

BYLAWS
OF THE
EDEN IRRIGATION COMPANY

ADOPTED , 2023

Table of Contents

ARTICLE I - NAME	1
ARTICLE II - DURATION.....	1
ARTICLE III - PURPOSE.....	1
ARTICLE IV - FISCAL YEAR	1
ARTICLE V - PRINCIPAL OFFICE & REGISTERED AGENT	1
ARTICLE VI – MEMBERSHIP, STOCK, CERTIFICATES, AND TRANSFERS	1
ARTICLE VII – MEMBERS.....	4
ARTICLE VIII – MEETINGS.....	4
a. ANNUAL MEETINGS	4
b. SPECIAL MEETINGS	4
c. CALLING SPECIAL MEETINGS	4
d. NOTICE	5
e. MAILING NOTICE	5
f. WAIVER OF NOTICE	5
g. VOTING LIST & MEMBER OF RECORD DATE	5
h. VOTING	6
i. PROXY	6
j. VOTING BY CERTAIN TYPES OF MEMBERS	6
i. CORPORATE MEMBERS	6
ii. REPRESENTATIVE MEMBERS	6
iii. MEMBERS IN RECEIVERSHIP	6
k. QUORUM	6
m. ORDER OF BUSINESS	7
ARTICLE IX - BOARD OF DIRECTORS.....	7
a. GENERAL POWERS	8
b. APPOINTMENT OF DIRECTORS	8
c. TENURE & QUALIFICATIONS OF DIRECTORS	8
d. POWERS & DUTIES OF DIRECTORS	8
e. RESIGNATION OF DIRECTORS	8

f. REMOVAL OF DIRECTORS	8
g. VACANCIES	8
h. HANDLING OF FINANCIAL MATTERS	9
i. VOTING	9
j. QUORUM	9
k. REGULAR BOARD MEETINGS	9
l. SPECIAL BOARD MEETINGS	9
m. NOTICE OF BOARD MEETINGS	9
n. WAIVER OF NOTICE	9
o. PRESUMPTION OF ASSENT	10
p. NO PERSONAL LIABILITY	10
ARTICLE X - OFFICERS	10
a. ELECTION OF OFFICERS	10
b. DUTIES OF OFFICERS	11
i. PRESIDENT	11
ii. VICE-PRESIDENT	11
iii. SECRETARY	11
iv. TREASURER	12
v. WATER	12
c. RESIGNATION OF OFFICERS	12
d. REMOVAL OF OFFICERS	12
e. VACANCIES	12
ARTICLE XI - COMPENSATION	12
a. COMPENSATION OF DIRECTORS	13
b. COMPENSATION OF OFFICERS	13
c. COMPENSATION OF EMPLOYEES	13
ARTICLE XII - SERVICE AREA	13
ARTICLE XIII – WATER RATES AND FEES	13
a. WATER RATES AND FEES	13
b. SUFFICIENCY OF RATES	13
c. INCREMENT OF CHARGES	13
d. LATE FEES	13

ARTICLE XIV - WATER DELIVERY	14
a.COMPANY AND MEMBER RESPONSIBILITIES	14
b.MEMBER EASEMENT ACCESS	14
ARTICLE XV - EXPANSION OF OR CHANGES TO WATER SYSTEM	14
a. NEW MEMBERS AND CONNECTIONS	14
ARTICLE XVI - CHANGE APPLICATIONS	15
a. APPLICATIONS	15
b. APPLICATIONS TO THE STATE ENGINEER	15
ARTICLE XVII – ASSESSMENTS	15
a. ASSESSMENTS	15
b. NOTICE OF ASSESSMENT	15
c. DELINQUENCY	16
d. EXTENSION OF TIME SPECIFIED IN NOTICES	16
e. ERRORS OR OMISSIONS IN PROCEEDINGS	17
f. AFFIDAVIT OF NOTICE PROVIDED	17
ARTICLE XVIII - INDEMNIFICATION.....	17
ARTICLE XIX - INSURANCE	18
ARTICLE XX - ANNUAL BUDGET & FINANCIAL REPORT	18
ARTICLE XXI – ENFORCEMENT	18
ARTICLE XXII – OPERATIONAL POLICIES.....	19
ARTICLE XXIII - AMENDMENTS TO THE BYLAWS	19
ARTICLE XXIV - AMENDMENTS TO ARTICLES OF INCORPORATION	20
ARTICLE XXV - SEVERABILITY CLAUSE	20

ARTICLE I - NAME

The name of this non-profit company is the Eden Irrigation Company (the "**Company**").

ARTICLE II - DURATION

The period of duration of the Company shall be perpetual.

ARTICLE III - PURPOSE

The Company is a non-profit water company 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 the provisions of the Utah Revised Nonprofit Corporation Act (the "**Act**").

ARTICLE IV - FISCAL YEAR

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

ARTICLE V - PRINCIPAL OFFICE & REGISTERED AGENT

The registered agent of the Company is as provided in the Company's Articles of Incorporation and may be changed from time to time by the Board of Directors in accordance with Utah Code Ann. § 16-17-101 *et seq.*, as may be amended from time to time. The principal place of business of the Company shall be as provided in the Company's Articles of Incorporation and may be changed from time to time by the Company's Board of Directors.

ARTICLE VI – MEMBERSHIP, STOCK, CERTIFICATES, AND TRANSFERS

Membership in the Company is determined pursuant to these Bylaws. Each stockholder/shareholder is a "member" of the Company. Each member is entitled to delivery of water in accordance with the terms of these Bylaws, the Company's Articles of Incorporation, and/or any special written agreement with the Company.

The Board of Directors shall have power and authority to make all such rules and regulations as the board shall deem expedient regulating the issue, transfer and registration of certificates for shares in this corporation, provided such rules and regulations are not prohibited by the Act."

The Company's issuance of new stock is governed by the Act.

- a. **COMPANY STOCK.** The Company's capital stock is \$3,269.80 divided into 3,269.80 shares of voting common stock of the par value of \$1.00 per share. No additional shares of voting common stock may be issued except upon approval of a super majority (two-thirds) of a quorum of the Members of the Company at a meeting of the Members. Holders of voting common stock are entitled to vote on any business required by the Bylaws or the Act to be approved by the shareholders. Each whole and relative fractional share entitles the holder to delivery of water for a prescribed, proportional amount of time as identified on the Company's irrigation schedule. The Board shall ensure the Company's irrigation schedule is equitable.
- 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 Board of Directors. No shares may be transferred where either the recipient shareholder(s) or transferring shareholder would hold more than zero and less than one share.
1. The stock certificate must be presented to the Company's Secretary signed by the person in whose name the stock appears on the Company's books, by his or her legal representative(s), or by his or her duly authorized agent. The signing of the certificate shall be properly witnessed and the name of the new owner shall be included in the space provided. The shareholder, his or her legal representative(s), or his or her duly authorized agent requesting the transfer must make the request in writing. A signed endorsement on the back of the share certificate shall constitute the request in writing. In the case of a transfer by an authorized agent, a copy of the duly executed and acknowledged power of attorney shall be deposited with the Secretary.
 2. Where the share certificate has been lost, destroyed, or wrongfully taken, the member, representative, or agent requesting a transfer may request a new certificate be issued by making the request in writing and either (i) agreeing, in writing in a form acceptable to the Company, to indemnify the Company against any and all loss, damages, costs, or expenses relating to a claim or contest related the original certificate; or (ii) following the procedure identified in Utah Code Section 70A-8-409.1 and Subsection (f), below, at the requester or holder's expense. Indemnification certificates are available from the Secretary upon request.
 3. The cost of a certificate change/transfer is established by the Board of Directors. The Company may refuse to transfer any shares until the change/transfer fee and all past due balances related to the share(s) have been paid in full.

4. 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, notarized, and acknowledged power of attorney shall be deposited with the Secretary.

5. No transfer may be made upon the books of the Company within ten (10) days immediately preceding the annual meeting of the members.

6. 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. The Company may impose fees related to the Company's efforts to ascertain the identity of, and contact, the transferee.

7. Shares are not appurtenant to the land or use for which the stock is originally issued by the Company, but are reserved for irrigation use within the service area of the Company, and from the ditch to which it is assigned. All transfers must be made to an owner of real property that may be irrigated by the Company's system on the same ditch or canal, except with prior written approval of the Board. Except upon approval of the Board, which shall be memorialized in writing, shares may not be held by any person other than owners of real property being served by the Company.

- c. **DESCRIPTION OF STOCK CERTIFICATES.** The Board of Directors shall set, and may from time to time revise, the form of the Company's stock certificates. The certificates shall be consecutively numbered and duly signed by the President, or such other officer authorized by law and by the Board of Directors, and countersigned by the Secretary. The certificates shall exhibit the member's name and the total number of shares of stock represented thereby, the name of the lateral ditch where shares may be used, any condition(s) or restriction(s) placed thereon, and any other information designated by the Board of Directors. Such information shall be perpetuated on any and all subsequent transfers of such stock. Certificates issued after adoption of these Bylaws shall include any statements required by the Board to restrict the transfer of the certificate except in accordance with these Bylaws and the Act.
- d. **STOCK TRANSFER BOOKS.** The name and address of the member, the number of shares, for and the respective Company ditch, any condition(s) or restriction(s) placed thereon, and the date of issue shall be entered in the stock transfer books of the Company which shall be kept at the principal office of the Company.
- e. **CONDITIONS AND RESTRICTIONS ON STOCK.** Upon written request and with 15 days' notice from the Company, stock certificates shall be surrendered to the

Company for re-issuance to the member with any reasonable condition(s) or restriction(s) written thereon. Failure to comply with a request under this section may result in assessments for Company costs related to the request and termination of water service until the certificate or an affidavit of lost certificate is received by the Company.

- f. **LOST, STOLEN, OR DESTROYED CERTIFICATES.** If a member shall claim that a certificate has been lost, stolen, or destroyed, the Board of Directors may, at its discretion, direct that a new certificate be issued, upon the making of an affidavit of that fact by the person claiming the old certificate was either lost, stolen, destroyed and upon the deposit of a bond or other indemnity in such form and amount and with such sureties, if any, as the Board may require. Alternatively, the member may request, in lieu of providing a bond or indemnity, that the company follow the procedure found in Utah Code Section 70A-8-409.1.
- g. **MEMBER OF RECORD.** The Company shall be entitled to treat the holder of record according to the stock transfer books of the Company of any share as the holder in fact thereof, and shall not be bound to recognize any equitable claim or other claim to, or interest in, such share on the part of any other person whether or not the Company shall have express or other notice thereof, except as expressly provided by the laws of this State.

ARTICLE VII – MEMBERS

The Members and their respective shares are as identified in the official records of the Company.

ARTICLE VIII – MEETINGS

- a. **ANNUAL MEETINGS.** The Annual Meeting of the members of the Company will be held on the third Wednesday in March of each year with notice provided as required in subsection (d) below. Unless otherwise specified, the Annual Meeting will be held in Ogden Valley, Weber County, Utah.
- b. **SPECIAL MEETINGS.** Special meetings of the members of the Company may be held as necessary when properly called and upon reasonable notice under the circumstances of the date, time, and place of such meetings.
- c. **CALLING SPECIAL MEETINGS.** Special meetings shall be called by written request by the President, by a majority of all directors, or by at least 10% of the members of the Company. The written request required herein shall be given to the President and shall specify the purpose(s) and a date, time, and place for the meeting that is reasonable under the circumstances.

- d. **NOTICE.** The Secretary shall provide written notice to all members of record as of the date that any notice is provided to the members of the Company. The Notice shall 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. The Notice of any meeting, except special meetings called to be held within a shorter timeframe, shall be provided no less than ten (10) and no more than thirty (30) days in advance of the meeting.
- e. **MAILING NOTICE.** Any mailing of all required notices under the Articles of Incorporation and these Bylaws will be deemed to be delivered when deposited in the United States mail, postage prepaid, addressed to the member at the address as it appears on the Company's ownership list. Any member may request notice be provided via email, in lieu of paper mailing, by submitting a written statement to the Secretary with a correct email address. The Secretary shall retain a record of all notices provided by email and the email address which was used for at least six (6) months. Any member who communicates with the Secretary via email and does not indicate a preference for email or mailed notices may be provided notice via either email or mail.
- f. **WAIVER OF NOTICE.** Whenever any notice is required to be given, a waiver thereof in writing authorized by the person or persons entitled to such notice, whether before or after the time stated therein, is equivalent to the giving of the required notice. Any member may waive the notice requirement, by submitting a written statement to the Secretary. Attendance of a member at any meeting shall 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 & MEMBER OF RECORD DATE.** For voting purposes, the member of record date will be ten (10) days prior to any member meeting. The Secretary shall close and bring a current ownership list, describing the members of the Company. The ownership list will be subject to inspection by any member at any time during usual business hours and shall also be subject to the inspection of any member during the whole time of the meeting. The ownership list shall 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 in this section, such determination applies to any adjournment thereof. If, under emergency conditions, the ownership list cannot be closed for ten 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 ownership list will be the members

of record and said books will be closed for that event and the record date for that event will be the date on which said books were closed.

- h. **VOTING.** Each member that receives service from the Company's water distribution system is entitled to one vote for each whole share and a pro-rata basis of fractional shares owned by that member, provided that all assessments and amounts owing relative to such share(s) are current. Cumulative voting shall not be 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. The proxies must be filed with the Secretary of the Company before or at the time of the meeting. No proxy will be valid after the expiration of eleven months from the date of its execution unless its duration had been specified therein. Every proxy will be revocable at the discretion of the person executing it or of his or her personal representative(s) or assign(s), regardless of any language therein to the contrary.
- j. **VOTING BY CERTAIN TYPES OF MEMBERS.** Special voting rules and procedures apply to certain types of members as follows:
 - i. **CORPORATE MEMBERS.** Votes by members that are a corporation may be voted by such officer, agent, or proxy as the bylaws of such corporation may prescribe in writing to the Company at or before the meeting, or, in the absence of such provision, as the Board of Directors of such corporation may determine.
 - ii. **REPRESENTATIVE MEMBERS.** Votes by members who are a personal representative, administrator, executor, guardian, or conservator may be voted either in person or by proxy without a transfer of such voting interest into his or her name by providing written notice of the authorized person at or before the meeting. Votes by members who are a trust may be voted by the trustee(s) of the trust either in person or by proxy
 - iii. **MEMBERS IN RECEIVERSHIP.** Votes by members who have a receiver may be voted by that receiver by providing written notice of the receiver's authorized individual at or before the meeting, and votes by members under the control of a receiver may be voted by that receiver without the transfer of the share 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.
- k. **QUORUM.** The members present in person or by proxy at any duly called meeting of the members will constitute a quorum and, except as otherwise provided for herein or in the Articles of Incorporation, a majority vote of such quorum will be a majority vote of the members and 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 that member 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, return receipt requested, to the Secretary of the Company within seventy-two (72) hours of adjournment of the meeting. Such right to dissent does 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, shall be as follows:
1. Roll Call for officers and directors of the Company.
 2. Reading of the notice of the meeting.
 3. Approval of the minutes of the preceding meeting and approval thereof.
 4. President's Business Report.
 5. Secretary's report on the number of members present in person or by proxy.
 6. Presentation of the Annual Report on Financial Condition of the Company.
 7. Unfinished business.
 8. New Business.
 9. Elections.
 10. Ratification of the actions of the Board of Directors for the preceding year.
 11. Adjournment.

The presiding officer may vary the order of business, provided that no time-certain item may occur prior to the noticed time for hearing that item.

ARTICLE IX - BOARD OF DIRECTORS

The current Board of Directors and the expiration of their respective terms is as follows:

Board Member	Year Term Expires

- a. **GENERAL POWERS.** All corporate powers shall be exercised by or under the authority of, and the business and affairs of the Company shall be managed under the direction of, the Board.
- b. **APPOINTMENT OF DIRECTORS.** The Board of Directors consists of five (5) directors who will be elected as set forth in these Bylaws. Elections for directorships will be held at the annual meetings of the Company. The person receiving the highest number of votes for each position open will be elected thereto. If there is a failure to elect the necessary director(s) at the annual meeting, the Board or President shall, as soon as practicable thereafter, call and give notice of a special meeting of the members for the purpose of electing the necessary director(s).
- c. **TENURE & QUALIFICATIONS OF DIRECTORS.** Each director shall hold office for a term of two years and thereafter until a successor is duly elected and qualified. All directors must be voting members of the Company.
- d. **POWERS & DUTIES OF DIRECTORS.** The Board of Directors shall control and manage the affairs and business of the Company. The directors shall in all cases act as a regularly convened Board and may adopt such rules and regulations 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 Articles of Incorporation, and the laws of the State of Utah.
- e. **RESIGNATION OF DIRECTORS.** A director may resign at any time by giving written notice to the Board of Directors. Unless otherwise specified in the notice, the resignation shall take effect upon receipt thereof by the Board, regardless of whether or not it is accepted by the Board.
- f. **REMOVAL OF DIRECTORS.** Any or all of the directors may be removed for cause, (i.e., fraud, dishonest acts, abuse of authority, inefficiency, neglect of duty, or malfeasance) by a majority vote of a quorum of the members at a duly called meeting of the members or by a majority vote of the Board of Directors at a duly called Board meeting, as applicable as provided by the Act. A director may be removed without cause only by a majority vote of a quorum of members at a duly called meeting of the members. An emergency meeting may be called for the purpose of removing a director.
- g. **VACANCIES.** A vacancy caused by the resignation, removal, or death of a director will 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 appointed shall hold office for the unexpired term of that director's predecessor. Notwithstanding the foregoing, if requested in accordance with these Bylaws, the director so appointed may be replaced or confirmed by the members at the next meeting of the members.

- h. HANDLING OF FINANCIAL MATTERS.** No contract, loan, or other such obligation shall be executed in the name of, or on behalf of, the Company by any officer or agent of the Company unless specifically authorized to do so by a written resolution of the Board of Directors, which authorization may be general or limited to specific conditions or circumstances. All contracts, loans, checks, notes, evidences of indebtedness, and other such documents must be signed by the officers as specified in these Bylaws or by such persons as the Board of Directors may from time to time designate in such manner as may be determined by the Board. All funds of the Company not otherwise employed shall be regularly deposited to the credit of the Company in such financial institution(s) as the Board of Directors may designate.
- i. VOTING.** 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 is the act of the Board of Directors.
- j. QUORUM.** A majority of the directors on the Board constitutes a quorum of the Board. If a quorum is not present at any meeting of the Board of Directors, those present may adjourn the meeting until a quorum is present.
- k. REGULAR BOARD MEETINGS.** A regular meeting of the Board of Directors may be held without any notice, other than that given by this Bylaw, immediately following and at the same location as the annual meeting of the members. The directors may provide by resolution, the time and place for additional regular meetings without any notice other than that given by such a resolution. Additional regular meetings of the Board of Directors will be held quarterly.
- l. SPECIAL BOARD MEETINGS.** Special meetings of the Board of Directors may be called by the President or by the written request of any two directors given to the President. The President shall fix a time and place for the meeting that is reasonable under the circumstances.
- m. 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.
- n. WAIVER OF NOTICE.** Whenever any notice is required to be given, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be equivalent to the giving of such notice. Any director may waive the notice requirement by submitting a written statement to the Secretary. For any such director, the Secretary shall retain a record of all waivers. Attendance of a director at any meeting shall constitute waiver of notice of such meeting except where such director attends a meeting for the express purpose of objecting to the transacting of any business at that meeting because the meeting is not lawfully called or convened.

- o. 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 may be presumed to have assented to the action taken unless that director's dissent is entered in the minutes of the meeting or unless the director 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, return receipt requested, to the Secretary of the Company within seventy-two (72) hours after the adjournment of the meeting. Such right to dissent does 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 will be recorded in the minutes of the meeting.
- p. NO PERSONAL LIABILITY.** The directors may not be held liable to the Company or its members for monetary damages for any action taken or any failure to take any action, as a director, except only for the liabilities which cannot, pursuant to the Act, be so limited or eliminated.

ARTICLE X - OFFICERS

The officers of the Company are:

- 1) A President;
- 2) A Vice-President;
- 3) A Secretary;
- 4) A Treasurer;
- 5) A Water Master.

The President and Vice-President must also be Directors. Any person holding one or more shares of stock in the Company may hold one or more officer positions in the Company.

- a. ELECTION OF OFFICERS.** The Board of Directors shall elect a President and a Vice-President and appoint a Secretary, a Treasurer, and a Water Master. The President and Vice-President shall be directors. The President shall act as the Chairman of the Board of Directors. The Secretary and the Treasurer need not be members of the Board of Directors and may be the same person if so designated by the Board of Directors, but cannot be the same person as the President. The Board of Directors may also require the Secretary, the Treasurer, or any other officer or employee of the Company to give to the

Company such security or bond for the faithful discharge of his or her duties as the Board may direct.

b. DUTIES OF OFFICERS. The duties and powers of the Officers of the Company are as follows:

- i. PRESIDENT.** The President is the principal executive officer of the Company and, subject to the direction of the Board of Directors, shall supervise and control all of the business and affairs of the Company. The President shall preside at all meetings of the members and of the Board of Directors. The President shall: present a report of the condition of the business of the Company at each annual meeting of the members and directors; cause to be called regular and special meetings of the members and directors in accordance with these Bylaws and the Company's Articles of Incorporation; 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; sign and make all contracts and agreements in the name of the Company, subject to the approval of the Board of Directors; see that the books, reports, statements and certificates required by the statutes are properly kept, made, and filed according to law; sign all notes, drafts, or bills of exchange, warrants or other orders for the payment of money duly drawn by the Secretary and/or Treasurer; and enforce these Bylaws and perform all the duties incident to the position and office and which are required by law.
- ii. VICE-PRESIDENT.** During the absence or inability of the President to render and perform the President's duties or exercise the President's powers, as set forth in these Bylaws or in the statutes under which the Company is organized, the same shall be performed and exercised by the Vice President and, when so acting, the Vice-President shall have all the powers and be subject to all the responsibilities hereby given to or imposed upon such President. The Vice-President shall also perform such other duties as are from time to time assigned by the President or the Board of Directors.
- iii. SECRETARY.** The Secretary shall see that accurate minutes are kept of the meetings of the Board of Directors and of the members in appropriate books; shall give and serve all notices of the Company. In addition, the Secretary shall keep the records of the names and addresses of each member and such other information as is appropriate; and keep such records open daily during the business hours of the office of the Company, 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. The Secretary shall also present to the Board of Directors at their meetings all communications addressed to the Secretary officially, by the President, or any officer or member of the Company; and shall attend to all correspondence and perform all duties incident to the office of

Secretary. The Secretary shall also perform such other duties as are from time to time assigned by the President or the Board of Directors. The Company may contract for commercial/professional services to assist the Secretary in any of these duties.

- iv. **TREASURER.** The Treasurer shall be responsible for: (1) the care and custody of all the funds and securities of the Company; (2) the deposit of all such funds in the name of the Company in such bank or banks, trust company or trust companies, or safe deposit vaults as the Board of Directors may designate; (3) exhibiting at all reasonable times the Company's books and accounts to any director or member of the Company upon application at the office of the Company during business hours; (4) rendering a statement of the conditions of the finances of the Company at each regular meeting of the Board of Directors and at such other times as shall be required, as well as a full financial report at the annual meeting of the members; (5) keeping, at the office of the Company, correct books of account of all its business and transactions and such other books of account as the Board of Directors may require; and (6) doing and performing all duties appertaining to the office of Treasurer. The Treasurer shall also perform such other duties as are from time to time assigned by the President or the Board of Directors. The Company may contract for commercial/professional services to assist the Treasurer in any of these duties.
- v. **WATER MASTER.** The Water Master shall be familiar with the water rights, terms, ditches, and operating system of the Company. The water master shall perform those duties prescribed by the Board of Trustees.
- c. **RESIGNATION OF OFFICERS.** An Officer may resign at any time by giving written notice to the Secretary, or to the President in the case of the Secretary. Unless otherwise specified in the notice, the resignation shall take effect upon receipt of said notice, regardless of whether or not it is accepted by the Company.
- d. **REMOVAL OF OFFICERS.** Any or all of the Officers may be removed by a majority vote of the Board of Directors whenever the Board determines it is in the best interests of the Company. The removal of an Officer shall not prejudice any contract rights of the removed Officer. However, election or appointment as an Officer, of itself, shall not create any contract rights. (Utah Code Ann. § 16-6a-821.)
- e. **VACANCIES.** A vacancy caused by the resignation, removal, or death of an Officer may be filled by a majority vote of the Board of Directors.

ARTICLE XI - COMPENSATION

- a. **COMPENSATION 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. No such payment shall preclude any director from serving the Company in any other capacity and receiving compensation therefore.
- b. **COMPENSATION OF OFFICERS.** The Company shall pay the Secretary and Treasurer a reasonable stipend for their services. Other officers may be paid a reasonable stipend for their services by resolution of the Board of Directors. No such payment shall preclude any Officer from serving the Company in any other capacity and receiving compensation therefore.
- c. **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. The Board of Directors shall hire and/or contract with an accountant and a water operator.

ARTICLE XII - SERVICE AREA

The Board of Directors shall 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 shall be made which would cause the discontinuance of service to a customer presently being served without the approval of said customer, if said customer is current on its accounts with the Company. The Company's current service area is depicted on **Exhibit B** and incorporated herein by this reference.

ARTICLE XIII – WATER RATES AND FEES

- a. **WATER RATES AND FEES.** The Board shall establish rates and fees to be charged to the Company's members pursuant to these Bylaws to fund the Company's operations, for water service, including but not limited to, user rates, a standby fee, late fees, and penalties.
- b. **SUFFICIENCY OF RATES.** The rates set by the Board for such water service must be at least sufficient to pay for the operation, maintenance, reasonably necessary improvements or expansions, and management of the Company's water system.
- c. **INCREMENT OF CHARGES.** Water service fees may be charged to members on an annual or monthly basis or any other increment authorized by the Board.
- d. **LATE FEES.** In the event that a member fails to pay all charges and fees for water service when due, the Company has the right to impose late fees and/or interest, as

established by the Board or Rate Board, and terminate or suspend water service, impose liens, and take any and all other remedies available at law.

ARTICLE XIV - WATER DELIVERY

- a. **COMPANY AND MEMBER RESPONSIBILITIES.** Deliveries of water to Company members will be on such terms and conditions as the Board of Directors may from time to time establish, except in limited circumstances evidenced by special written agreements approved by the Board of Directors. It is the responsibility of the members to provide or arrange for the conveyance of water from the Company owned and operated ditches and delivery facilities to their respective places of use.
- b. **MEMBER EASEMENT ACCESS.** Any member may, at reasonable times and frequencies, access the Company's easements for the purposes of inspecting, operating, repairing, or maintaining the Company's ditches which are directly related to or necessary for delivery of water to such member's property. In doing so, members shall conduct themselves so as to limit any effect or interference with the property surrounding the ditches and easements. Members may bring any concerns about use and access to the ditches and easements to the Board of Directors for review and consideration. Notwithstanding the foregoing, no member may conduct any repair or maintenance requiring use of non-handheld machinery without prior consent of the Company.

ARTICLE XV - EXPANSION OF OR CHANGES TO WATER SYSTEM

- a. **NEW MEMBERS AND CONNECTIONS.** The Company has sufficient facilities and water rights to service each of its members as outlined herein. The Company is prohibited from authorizing additional shares beyond the 3,269.8 already issued without acquiring additional water rights.
- b. **CHANGES TO INFRASTRUCTURE.** Should any proposed or existing member require improvements or changes to the Company infrastructure for delivery of water, including the expansion of canals to serve property already serviced by the Company or extension of canals to new properties, such improvement or change shall be at no cost to the Company. The member(s) requesting the change must bear the cost of any evaluation, review, study to determine whether sufficient capacity exists, additions or changes to the Company's facilities needed to provide the additional service. Such improvement or change may not occur until all of the following have been satisfied: (1) the Board of Directors determines that there is sufficient capacity in the system to provide the requested change in service; (2) the Board of Directors determines that the provision of the requested change in service will not be detrimental to the interests of the Company and/or its members as a group; and (3) all relevant fees are paid to the Company. Upon compliance with these requirements and upon resolution of the Board of Directors approving the same, the change in use or location of the member(s) may be used.

The Company may not issue any will-serve letter to any potential new member until the requirements of this section have been met, all costs for expansion and service have been paid or guaranteed, in the Board's discretion, including any new meters or repairs on existing meters to the potential new member's land and use.

ARTICLE XVI - CHANGE APPLICATIONS

- a. **APPLICATIONS TO THE BOARD.** Any member proposing to temporarily or permanently change a point of diversion or any means or method of conveying company water through ditches, pipes, or other facilities shall submit in writing to the Board of Directors details of such proposal. The Board shall consider all understood facts, circumstances and impacts of said proposal and, if proposal is found agreeable, shall place reasonable conditions on the implementation of the changes on the applicant to protect the Company and its members from damages, other loss or liability. The applicant shall be responsible for all costs, engineering, and research (legal or otherwise) as determined necessary by the Board to justify the proposed changes. After an initial decision is reached by the Board, the applying member may request reconsideration if additional supporting data can be supplied. Upon reconsideration, the Board's decision will be considered final on the subject.
- b. **APPLICATIONS TO THE STATE ENGINEER.** If a change request approved by the Board requires the filing of a change application with the State Engineer's Office, the change application shall be filed by and in the name of the Company, and shall be prosecuted by the Company, with the member requesting the change paying all associated costs and providing all of the necessary information and evidence. However, the Company shall not be obligated to pursue any requests for reconsideration or appeals. If the member pursues a request for reconsideration or an appeal, it shall do so at its own cost and shall pay all costs incurred by the Company's involvement therein.

ARTICLE XVII – ASSESSMENTS

- a. **ASSESSMENTS.** The members of this Company may be assessed in such amounts and at such times and in such manner and for such uses and purposes pertaining to Company business, including the operation and maintenance of the water distribution system, as the Board of Directors may from time to time determine. Assessments shall be assessed equitably.
- b. **NOTICE OF ASSESSMENT.** The notice of assessment may be given either personally to each member and/or by first-class mail addressed to the address of record for each member. 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 contain substantially the following information:

EDEN IRRIGATION COMPANY
PO Box 56
EDEN, UT 84310

NOTICE OF ASSESSMENT

At a meeting of the Board of Directors held on (date), an assessment of (amount) was levied on the members of the Company, payable (when, to whom, and where). If the assessment remains unpaid on the (day fixed), the member will be delinquent, and unless payment is made before [____], the Company may impose a late fee, suspend the right to vote and to transfer shares and discontinue providing water to the member until the assessment is paid.

(Signature of Secretary)

- c. **DELINQUENCY.** If any portion of the assessment mentioned in the notice of assessment remains unpaid on the day specified therein as to when the member shall be delinquent, the member is hereby declared to be delinquent as of that day. If a member is delinquent, the remedies available to the Company include charging a late fee, suspension of the right to vote and to transfer shares, termination of the right to use Company irrigation system providing water to the member until the assessment is paid, immediate termination of water deliveries, the recording of a notice of lien on the property to which the stock has been tied or dedicated in the amount of the delinquency and associated collection costs, the sale of shares at public auction. If so directed by the Board of Directors, the Secretary shall give notice to the member who is delinquent either personally and/or by mail addressed to the address of record for each member. The notice of delinquency should contain substantially the following information:

EDEN IRRIGATION COMPANY
PO Box 56
EDEN, UT 84310

NOTICE OF DELINQUENCY

The assessment levied by the Board of Directors on (date) has not been paid in full by the due date of (date) and therefore your membership is delinquent. Therefore, in accordance with the applicable laws of the State of Utah and the Company's Articles and Bylaws, you have been assessed a \$__ late fee and your water deliveries may be discontinued until the assessment is paid in full.

- d. **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 nine (9) months, but no order extending the time for the performance of any act specified in any notice may be effective unless a new notice is timely served or published reflecting the extension.

- e. **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 be begun anew for that proceeding and all subsequent proceedings.
- f. **AFFIDAVIT OF NOTICE PROVIDED.** Affidavits made by the Secretary of personal service or of the mailing of notices shall be prima-facie evidence thereof. The affidavits shall be filed in the office of the Company and copies of the same certified by the Secretary thereof shall be prima-facie evidence of the facts stated therein.

ARTICLE XVIII - INDEMNIFICATION

Subject to the provisions of Utah Code Ann. Section 16-6a-901 *et seq.*, 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, or of any other Company where such service was at the request of the Company, shall be indemnified by the Company against expenses reasonably incurred by him or her or imposed on him or her in connection with or resulting from the defense of such action and in connection with or resulting from any appeal thereon, except with respect to matters as to which it is adjudged in such action that such officer, director, or employee was liable to the Company, or to such other corporation, for negligence or misconduct in the performance of his or her duty. As used herein, the term "expense" shall include all obligations incurred by such person for the payment of money, including without limitation attorney's fees, judgments, awards, fines, penalties, and amounts paid in satisfaction of judgment or in settlement of any such action, except amounts paid to the Company or such other corporation by him or her.

A judgment or conviction whether based on plea of guilty or nolo contendere or its equivalent, or after trial, shall not of itself be deemed an adjudication that such director, officer or employee is liable to the Company, or such other corporation, for negligence or misconduct in the performance of his or her duties. Determination of the rights of such indemnification and the amount thereof may be made at the option of the person to be indemnified pursuant to procedure set forth, from time to time, in the Bylaws, or by any of the following procedures: (a) order of the Court or administrative body or agency having jurisdiction of the action; (b) resolution adopted by a majority of the quorum of the Board of Directors without counting in such majority any directors who have incurred expenses in connection with such action; (c) if there is no quorum of directors who have not incurred expense in connection with such action, then by resolution adopted by a majority of the committee of members and directors who have not incurred such

expenses appointed by the Board of Directors; (d) resolution adopted by a majority of the quorum of the directors entitled to vote at any meeting; or (e) Order of any Court having jurisdiction over the Company. Any such determination that a payment by way of indemnity should be made will be binding upon the Company. Such right of indemnification shall not be exclusive of any other right which such directors, officers, and employees of the Company and the other persons above mentioned may have or hereafter acquire, and without limiting the generality of such statement, they shall be entitled to their respective rights of indemnification under any Bylaw, Agreement, vote of members, provision of law, or otherwise in addition to their rights under this Article. The provisions of this Article shall apply to any member of any committee appointed by the Board of Directors as fully as though each person had been a director, officer or employee of the Company.

ARTICLE XIX - INSURANCE

The Company may maintain reasonable amounts of errors and omissions liability insurance on the officers, directors, and employees of the Company. The Company shall 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 - ANNUAL BUDGET & FINANCIAL REPORT

The President and the Board of Directors shall prepare an annual budget prior to, or at the beginning of, each fiscal year. The President and the Board of Directors shall also prepare, or cause to be prepared by a qualified accountant, an annual report on the financial condition of the Company at the end of each fiscal year. The President or his designee shall present this report to the members at the annual meeting. Any member, at its own expense, may cause an independent audit of the financial records of the Company.

ARTICLE XXI – ENFORCEMENT

In the event that a member's conduct or inaction is a material violation of the Company's Articles, Bylaws, or Policies, the Company's Board of Directors, or if this authority is delegated by the Board to an Officer of the Company, then such officer, may take the following enforcement steps:

- 1st Issue a written notice of violation to the offending member that identifies the violation, gives notice that a second violation will result in a fine as determined by the Board of Directors and, if applicable, a deadline for correcting the violation, which if not met, constitutes a second violation.
- 2nd Assess a fine as determined by the Board of Directors, and issue a second written notice of violation that identifies the violation, gives notice that a third violation may result in suspension of water deliveries and voting rights in addition to additional fines set by the

Board of Directors until specified corrective action is taken and all fines, assessments, and other charges are paid in full.

- 3rd Assess a fine as determined by the Board of Directors, suspend water deliveries and voting rights and issue a third written notice of violation that identifies the violation, informs the Member that water deliveries and voting rights have been suspended, specifies the corrective action that must be taken in order to have water deliveries resumed and voting rights reinstated, and identifies all known fines, assessments, and other charges due and owing as of the date of the notice that must be paid, along with other charges accruing thereafter, before water deliveries will be resumed and voting rights will be reinstated.

If the violation persists following suspension of service, the Company may employ any mechanism and seek any remedy authorized under Utah law, including sale of delinquent shares. Any member found taking water from the Company's system after such member has had their service suspended or terminated for any reason whatsoever shall incur a fine per occurrence as determined by the Board of Directors, in addition to any and all other remedies available to the Company. Waiver of any particular violation at any particular time shall not and does not constitute a continuing waiver or a permanent waiver unless specifically approved by the Board in a duly called meeting of the Board and included in the official minutes of that meeting.

ARTICLE XXII – OPERATIONAL POLICIES

The Company's Board of Directors may from time to time adopt policies governing the operations of the Company. Unless otherwise specified, such policies shall become effective upon adoption by the Board and distribution to the Members of the Company. If the Members are dissatisfied with any such policy, the Members may place the matter on the agenda of any duly called regular or special meeting of the Members. At any such meeting where the matter is properly on the agenda, the Members may vote to accept, amend, or repeal a policy adopted by the Board. The policies adopted by the Board of Directors under this Article shall be dated, numbered, and retained by the Company and made available to members upon reasonable request. The Company may, in its discretion, make such policies publicly available including on its website. The hierarchy of authority of provisions governing the Company is as follows: (1st) the Company's Articles of Incorporation; (2nd) the Company's Bylaws; (3rd) the Company's Operational Policies; and (4th) other practices and procedures used by the Company. In interpreting and applying such provisions, every effort will be made to construe conflicting provisions in a harmonious manner that gives effect to each, but where there are direct conflicts, the above hierarchy shall be used to resolve the conflict.

ARTICLE XXIII - AMENDMENTS TO THE BYLAWS

These bylaws may be amended by a majority vote of the Board of Directors or a two-thirds vote of the Company's Members. Upon adoption, amendment, or repeal of the Bylaws, the Board of Directors shall cause a copy of each newly adopted or amended Bylaw to be emailed or otherwise made available to each Member of the Company.

ARTICLE XXIV - AMENDMENTS TO ARTICLES OF INCORPORATION

The Articles of Incorporation may be amended in any manner permitted by the Act.

ARTICLE XXV - 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 shall be given effect without the invalid provision or application.

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DULY ADOPTED by the Board of Directors and a majority vote of the members of the Company present or represented by proxy at the meeting of the members held this ____ day of _____, 2023.

Eden Irrigation Company

By: _____
Alan Wheelwright, President

Attested by:

Ruby RACCASI, Secretary

CERTIFICATE OF SECRETARY

I do hereby certify:

1. That I am the duly appointed and acting Secretary of the Eden Irrigation Company, a Utah nonprofit corporation; and
2. That the foregoing Bylaws, comprised of __ numbered pages (excluding the cover page and the table of contents pages but including this page), constitute the Bylaws of this Company as duly adopted by its Board of Directors and by a majority vote of the Company's members at their respective meetings duly noticed and held on the ____ day of _____, 2023.

Ruby Raccasi, Secretary

EXHIBIT A

LIST OF MEMBERS AND SHARES AS OF [MEETING DATE]

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EXHIBIT B

DEPICTION OF COMPANY SERVICE AREA

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