountain Green, PacifiCorp, and the COMPANY, and

Whereas, in addition to three and one half shares of irrigation water, the DIVISION is entitled to non-consumptive use of the water delivered to the hatchery, and

Whereas, this water is delivered to COMPANY's irrigation system, and the DIVISION's existing Fountain Green fish hatchery in the new PacifiCorp penstock, and

Whereas, the COMPANY diverts the water available from Big Spring for its north pressure irrigation system during the irrigation season, which runs from March to November, and

Whereas, this water is taken out of the penstock about a third of the way down the pipeline from the spring, and deprives the hatchery of water at a very critical time, and

Whereas, a 1992 agreement between PacifiCorp and the DIVISION (State of Utah Contract No. 93-0430) allows the hatchery to relocate closer to Big Springs and to have first use of water and 136 feet of hydraulic head, and

Whereas, the DIVISION plans to construct a new fish hatchery above the point of diversion for the COMPANY's north pressure irrigation system, on land it purchased from Mr. Hyrum Dee Hansen in 1990, and

Whereas a water supply line (26 inch diameter) will be needed to bring water from the penstock to the new hatchery, and

Whereas this will require that the DIVISION obtain a right-of-way from the COMPANY since a portion of this pipeline will need to cross COMPANY land, and

Whereas, after use, all water diverted for fish culture must be returned to the irrigation line and PacifiCorp penstock for downstream water users, and

Whereas, the new hatchery will use 92 feet of hydraulic head for its operation, which will result in less pressure in the remainder of the penstock, and

Whereas, this will leave only 40 feet of hydraulic head from the new hatchery's outfall structure to the COMPANY's north irrigation system for its operation, and

Whereas, the COMPANY is concerned about the potential loss of water flow in their north pressure irrigation system, and

Whereas, the COMPANY desires to maintain the system's design standards and operating efficiencies, flow and pressure and

Whereas the system must function at current or improved delivery capacities for all COMPANY share holders, and

Whereas, the COMPANY is concerned about the possibility of fish or other extraneous materials, in water returned from the hatchery for irrigation use, plugging valves and sprinklers of the pressure irrigation system, and

Whereas, the DIVISION is concerned about the future maintenance of the Big Spring reservoir, dam and water control structures by PacifiCorp and

Whereas, the State Engineer has indicated that the DIVISION must take into account and mitigate for evaporative losses at hatcheries, and

Whereas, mitigation for evaporative and operative losses, leakage and/or unauthorized use of water are of critical concern to the COMPANY and DIVISION.

II. HATCHERY DESIGN AND CONSTRUCTION

NOW THEREFORE, it is agreed among the PARTIES hereto as follows:

The DIVISION and COMPANY will work cooperatively to address any concerns the PARTIES may have during the design and construction of the new Fountain Green Hatchery, renovation of the existing hatchery, and the future operation of these facilities.

III. SPECIFIC OBLIGATIONS OF THE PARTIES

A. The Utah Division of Wildlife Resources will:

1. Return all water taken from Big Spring for the operation of the new fish hatchery to the PacifiCorp penstock and north pressure irrigation pipeline system, except for that water which is consumed by the new hatchery facility for authorized uses which entail limited irrigation of the upper hatchery grounds (less than 1.0 acre of land irrigated or 3 ac. ft. of water used per year) plus evaporative losses (approximately 0.33 acres of water surface or 0.81 ac. ft. of water used per year) from open rearing ponds ie. 16 new concrete raceways (14,400 sf.) and
2. Adjust for consumptive uses, inadvertent leakage and evaporative losses at the new and old hatchery by acquiring water shares or scheduling existing DIVISION water shares in sufficient number to cover such metered / measured / calculated or agreed to uses and losses, as determined by the DIVISION hatchery manager and in conjunction with the COMPANY Watermaster and the responsibility and cost lies with the DIVISION to measure all uses which the COMPANY Watermaster will check or audit, and
3. Remove the COMPANY'S existing concrete box, 8 inch valves, meter, pressure reducer and pipes that now connect the north pressure irrigation pipeline system to the existing penstock and replace with two new 12 inch valves, meter and pipe, as shown in the attached drawing 1: North Line Connection Revision, to insure that return flows for irrigation are not diminished or otherwise adversely affected by the operation of the new hatchery other than by those aforementioned uses and losses, and
4. Provide sufficient hydraulic head (40 ft.) to maintain a static pressure of about 16 pounds per square inch from the new hatchery's outfall structure to the COMPANY's north pressure irrigation pipeline to efficiently operate the system at and possibly exceeding present standards and
5. Insure that water returned to the north pressure irrigation pipeline system and the PacifiCorp penstock for power generation, fish production at the existing facilities, and irrigation, is monitored to assure compliance with the Utah Pollutant Discharge Elimination System

(UPDES)¹ permit and is adequately screened to remove suspended solids, debris and other extraneous matter that might cause problems for downstream water users and

6. Continue to operate the existing hatchery located below the power plant, as feasible and maintain those facilities, repairing raceways and water control structures to prevent leakage and to improve water conservation practices, and these repairs will be completed as needed and the COMPANY will be notified of any problems, repairs that are needed and repairs made, and

7. Apply to the COMPANY for a Right-Of-Way to site a 26 inch pipeline for supplying water to the new hatchery from PacifiCorp's penstock with the cost of the right of way documents and filing to be born by the DIVISION, and

8. Install a 6 inch waterline from the new hatchery's main water supply pipeline to an existing pressure irrigation system owned by Hyrum Dee Hansen, as shown in the attached drawing 2: Irrigation Connection for Adjacent Property Owner, to provide water flow and pressure at those levels currently available and to insure that flows for irrigation are not diminished or otherwise adversely affected by the operation of the new hatchery.

9. Keep the COMPANY informed of progress on the design and construction of the new hatchery. On request by the COMPANY, the Hatchery Supervisor will make pertinent plans and documents available for review at the Fountain Green Hatchery, and

10. Work cooperatively with PacifiCorp and keep the COMPANY informed as to how they will resolve issues concerning maintenance of the Big Spring reservoir, dam and water control structures.

11. Correct any unforeseen problems with the new water control and delivery system that may interrupt, reduce or otherwise interfere with, the flow and pressure to COMPANY's north pressure irrigation pipeline and correct such problems promptly and bear those costs that are incurred for making those repairs or modifications that are needed.

B. The Fountain Green Irrigation Company will:

1. Through existing scheduling practices, allocate irrigation water to the Fountain Green Hatchery consistent in quantity per share with that provided to other share holders in the COMPANY and with the shares the DIVISION owns or may wish to transfer for use on hatchery property, and

¹ The UPDES permit requirements include the following: (1) there shall be no discharge of floating solids of visible foam in other than trace amounts, (2) there shall be no discharge of sanitary waste, (or unprocessed offal or other animal products), and (3) rearing of fish within settling ponds and/or waste treatment ponds is not permitted.

2. Grant a Right-Of-Way to the Division to site a water supply pipeline (26 inch diameter) through COMPANY property from where it first connects to PacifiCorp's penstock to the hatchery's boundary line, and
3. Advise and cooperate with the DIVISION, its agents and contractors during the design and construction of the new Fountain Green State Fish Hatchery, and
4. Provide any pertinent drawings, records or other information that the COMPANY may have and that may be needed for purposes of design, construction or operation of the hatchery facilities and water distribution systems, and
5. Recognize that the DIVISION has ongoing agreements with other entities that have water rights in Big Springs, and that, by building the new hatchery, the DIVISION will not change limitations or operating criteria of the existing water delivery systems. For instance, water which overflows now to maintain a full head at the reservoir at Big Springs will continue to be bypassed into the existing overflow ditch, and during extremely wet years, excess water will continue to be discharged through the overflow pipes from the dam into the overflow ditch system as it is now, and
6. Recognize that a new overflow pipeline will be constructed from the new hatchery outfall structure through Division property and the existing hatchery grounds to the present point of discharge, for the purpose of bypassing water that may be in excess of that which can be carried by the north irrigation pipeline and the PacifiCorp penstock together or may need to be diverted for other legitimate purposes, and
7. If excess or unforeseen water usage is incurred by the Division during a scheduling period that cannot be covered by DIVISION owned or controlled shares, the COMPANY will consider selling the DIVISION additional water at an agreed to price with the understanding that the COMPANY has year around well rights that can be pumped to supply this need.
8. Provide the hatchery manager or his assistant, should he be absent, with access and permission to open and close valves to the north irrigation pipeline as he may deem necessary when and if an emergency should arise concerning the survival of fish held in the hatchery's ponds below the power plant. The COMPANY watermaster will be notified as soon as possible of such emergency action, take the needed remedies and return to normal operation.

C. The PARTIES Mutually Agree to the Following:

1. The PARTIES will keep each other well informed of plans, developments, changes, concerns, and any difficulties that may arise as the work progresses on this project.
2. The PARTIES will meet periodically to review design drawings and to tour the construction

IV. PROJECT OFFICERS

For the DIVISION:

Mr. Joseph J. Valentine
Utah Division of Wildlife Resources
1594 West North Temple, Suite 2110
Salt Lake City, Utah 84114-6301

For the COMPANY:

Robert Hansen, President
Fountain Green Irrigation Company, Inc.
P.O. Box 164
Fountain Green, Utah 84632

V. MODIFICATIONS

Modifications to this AGREEMENT may be proposed by either PARTY and shall become effective only upon being reduced to a written instrument executed by signature of both parties.

VI. TERM OF AGREEMENT

This AGREEMENT shall become effective upon execution by both PARTIES. It shall remain in force and effect until otherwise modified.

VII. RESOLVING DISAGREEMENTS

The PARTIES agree to work harmoniously to achieve the objectives of this AGREEMENT. The PARTIES will resolve disagreements through informal discussion and meetings as needed. Disagreements which cannot be resolved by the PARTIES themselves will be mediated by the State Engineer, Utah Division of Water Rights in conjunction with the Utah Division of Water Resources, irrigation project engineer.

VIII. FUNDING

This AGREEMENT does not reserve, obligate or authorize the expenditure of funds by either PARTY.

IN WITNESS WHEREOF, each party hereto has caused this AGREEMENT to be executed by an authorized official on the day and year set forth opposite their signature below.

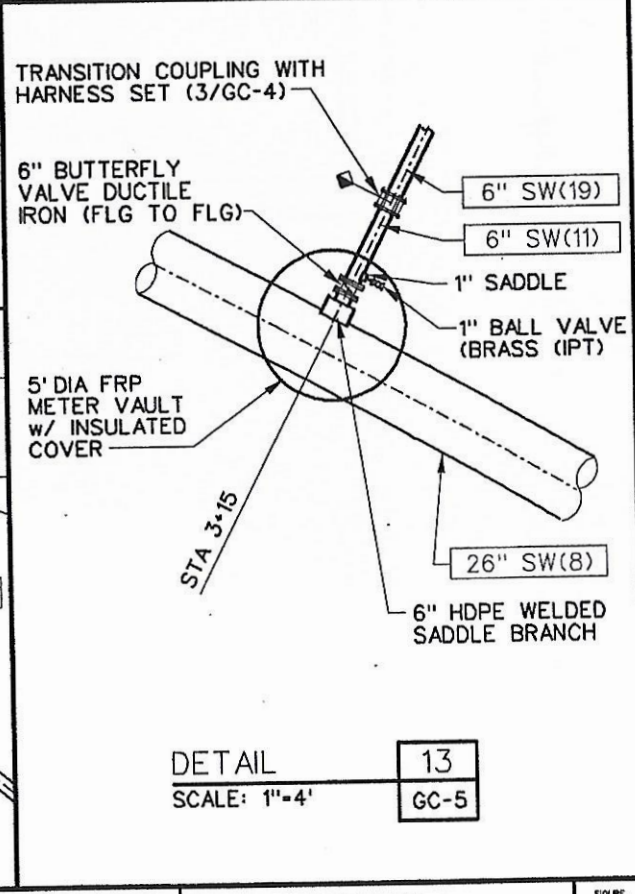
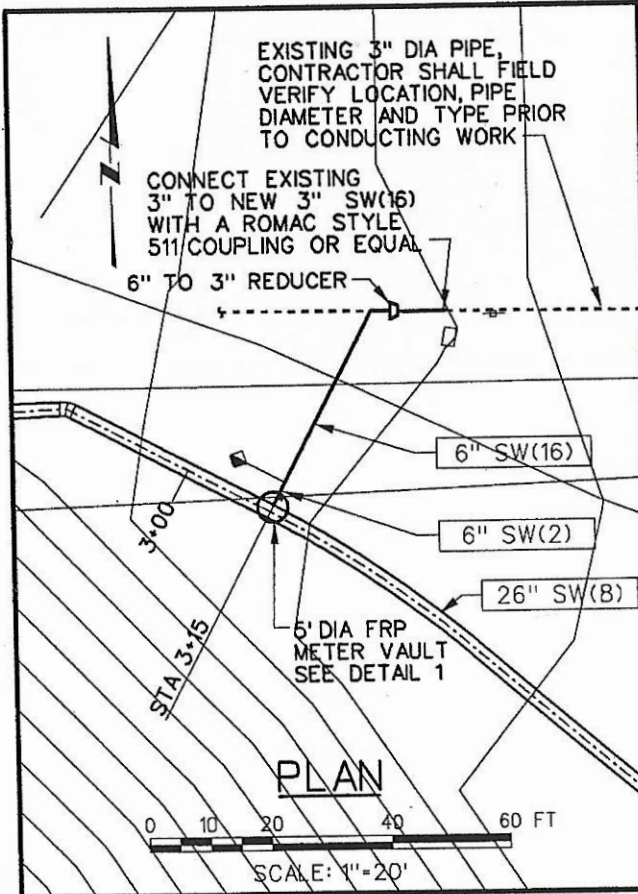
FOUNTAIN GREEN IRRIGATION COMPANY

By: Robert Hansen Date: 14 DEC 2000
Title: President

UTAH DIVISION OF WILDLIFE RESOURCES

By: Kevin K. Chaves ACTING DIRECTOR Date: 12/20/2000
Title: Director

[Signature]
Financial Manager, Division of Wildlife Resources

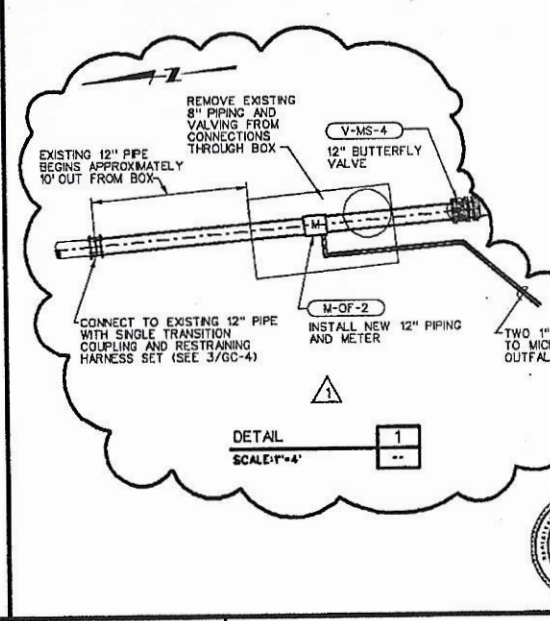
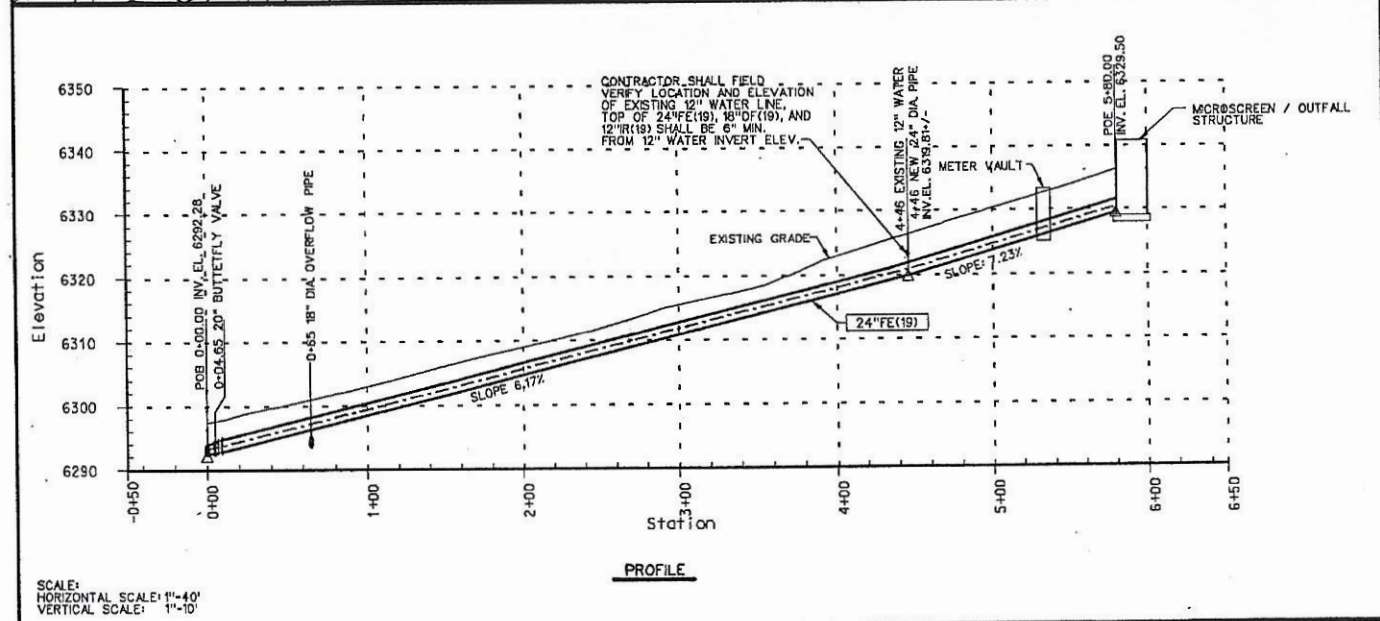
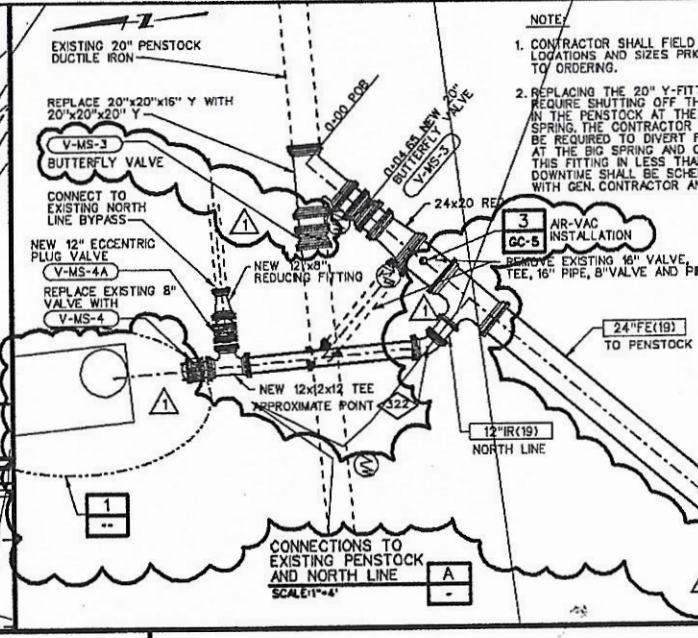
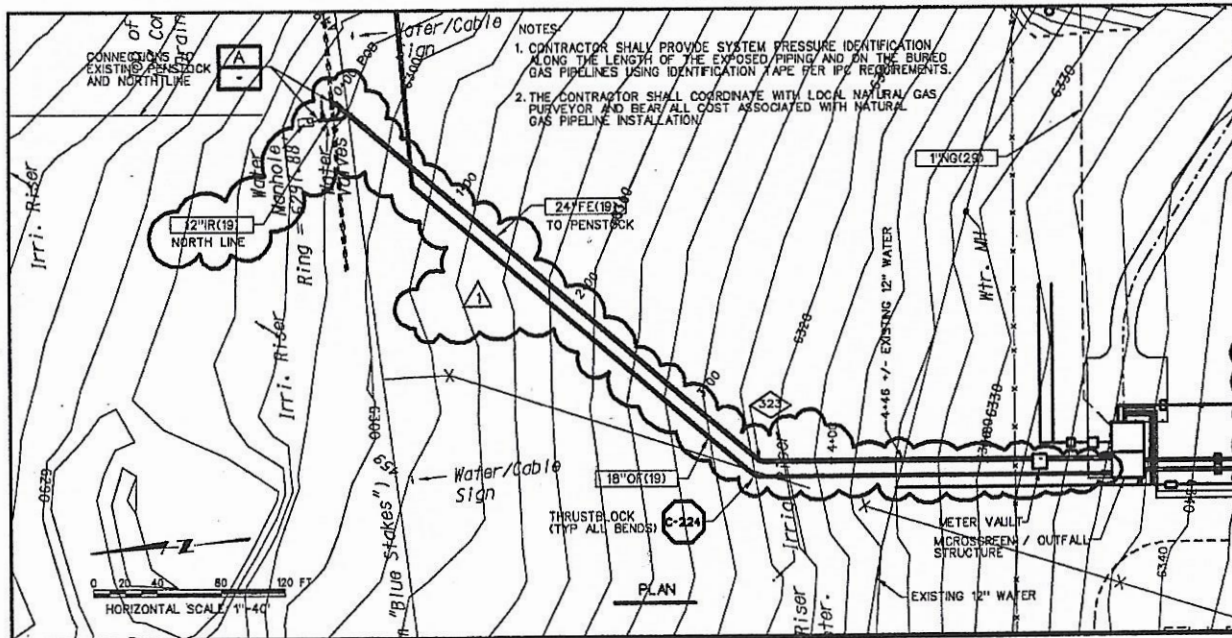


MONTGOMERY WATSON
Boise, Idaho

UTAH DIVISION OF WILDLIFE RESOURCES
FOUNTAIN GREEN FISH HATCHERY

REVISION NO. 1
IRRIGATION CONNECTION FOR
ADJACENT PROPERTY OWNER

FIGURE
1



SCALE: HORIZONTAL SCALE: 1"=40' VERTICAL SCALE: 1"=10'		WARNING IF THIS BAR DOES NOT MEASURE THEN DRAWING IS NOT TO SCALE	DESIGNED: D.S. Barbeau DRAWN: P.D. Hunter CHECKED: M.G. Merchant	SUBMITTED BY: PROJECT ENGINEER: _____ P.E. NO. _____ DATE _____ MONTGOMERY WATSON	MONTGOMERY WATSON Boise, Idaho	UTAH DIVISION OF WILDLIFE RESOURCES FOUNTAIN GREEN FISH HATCHERY	RETURN WATER PIPING PLAN AND PROFILE
REV. NO. 1 DATE: 12/20/01 BY: POH	DESCRIPTION:	AS NOTED	MONTGOMERY WATSON	PROJECT ENGINEER: _____ P.E. NO. _____ DATE _____ MONTGOMERY WATSON	PROJECT ENGINEER: _____ P.E. NO. _____ DATE _____	PROJECT ENGINEER: _____ P.E. NO. _____ DATE _____	PROJECT ENGINEER: _____ P.E. NO. _____ DATE _____

ATTACHMENT H

Water Quality Complaint Form	Fountain Green Irrigation Company, Reincorporated 740 West 400 South Fountain Green, Utah 84632
-------------------------------------	--

Contact Information

Name:	Telephone:
Address:	Fax:
	E-mail:
Certificate Number:	Number of Shares:

<p><i>Please describe in detail the water quality problem(s) you are having, including the date of the problem, the location of the problem, and the impact on your irrigation.</i></p>	
---	--

Signature of Requesting Member		Date	
---------------------------------------	--	-------------	--

ATTACHMENT I

FOUNTAIN GREEN IRRIGATION COMPANY, REINCORPORATED
740 West 400 South
Fountain Green, Utah 84632

NOTICE OF ASSESSMENT

At a meeting of the Board of Directors at held on (date), an assessment of (amount) per share was levied on the stock of the Company, due and payable to the Treasurer of the Company within 30 days of the date of this notice. Any stock upon which this assessment may remain unpaid after 30 days of the notice of this assessment will be delinquent and may be advertised for sale at public auction at the sole discretion of the Board, and unless payment is made before will be sold to pay the delinquent assessment, late penalty, and all accrued interest at the rate of 18% per annum (1.5% per month) from the date of delinquency, together with the cost of advertising and expense of sale among other remedies to enforce payment.

(Signature of Secretary)

ATTACHMENT J

FOUNTAIN GREEN IRRIGATION COMPANY, REINCORPORATED
740 West 400 South
Fountain Green, Utah 84632

NOTICE OF DELINQUENCY

The assessment levied by the Board of Directors on (date) on certain shares of Company stock for which you are the owner of record has not been paid in full by the due date and therefore said shares of stock are delinquent. More specifically, the (no. of shares) shares of stock represented by Stock Certificate No. ___ are delinquent in the amount of \$(amount), plus any late penalty and accrued interest. Therefore, in accordance with the applicable laws of the State of Utah and the Company's Articles and Bylaws, as many shares of such stock as are necessary will be sold at (place of sale) on the ___ day of ____, ____, at the hour of ____, in order to pay the above-referenced delinquent assessments, and late penalty, and all accrued interest thereon at the rate of 18% per annum (1.5% per month) from the date of delinquency, together with the cost of advertising, the expense of sale, late fees, and other penalties in the amount of \$(amount), unless such amounts are paid in full by the close of business on the day prior to said sale. If the Company purchases the stock, the Member may redeem the stock for three months after the sale. If a Director or Officer purchases the stock for their benefit, the Member will have 30 days from the date of the sale to redeem the stock in accordance with Utah Code Ann. § 16-4-307.

(Signature of Secretary)

ATTACHMENT K

FOUNTAIN GREEN IRRIGATION COMPANY, REINCORPORATED
740 West 400 South
Fountain Green, Utah 84632

NOTICE OF SALE OF DELINQUENT STOCK

The assessments on the following described shares of Company Stock are delinquent in the amount indicated, exclusive of accrued interest and costs of advertising and sale.

<u>Name</u>	<u>Certificate No.</u>	<u>No. of Shares</u>	<u>Amount</u>
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Therefore, in accordance with the applicable laws of the State of Utah and the Company's Articles and Bylaws, so many shares of such stock as may be necessary will be sold to the highest qualified bidder over the minimum bid at the (particular place) on the _____ day of _____, _____, at the hour of _____, to pay the delinquent assessments thereon, any late penalty, and all accrued interest thereon at the rate of 18% per annum (1.5% per month) from the date of delinquency, together with the cost of advertising and expense of sale, unless such amounts are paid in full by the close of business on the day prior to said sale. Bidders must be able to utilize the water represented by these shares in accordance with the Articles and Bylaws of this Company.

(Signature of Secretary)

ADDENDUM A

FOUNTAIN GREEN IRRIGATION COMPANY, REINCORPORATED

CHANGE APPLICATION POLICY _____, 2020

The Fountain Green Irrigation Company, Reincorporated (the “**Company**”) must follow the procedures set forth in this Policy and Utah Code Ann. §§ 73-3-3, 73-3-3.5, and any other applicable provisions of the Utah Code, which are incorporated herein, when processing Member requests for change applications to change the point of diversion, the place of use, the period of use, and/or the nature of use of a share certificate.

SECTION I – APPLICATIONS TO THE COMPANY

- A. Proposed Change Application.** Any Member/applicant (“**Member**”) proposing to change the point of diversion, the place of use, the period of use, and/or the nature of use of a share certificate must prepare a proposed change application on forms furnished by the State Engineer. The proposed change application must include:
1. The Member’s name;
 2. The water right description, including the water right number that pertains to the shares at issue in the application;
 3. The water quantity at issue in the application;
 4. The applicable stream or water source;
 5. If applicable, the point on the stream or water source where the water is diverted;
 6. If applicable, the point to which it is proposed to change the diversion of the water;
 7. The place, nature, period, and extent of the currently approved use;
 8. The place nature, period and extent of the proposed use;
 9. Any proposed change to the storage of water;
 10. The certificate number of the stock affected by the change; and
 11. A map that describes the land proposed to be retired from irrigation in accordance with Utah Code Ann. §73-3-3, if the proposed change in place or nature of use of the water involves a situation where the water was previously used for irrigation.

- B. Submission of Change Application to Company.** The Member must provide the proposed change application along with a \$1,500.00 Change Fee to the Company by personal delivery with a signed receipt, certified mail, or electronic mail with confirmation of receipt.
- C. Change Fee.** A Change Application will not be considered complete unless and until the Member files the \$1,500.00 Change Fee. In the event the Company receives a change application without the Change Fee, it must notify the Member in writing within 30 days of receiving the change application of the need to submit a Change Fee. The notice must also inform the Member that the Company will not process the change application until the Change Fee has been paid.
- D. Additional Information:** Within 30 days of receiving a change application, the Company must request in writing any additional, reasonable information it may require to review and process a change application. The request must give the Member 30 days to provide the additional information. The applicant/member can request in writing additional time to provide the request, which the Company will have the sole discretion to grant. The Company and the Member must cooperate in supplying information relevant to preparing the application and making any necessary corrections.
- E. Water Company Review:** The Board of Directors must review proposed change applications at a duly called Board Meeting. In reviewing a proposed change application, the Board of Directors must consider:
1. whether an increased cost to the Company or its Members will result from the proposed change;
 2. whether the proposed change will interfere with the Company's ability to manage and distribute water for the benefit of all Members;
 3. whether the proposed change represents more water than the Member's proportionate share of the Company's right;
 4. whether the proposed change would create preferential access to the use of particular Company water rights to the detriment of other Members;
 5. whether the proposed change will impair the quantity or quality of water delivered to other Members under the existing water rights of the Company, including rights to carrier water;
 6. whether the proposed change violates a statute, ordinance, regulation, or order of a court or government agency;
 7. if applicable, whether the Member has or can arrange for the beneficial use of water to be retired from irrigation within the Company's service area under the proposed change;

8. the cumulative effects that the approval of the change application may have on other Members or Company operations; and
 9. whether the Member paid the \$1,500.00 Change Fee or provided additional information requested by the Company; and
- F. Water Company Response:** Within 120 days of receiving the proposed change application, the Company must respond to the Member in writing and must notify the Member of its decision. The Company's response must state whether the Company:
1. consents to the proposed change;
 2. consents to the proposed change, subject to certain reasonable conditions, which the Company must describe in its response; or
 3. declines to consent to the proposed change and describes the reasons why the Company declines to consent to the proposed change in accordance with the considerations set forth in Section 1(E) of this Policy.
- G. Untimely Response by the Company:** If the Company fails to timely respond to a change application within the 120 days set forth in Section 1(F) of this Policy, the Company must be deemed to have consented to the proposed change application and the Member may file the change application with the State Engineer pursuant to Utah Code Ann. §73-3-3.5(3)(c).
- H. Conditions and Costs:** The Company may impose certain reasonable conditions to mitigate concerns about a proposed change application. The Company may not withhold consent if any potential damage, liability, or impairment to the Company, or its Members can be reasonably mitigated without cost to the Company. The Company may not unreasonably withhold approval or impose unreasonable conditions for its approval.
- I. Change Application Approval Agreement:** If the application is approved, the Company and the Member must execute a change application approval agreement, requiring the Member to continue to pay all applicable assessments on the share affected by the change and setting forth any special conditions and requirements that the Board of Directors may require for the change.
- J. Requests for Reconsideration to the Company:** Within thirty (30) days after the Board of Directors has made its initial decision, the member requesting the change or any director may, by written request to the Secretary, ask that the initial decision be reconsidered at another duly noticed and called meeting. The decision of the Board of Directors upon reconsideration must be final on the issue.

K. Member Challenge of Company Action on Change Application: Pursuant to Utah Code Ann. § 73-3-3.5(5), the following procedures will apply to Company decisions to deny or impose conditions on a change application sought by a Member.

1. The Member may file an action in district court in accordance with Utah Code Ann. § 73-3-3.5, seeking court review of:
 - i. the reasonableness of the conditions the Company has imposed for its consent or its reasons for declining consent; and
 - ii. a final order from the court allowing the Member to file the proposed change application with the State Engineer.
2. In situations in which the Company consents to the proposed change application but imposes conditions to which the Member does not agree, the Member may file the change application with the State Engineer as provided in Section II of this Policy, without waiving the Member's right to contest conditions set by the Company.
3. A Member may file an action in district court seeking court review of the reasonableness of the conditions imposed by the Company for giving consent during or after the completion of the proceeding before the State Engineer commenced under Section II of this Policy.

L. Buyout: By mutual written agreement only, and when the shares at issue will rely upon a different diversion and delivery system, the Company and the Member may negotiate a buyout from the Company that may include a pro rata share of the Company's existing indebtedness assignable to the shares.

SECTION II – APPLICATIONS TO THE STATE ENGINEER

If a change request approved by the Board of Directors requires the filing of a change application with the State Engineer's Office, the change application must be filed by and in the name of the Company along with the change application approval agreement, and must be prosecuted by the Member, with the member requesting the change paying all associated costs and providing all of the necessary information and evidence. The Company must not be obligated to pursue any requests for reconsideration or appeals. If the member pursues a request for reconsideration or an appeal, it must do so at its own cost and must pay any and all costs incurred by the Company's involvement therein. If the State Engineer approves the change application, the Member may file requests for extensions of time to submit proof of beneficial use under the application without the further involvement of the Company.

SECTION III – FAILURE TO COMPLY

If, after a proposed change application has been approved by the State Engineer and gone into effect, a Member fails to substantively comply with a condition imposed by the State Engineer pursuant to Utah Code Ann. § 73-3-3.5(9) regarding the payment of assessments, or any condition reasonably imposed by the Company and agreed to by the Member, the Company must provide the Member with written notice of the failure to comply. Such notice will give the Member 90 days to remedy the failure to comply. If the Member fails to remedy the failure to comply within 90 days after the Company gives notices, the Company may, in its sole discretion, petition the State Engineer to order a reversal of the change application approval pursuant to Utah Code Ann. § 73-3-3.5(12).