

AMENDED AND RESTATED BYLAWS AND RULES AND REGULATIONS OF BEAR LAKE WATER COMPANY

RESOLVED, by the Board of Directors (the "Board"), that the Amended and Restated Bylaws and Rules and Regulations of Bear Lake Water Company (the "Company"), by which the Company shall be governed, are as follows:

SECTION 1 LEGAL AUTHORITY

These Bylaws and Rules and Regulations ("Bylaws"), are promulgated pursuant to and in conformance with the authority of the Third Amended and Restated Articles of Incorporation of the Company (the "Articles"), and the Utah Revised Nonprofit Corporation Act, Utah Code Ann. ' 16-6a-101 *et seq.* (the AAct@).

SECTION 2 PURPOSE

The purpose of this Resolution is to adopt bylaws, uniform rules and regulations which the Board deems necessary to enable the Company to efficiently and orderly manage, operate, administer and regulate the Company's water rights and water distribution system; to establish uniform conditions which must be satisfied in order to obtain domestic water service from the Company, and to insure that the Company's water rights and water distribution system will not be over-extended to the detriment of the Company's shareholders.

SECTION 3 MEMBERSHIP; ISSUANCE OF SHARES

3.1 **Membership.** Membership in the Company stock shall be evidenced by the issuance of shares of Company stock. Members shall be referred to herein as members or shareholders.

3.2 **Issuance of Shares.** There shall be three classes of stock in the Company, denominated as "Class A", "Class B" and "Class C", as follows:

(1) **Class A Stock.** Class A stock shall only be issued to duly incorporated homeowner's associations organized within the Sweetwater Development, and represents entitlement to water for (i) inside culinary use and, (ii) subject to the availability of water, for outside irrigation of maintained landscaping including lawns, trees, gardens and shrubs. Class A shareholders shall be designated either as (i) "ORIGINAL CLASS A SHAREHOLDERS" or (ii) "GENERAL CLASS A SHAREHOLDERS," as follows:

(a) **Original Class A Shareholders.** The Original Class A Shareholders hold Class A stock and include only the original three homeowners' associations incorporated within the Sweetwater Development which were in existence at the time the Company was first incorporated. The number of Class A shares issued to each Original Class A Shareholder is as follows:

ORIGINAL CLASS A SHAREHOLDERS

SHARES

0864

SWEETWATER PARK HOMEOWNERS' ASSOCIATION, INC.	615 Shares
SWEETWATER PARK TRAILER AND CAMPER PARK PROPERTY OWNERS' ASSOCIATION, INC.	425 Shares
SWEETWATER GOLF COURSE HOMEOWNERS ASSOCIATION, INC.	910 Shares

The number of shares issued to the Sweetwater Park Homeowners' Association, Inc. hereunder is fixed at 615 shares. The number of shares issued to Sweetwater Golf Course Homeowners' Association, Inc. hereunder is fixed at 910 shares. The 425 shares issued to Sweetwater Park Trailer and Camper Park Property Owners' Association, Inc. hereunder represents the number of shares issued as of the date hereof; except that the total number of shares to be issued to the Sweetwater Park Trailer and Camper Park Property Owners' Association shall increase automatically as new platted lots which are subject to the governance of said association are sold by the developer thereof to the initial owner of each lot.

(b) **General Class A Shareholders.** The General Class A Shareholders hold Class A stock and include homeowner's associations, other than the Original Class A Shareholders, which from time-to-time may be authorized, at the sole discretion of the Board of Directors of the Company, to join the Water Company and be issued Class A shares upon the approving vote of the Original Class A shareholders, subject to the provisions hereof. The total number of shares to be issued to an Association designated as a General Class A Shareholder shall be fixed at the time approval is given for new homeowner's associations to join the Company and receive an issuance of Class A shares. Shares of Class A stock may be issued from time-to-time to new Associations to be designated as General Class A Shareholders without the necessity of amending the Articles or these Bylaws.

(c) **Provisions Applicable to All Class A Shares.**

(i) All Class A shareholders, unless otherwise specifically referenced, are hereinafter sometimes referred to individually as an "Association" or collectively as the "Associations".

(ii) Each Association shall hold and designate one (1) share of Class A Stock for each individual platted lot which is subject to the governance of such Association.

(iii) Although water is to be delivered by the Company directly to the individual lots which are now connected or which shall be connected to the Company's water distribution system, the Associations are the Class A shareholders of the Company. The owners of individual lots are not shareholders in the Company, but, rather, are members in their respective Association. As such, the interest of each individual lot owner within the Sweetwater Development in the business and affairs of the Company is to be represented as provided herein and in the Articles, at all times, solely by such lot owner's respective Association.

(iv) Each Association shall be required to own one share of Class A stock for each separate recreational facility owned by such Association to cover its water usage. The water usage shall be determined by a separate water meter for each facility. An Association shall be required own one share of stock for each one-half acre of commonly owned land to be irrigated with water from this system. The water usage for those common areas shall be determined by a separate water meter for each land area.

(2) **Class B Stock.** Class B shares shall be issued to owners of real property situated within the Sweetwater Development whose property is now connected to or will become connected to the Company's water distribution system, which properties are not governed by any Association holding Class

A stock, including commercial property, and represents entitlement to water for (i) inside culinary use and, (ii) subject to the availability of water, for outside irrigation of maintained landscaping including lawns, trees, gardens and shrubs. Each owner shall be issued one (1) share of Class B stock for each lot or property served with water from the Company subject to the approving vote of the holders of Class A Shares, as provided in and subject to the applicable requirements of the Company's then current Bylaws and Rules and Regulations.

(3) **Class C Stock.** Class C stock represents entitlement to water for livestock and irrigation purposes or other similar non-domestic purposes only. Class C shares shall be issued to owners of real property situated outside the Sweetwater Development whose property is now served by the Company. Each owner shall be issued one (1) share of Class C stock for each lot or property served with water from the Company subject to the approving vote of the holders of Class A Shares, as provided in and subject to the applicable requirements of the Company's then current Bylaws and Rules and Regulations.

3.3. **Book-entry Issuance of Shares.** All classes of shares shall be issued as book-entry shares without certificates. Within a reasonable time after the issuance or transfer of shares without certificates, the Company shall send the shareholder a written statement containing the following: (i) the name of Company and a statement that it is organized under the laws of the State of Utah, (ii) the name of the person to whom the stock is issued, (iii) the class and number of shares issued, (iv) a statement that the designations, preferences, limitations, and relative rights applicable to the respective class of share issued, and restrictions on transfers of shares of stock are set forth in the Articles of Incorporation of the Company.

3.4. **Holders of Shares.** Only registered shareholders shall be entitled to be treated by the Company as the holders in fact of the shares standing in their respective names, and the Company shall not be bound to recognize any equitable or other claim to or interest in any share on the part of any other person, whether or not it shall have express or other notice thereof, except as expressly provide by the laws of the State of Utah.

3.5. **Transfers of Shares.**

(1) No share of stock shall be separated from the lot or property to which it is deemed appurtenant and transferred for any use on any other lot or property without the express prior written approval of the Board.

(2) Transfers of shares shall be made only upon the shares transfer records of the Company, kept at the office of the Company, and shall be made in conformance with and subject to the following:

(3) In order to effectuate a transfer of shares upon the transfer records of the Company, the shareholder requesting the transfer shall present to the Board such documentation as shall be legally sufficient, in the opinion of the Board and the Company's legal counsel, to justify the transfer of title of shares, including, but not limited to the following documents, as applicable:

- (a) an Instruction for Transfer and Registration of Stock;
- (b) a death certificate and other probate records, as necessary to demonstrate a right to the shares because of inheritance;
- (c) deeds signed by the record owner of the shares in which the intention of the owner to transfer the shares to the grantee named in the deed is clearly and unequivocally set forth; or
- (d) any combination of the foregoing.

Upon satisfaction of these conditions, the Board will authorize the clerk to update the stock register and transfer records of the Company and send a written statement of ownership to the transferee in conformance with the provisions of Article III, Section 4.

(4) The Company shall establish, by separate resolution, a share transfer fee which is to be paid by the shareholder requesting the transfer prior and as a condition to the transfer of the shares on the shares transfer records. The amount of the fee shall be sufficient to cover all actual out-of-pocket costs, including printing costs, administrative costs, and legal costs, if any, incurred by the Company in connection with making the transfer.

3.6. **Leased Shares.** Shares of Class B and Class C stock of the Company may be leased by any shareholder to any other shareholder or non-shareholder subject to the following:

(1) Any Class B or Class C shareholder desiring to lease shares in conjunction with leasing their property shall, as a condition to requesting Board authorization, provide to the Company, in writing, no later than March 1 of any year in which said shares are to be leased, a written lease agreement or written authorization confirming the lease of said shares, including, but not necessarily limited to, the following information:

- (a) name and address of the owner of the shares to be leased;
- (b) name and address of the lessee;
- (c) the number of shares to be leased and information to clearly identify the property to which the shares are appurtenant;
- (d) a statement certifying that the leased shares will be used by the lessee for the same purpose and with the same restrictions in quantity as the owner of the shares to be leased.
- (e) identification of the Company pond, pipeline, ditch, head gate(s) or structure(s) on the Company's diversion, canal, pipeline and ditch system through which the water is to be delivered to the lessee;
- (f) the term of such lease agreement;
- (g) a provision to the effect that the lessee of said shares shall be subject to and agrees to abide by all lawfully adopted by-laws and rules and regulations of the Company; and
- (h) such other information as may be required by the Board.

(2) The term of any agreement for lease of shares of the Company shall be for a period not less than one (1) week. Any expenses incurred by the Company in connection with any such lease agreement shall be the responsibility of the lessor/shareholder.

(3) The lessee of said shares shall have no right to sub-lease all or any portion of the shares leased by lessee.

(4) The Company shall bill the owner of the shares to be leased for all annual and special assessments levied against any leased shares and the owner of the shares shall have the sole responsibility to pay said assessments as and when the same shall become due. It shall be the sole responsibility of the owner of any leased shares to seek reimbursement, if any, for payment of said assessments from the lessee

of the shares.

(5) All voting rights with respect to any leased shares of the Company shall be exercised by the owner of said shares unless the shareholder and lessee of such shares otherwise agree and the Bear Lake Water Company Board gives approval.

(6) The lessee of any shares of the Company shall be subject to and agree to abide by these and all other bylaws and rules and regulations of the Company as a condition to delivery of water.

3.7. **Rules.** The Board shall have power and authority to make all such rules and regulations as it may deem expedient concerning the issue, transfer, conversion and registration of the capital shares of the Company, not inconsistent with the laws of the State of Utah, the Articles of Incorporation and these Bylaws.

SECTION 4 BOOKS AND RECORDS

4.1. **Books and Records.** The Company shall keep as permanent records, at its principal office, the following books and records:

- (a) its Articles of Incorporation;
- (b) its Bylaws;
- (c) resolutions adopted by its Board of Directors relating to the characteristics, qualifications, rights, limitations, and obligations of members or any class or category of members;
- (d) the minutes of all members' meetings for a period of three years;
- (e) records of all action taken by members without a meeting, for a period of three years;
- (f) all written communications to members generally as members for a period of three years;
- (g) a list of the names and business or home addresses of its current directors and officers;
- h. a copy of its most recent annual report as delivered to the Utah Division of Business Corporations;
- (h) all financial statements prepared for periods ending during the last three years;
- (i) minutes of all meetings of its shareholders and Board of Directors;
- (j) a record of all actions taken by the members or Board of Directors without a meeting;
- (k) a record of all actions taken by a committee of the Board of Directors in place of the Board of Directors on behalf of the Company;
- (l) a record of all waivers of notices of meetings of members and of the Board of Directors or any committee of the Board of Directors; and
- (m) a record of its shareholders in a form that permits preparation of a list of the name and address of all members in alphabetical order, showing the number of votes each shareholder is entitled to cast.

4.2. **Inspection of Records.** A director or shareholder, or an Association member through the Association, is entitled to inspect and copy any of the records of the Company during regular business hours, in possession of the clerk, so long as the director or shareholder gives the Company written demand, at least five business days before the date on which the director or shareholder wishes to inspect and copy the records. A director or shareholder may inspect and copy the records only if the demand is made in good faith, for a proper purpose, the director or shareholder describes with reasonable particularity the purpose and the records the director or shareholder desires to inspect, and the records are directly connected with the described purpose.

SECTION 5 SHAREHOLDERS' MEETINGS

5.1. **Meetings.** The Company shall not be required to hold annual or regular meetings of shareholders. Special meetings of the shareholders, for any purpose or purposes, including emergencies, unless otherwise prescribed by statute, may be called by the president of the Company, or in the event of his failure or refusal to act, by a majority vote of the Board, and shall be called at any time by the president or vice president, or upon the request, by written resolution, of any Original Class A Shareholder. Business transacted at all special meetings shall be confined to the subjects stated in the call and such other items of business as may be approved by the shareholders for consideration at the meeting. The record date for determining the shareholders entitled to demand a special meeting shall be the date of the demand pursuant to which the special meeting is called.

5.2. **Attendance and Representation.** Attendance at any special meeting of shareholders of the Company shall include: (i) with respect to Class A shares, the president of each Association, or in the absence of the president a person duly authorized by resolution of the Board of Directors of such Association, who shall represent such Association at the meeting; and (ii) with respect to Class B and Class C shares, the holders of Class B and Class C shares who shall represent themselves at the meeting.

5.3. **Notice of Meetings.**

(a) **Timing and Manner of Notice.** Notice of the date, time and place of any meeting of shareholders shall be given to each shareholder of record entitled to vote by mailing written notice of the same, by regular mail, and/or by electronic communication in the form of an e-mail, at least ten (10) days prior to the meeting. Such notice shall be deemed to be delivered, if by mail, when deposited in the United States Mail, postage prepaid, and addressed to the shareholder's last known post office address or to the address appearing on the stock transfer books of the Company, and if by email the date of the transmission. Notice may be waived in writing, signed by the shareholder entitled to the notice and delivered to the Company for inclusion within the minutes or for filing with the corporate records. In addition to written notice, notice may, but need not be given by publication. An emergency meeting may be called, upon 48 hour's notice, using the best means of notice possible.

(b) **Contents of Notice.** The notice may include any matter or matters to be approved or discussed and shall include a description of any matter or matters that must be approved by the shareholders or for which approval is sought in connection with conflict of interest transactions, indemnification of directors and officers, amendments to the articles of incorporation and bylaws, merger plan, sale of Company property other than in the ordinary course of business, and dissolution of the Company. The Company shall give notice of a matter a shareholder intends to raise at the meeting if requested in writing to do so by a person entitled to call a special meeting and the request is received by the clerk or president of the Company at least 10 days before the Company gives notice of the meeting.

(c) **Record Date.** The Board of Directors may fix in advance a date, not exceeding thirty (30) days preceding the date of any meeting of shareholders, as a record date for the determination of the

shareholders entitled to notice of and to vote at any such meeting. If a record date is not established for the determination of shareholders entitled to notice of or to vote at a meeting of shareholders, the date on which notice of the meeting is mailed shall be the record date. When a determination of shareholders entitled to vote at any meeting of shareholders has been made as provided in this section, such determination shall apply to any adjournment thereof.

5.4. **Quorum.** At any meeting of the shareholders, 100% of the outstanding Class A stock issued to the Original Class A Shareholders shall constitute a quorum for the adoption of any matter submitted to a vote of the members. If a quorum be not present at a properly called shareholders' meeting, the meeting may be adjourned by those present after establishing a date for continuance at least two weeks hence. If a shareholder is represented for any purpose at a meeting, including the purpose of determining that a quorum exists, the shareholder is considered present for quorum purposes for the remainder of the meeting and for any adjournment of the meeting. If a meeting is continued to another date for lack of a quorum at the first meeting, and proper notice is given in accordance with Paragraph 5.3 for the continuance of that meeting, and if the same Class A shareholder is absent from the continuance meeting, then the remaining Class A shareholders will constitute a quorum for the adoption of any matter submitted to a vote of the members.

5.5. **Voting at Meetings.**

(a) **Manner of Voting.**

(1) The voting at all meetings of shareholders may be by voice vote according to shares; except that in a circumstance where any qualified voter may demand a stock vote, a stock vote shall be taken by written ballot, each of which shall state the name of the shareholder voting and the number of shares voted by him, and if such ballot be cast by a proxy, it shall also state the name of such proxy.

(2) With respect to Class A shares, the president of each Association, or, in the event of the president's absence, a person duly authorized to represent the Association by written resolution of the Board of Directors of such Association, shall vote all of the shares held by such Association according to the books and records of the Company. With respect to Class B shares, the holders of Class B shares shall vote the share held by each Class B shareholder, in person or by proxy executed in writing by the shareholder or his duly authorized attorney-in-fact.

(3) Action on any matter requiring shareholder approval is approved if: (i) a quorum is present at the meeting, (ii) 100% of the Class A shares issued to the Original Class A Shareholders vote in favor of the action, and (iii) the total votes of all Class A and Class B shares cast favoring the action exceed the total votes cast opposing the action.

(4) For purposes of shareholder voting, the holders of Class A and Class B shares shall vote and be counted together collectively on all matters and constitute a single voting group.

(b) **Personal and Proxy Vote.** At the meeting of the shareholders, every Class B shareholder having the right to vote shall be entitled to vote in person, or by proxy appointed by an instrument in writing subscribed by such shareholder and bearing a date not more than eleven months prior to said meeting, unless said instrument provides for a longer period.

(c) **Shareholder Voting List and Record Date.** A complete list of the shareholders entitled to vote, arranged in alphabetical order, and the number of voting shares held by each, shall be prepared by the clerk and filed in the registered office of the Company at least two (2) days before any meeting, and shall, during the usual hours for business, be open to the examination of any shareholder. Such list shall also be produced and kept open at the time and place of the meeting and shall be subject to the inspection of any shareholder during the whole time of the meeting. The original stock transfer book shall be prima facie

evidence as to the shareholders entitled to examine such list or transfer book or to vote at the meeting of shareholders.

SECTION 6 BOARD OF DIRECTORS

6.1. Number, Tenure and Qualifications.

(a) Composition of the Board. The powers of the Company shall be exercised and its affairs managed by the Board consisting of seven (7) directors, to be appointed as follows:

(1) Each Association holding Class A stock in the Company as an Original Class A Shareholder shall appoint the president and one other member of the board of directors of such Association to serve on the Board of the Company. The appointment shall be provided to the Company in writing.

(2) The six directors appointed by the Associations, as provided in Paragraph 6.1. (a) (1) above, shall appoint one additional at large director to serve on the Board of the Company. The at large director may be a member of one of the Associations or any person holding Class B or Class C shares. The director so appointed is to watch over the interests of the General Class A, Class B, and Class C shareholders regardless of whether the director is or is not a member of a General Class A Association or holds Class B or Class C shares..

(b) Term. The term of office for six of the directors shall be as determined by the respective Associations making the appointments. The term of office for the seventh director shall be determined by the six directors appointed by the Associations.

(c) Qualifications. All directors must be natural persons of 18 years of age or older.

6.2. General Powers. In addition to the powers and authorities by these Bylaws and the Articles of Incorporation expressly conferred upon it, the Board may exercise all such powers of the Company and do all such lawful acts and things as are not by statute or by the Articles of Incorporation or by these Bylaws directed or required to be exercised or done by the shareholders.

6.3. Regular Meetings. Regular meetings of the Board shall be held at least twice per year and at such other times, at the principal office of the Company or at such other place or places, within or without the State of Utah, as the Board may from time-to-time designate.

6.4. Special Meetings. Special meetings of the Board may be called at any time by the president, or in his absence, by the vice president, or by any two directors, to be held at the principal office of the Company or at such other place or places, within or without the State of Utah, as the directors may from time to time designate.

6.5. Action Without a Meeting.

(1) Any action required or permitted to be taken at a Board meeting may be taken without a meeting if each and every director, in writing, either:

(a) votes for the action; or

(b) votes against the action or abstains from voting; and waives the right to demand that action not be taken without a meeting.

(2) Action is taken under this Section 6.5 only if the affirmative vote for the action equals or exceeds the minimum number of votes that would be necessary to take the action at a meeting at which all of the directors then in office were present and voted.

(3) (a) An action taken pursuant to this Section 6.5 may not be effective unless the Company receives writings: (i) describing the action taken; (ii) otherwise satisfying the requirements of Subsection (1); (iii) signed by all directors; and (iv) not revoked pursuant to Subsection (4).

(b) A writing described in Subsection (3)(a) may be received by electronically transmitted facsimile or other form of wire or wireless communication providing the Company with a complete copy of the document, including a copy of the signature on the document.

(c) A director's right to demand that action not be taken without a meeting shall be considered to have been waived if the Company receives a writing satisfying the requirements of Subsection (1) that has been signed by the director and not revoked pursuant to Subsection (4).

(d) Action taken pursuant to this section shall be effective when the last writing necessary to affect the action is received by the Company, unless the writings describing the action taken set forth a different effective date.

(4) If the writing is received by the Company before the last writing necessary to effect the action is received by the Company, any director who has signed a writing pursuant to this section may revoke the writing by a writing signed and dated by the director describing the action and stating that the director's prior vote with respect to the writing is revoked. Action taken pursuant to this section has the same effect as action taken at a meeting of the Board and may be described as an action taken at a meeting of the Board in any document.

6.6. **Notice of Meetings.** Notice of any regular or special meeting shall be given by mailing written notice of the same to each director at said director's home or business address, or by electronic communication in the form e-mail, and/or by telephone, at least ten (10) days previously thereto. Such notice shall be deemed to be delivered, if by mail, when deposited in the United States Mail, postage prepaid, and addressed to the shareholder's last known post office address or to the address appearing on the stock transfer books of the Company, if by email the date of transmission, or if by telephone, the date the call is made and the message communicated to the director. The attendance of a director at a meeting shall constitute a waiver of notice of such meeting, except where a director attends for the express purpose of objecting to the transaction of any business because the meeting was not lawfully called or convened.

6.7. **Presumption of Assent.** A director's attendance at or participation in a meeting waives any required notice to that director of the meeting unless: (i) at the beginning of the meeting or promptly upon the director's later arrival, the director objects to holding the meeting or transacting business at the meeting because of lack of notice or defective notice; and (ii) after objecting, the director does not vote for or assent to action taken at the meeting; or if special notice was required of a particular purpose the director objects to transacting business with respect to the purpose for which the special notice was required; and after objecting, the director does not vote for or assent to action taken at the meeting with respect to the purpose.

6.8. **Quorum and Manner of Acting.** At any meeting of the Board, the presence of at least 2/3rds of the directors representing the Original Class A shares shall constitute a quorum for the transaction of business, but if less than said number is present at a meeting, a majority of the directors present may adjourn the meeting from time to time without further notice. Notwithstanding the foregoing sentence, any action regarding the assessment of shares and the imposition of fees and charges shall require a quorum consisting of all directors; provided, however, that if the Board is unable to seat a quorum of all directors to consider such matters after

the meeting has been twice noticed as set forth herein, a quorum consisting of 2/3rds of the directors representing the Original Class A shares shall thereafter constitute a quorum for the consideration of the same. The act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the Board.

6.9. **Voting**. Each director shall be entitled to one (1) vote on all matters brought before the Board. The members of the Board shall constitute a single voting group.

6.10. **Committees**. Standing or temporary committees, from time-to-time, may be appointed by the Board from among its own members or from among the members of the Associations, and the Board may invest such committees with power as it may see fit, subject to such conditions as may be prescribed by the Board. The creation of a committee shall be approved by a majority of the Board. An Executive Committee may be appointed by resolution of the Board and shall have all the powers provided by statute, except as specially limited by the Board. All committees so appointed shall keep regular minutes of the transactions of their meetings, and shall cause them to be recorded in books kept for that purpose in the office of the Company and shall report the same to the Board. All committees shall serve at the pleasure of the Board.

6.11. **Compensation**. No stated salary shall be paid to the directors as such for their services; provided, however, that reimbursement may be made, with approval of the Board, for any actual and reasonable expenses incurred by a director in the performance of the director's duties. Members of special or standing committees may likewise be reimbursed upon approval of the Board.

6.12. **Vacancy**. If a vacancy occurs on the Board, the vacancy shall be filled in the manner provided in Subsection 1. a. of this Section.

SECTION 7 OFFICERS

7.1. **Number, Election and Term of Office**. The officers of the Company shall consist of a president, vice president, and clerk. The president and vice president shall be elected by the Board from among the membership of the Board. The clerk shall be appointed by the Board, and need not be a member of the Board. The clerk may be a salaried employee of the Company. Officers shall serve for such term of office as the Board, from time-to-time, shall designate, and shall hold office until their successors are appointed and qualify.

7.2. **Duties**.

(a) **President**. The president shall be the principal executive officer of the Company and, subject to the control of the Board, shall have general supervision and control of the business affairs of the Company and the operation and maintenance of the Company's water diversion, distribution and storage systems. The president shall, when present, preside at all meetings of shareholders and directors. He may sign or countersign, with the clerk or any other proper officer of the Company all certificates for shares of the Company, as well as any deeds, mortgages, bonds, contracts and other instruments of the Company as authorized by the Board, and in general shall perform all duties as are incident to his office or are properly required of him by the Board.

(b) **Vice president**. In the absence of the president, or in the event of his death, inability or refusal to act, the vice president shall perform and exercise the duties and functions of the president, and when so acting shall have all the powers of and be subject to all the restrictions upon the president. The vice president shall perform such other duties as from time-to-time may be assigned to him by the president or by the Board

(c) **Clerk**. The clerk shall have the following duties:

(1) keep the minutes of the shareholders' and directors' meetings in one or more books provided for that purpose, see that all notices are duly given in accordance with the provisions of these Bylaws and any rules and regulations of the Company, be custodian of the corporate records of the Company, keep a register of the post office address of each shareholder and director, have general charge of the stock transfer books of the Company and in general perform all duties incident to the office of clerk and such other duties as from time to time may be assigned by the president or by the Board;

(2) have the charge of and be responsible for all the funds and securities of the Company from any source whatsoever, and in such capacity shall oversee the deposit of all such funds in the name of the Company in such banks, trust companies or other depositories as shall be selected in accordance with these Bylaws, shall see that regular books of account are kept, shall oversee the disbursement of the funds of the Company in payment of the just demands against the Company, or as may be ordered by the Board, making certain that proper vouchers for such disbursements are kept, and shall render to the Board from time-to-time as may be required an account of all transactions and of the financial condition of the company; and

(3) perform all duties incident to the office of clerk and such other and further duties as from time to time may be properly required by the Board.

7.3. **Absence or Inability to Act.** In the case of absence or inability to act of any officer of the Company and of any person herein authorized to act in the officer's place, the Board may from time-to-time delegate the powers or duties of such officer to any other officer or any director or other person whom it may select.

7.4. **Vacancies.** Vacancies in any office arising from any cause may be filled by the directors at any regular or special meeting of the Board.

7.5. **Other Officers.** The Board may appoint such other officers, administrators, managers and agents as it shall deem necessary or expedient, who shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined from time-to-time by the Board.

7.6. **Compensation.** The officers of the Company shall serve without salaries unless otherwise provided by the Board; provided, however, that reimbursement may be made, with approval of the Board, for any actual and reasonable expenses incurred by an officer in the performance of the duties of the office. No officer shall be prevented from receiving a salary as authorized by the Board by reason of the fact that such officer is also a director.

7.7. **Fidelity Bonds.** The Board may, by resolution, require any and all of the officers to give bonds to the Company, with sufficient surety or sureties, conditioned for the faithful performance of the duties of their respective offices, and to comply with such other conditions as may from time to time be required by the Board. The cost of any such bond shall be paid by the Company.

7.8. **Removal from Office.** Any officer elected or appointed by the Board may be removed at any time, with or without cause, by the affirmative vote of a majority of the Board.

7.9. **Resignation.** Any officer may resign his office by giving written notice of resignation to the Board. Such resignation shall be effective when the notice is received unless the notice specifies a later effective date.

**SECTION 8
INDEMNIFICATION OF DIRECTORS AND OFFICERS**

8.1. **Indemnification.** Except as hereinafter provided, the Company shall indemnify all directors and officers of the Company made a party to any threatened, pending or completed actions, suit or proceeding, whether civil, criminal, administrative, or investigative and whether formal or informal, against any and all liability, including, without limitation, any obligation incurred to pay a judgment, settlement, penalty or fine, including reasonable expenses, so long as the individual director's or officer's conduct was in good faith; the director or officer reasonably believed that the director's or officer's conduct was in, or not opposed to, the corporation's best interest; and in the case of any criminal proceeding, the director or officer had no reasonable cause to believe the director's conduct was unlawful. The termination of a proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent is not, of itself, determinative that the director or officer did not meet the standard of conduct described herein. Notwithstanding the foregoing, the Company shall not indemnify a director or officer hereunder in connection with a proceeding by or in the right of the Company in which the director or officer was adjudged liable to the Company; or in connection with any other proceeding charging that the director or officer derived an improper personal benefit, whether or not involving action in the director's or officer's official capacity, in which proceeding the director or officer was adjudged liable on the basis that the director or officer derived an improper personal benefit.

8.2. **Advance of Expenses.** The Company shall pay for or reimburse the reasonable expenses incurred by a director or officer who is a party to a proceeding in advance of final disposition of the proceeding if the director or officer furnishes the Company a written affirmation of the director's or officer's good faith belief that the director or officer has met the applicable standard of conduct set forth in Subsection 1. of this Article; the director or officer furnishes the Company a written undertaking, executed personally or on the director's or officer's behalf, to repay the advance, if it is ultimately determined that the director or officer did not meet the standard of conduct; and a determination is made that the facts then known to those making the determination would not preclude indemnification hereunder. The required undertaking shall be an unlimited general obligation of the director or officer, need not be secured, and may be accepted without reference to financial ability to make repayment.

SECTION 9 CONTRACTS, LOANS, CHECKS AND DRAFTS

9.1. **Contracts.** The Board may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Company, and such authority may be general or confined to specific instances.

9.2. **Loans.** The Board shall, upon resolution duly adopted, have the authority to incur indebtedness on behalf of the Company, in an amount not to exceed \$50,000. Any loans or indebtedness in excess of that amount shall be incurred by the Company only upon a vote of shareholders of the Company as provided in the Articles of Incorporation.

9.3. **Checks and Drafts.** All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Company, shall be signed by such officer or officers, agent or agents of the Company and in such manner as shall from time-to-time be determined by resolution of the Board.

SECTION 10 TITLE, OPERATION AND MAINTENANCE OF WATER SYSTEMS

The Company shall hold title for and in behalf of its shareholders to all main distribution lines, all delivery and service lateral lines and connections from the water mains up to the meter on the property line of each individual user of water through the Company's system, including the shutoff valve, meter and meter box (the "Company System"), and shall have the responsibility to operate, maintain, repair and replace the same. Each person receiving water service through the Company System ("Water User"), shall own and bear the sole

responsibility for operation, maintenance, repair and replacement of the water line from the Water User's side of the meter to the premises being served (the "Water User's System"), subject to the provisions of Section 11.8 herein. The Company shall neither accept nor bear any responsibility for any leaks or damage caused by leakage on the Water User's side of the water meter, and neither shall the Company have any obligation to repair, replace or maintain the service lateral on the Water User's side of the water meter.

SECTION 11 DELIVERY OF COMPANY WATER.

11.1. **Exclusive Control.** The Company System shall be under the exclusive control and management of the Board and other employees acting under authority of the Board. Distribution of water to Water Users shall only be made by order of the Board or by such other employees as may be designated and acting under authority of the Board. In all instances, the Board shall have the responsibility to assure that the water of the Company is used in a beneficial manner, efficiently and without waste.

11.2. **Designation of Lot or Property.** One share of Company stock held by each Association shall be designated on the books of said Association for each individual platted lot which is subject to the governance of such Association. Notwithstanding the fact that the Associations are the holders of the Class A shares, water shall be delivered by the Company directly to the lots within the Associations which are connected to the Company's water distribution system. Water shall be delivered to the owners of Class B and Class C shares to the property designated by the owner of said shares as the place of use of the Company's water supply pursuant to their shares.

11.3. **Appurtenance.** Each share of Class A stock designated by an Association for each lot which is subject to such Association's governance shall be deemed to be an appurtenance to that lot upon which it is first designated. The Class B and Class C stock shall be deemed to be an appurtenance to the property designated by the owner of said shares upon which the Company water is used at the time of such designation. No right of any member of an Association to water service from the Company for a lot to which a share of Class A stock has been designated, nor any share of Class B or Class C stock, shall be separately re-designated, conveyed or otherwise transferred away from the lot or property to which it is appurtenant without the express written approval of the Board. In the case of a lot governed by an Association, the Company shall not give its approval to any such conveyance or transfer without first having received the written approval of the Association to which such lot is subject.

11.4. **Water Entitlement.** Each share of Class A, Class B and Class C stock shall represent the right to one connection to the Company's water distribution system and the delivery of water as follows:

(1) The available water supply for inside culinary use shall be prorated equally among all shareholders, and will be delivered by the Company in accordance with Division of Drinking Water Standards. Any water in addition to that required to satisfy the inside culinary requirements of the shareholders shall be prorated for irrigation use among the Class A, Class B and Class C shareholders.

(2) The amount of water distributed shall be subject to annual adjustment by the Board during the course of any given year depending upon the water rights of the Company and its available water supply and the regulations of the Utah State Engineer and the Utah Division of Drinking Water.

11.5. **Curtailment in the Event of Shortage.** In times of water shortage due to drought or any other natural or manmade conditions or occurrences, the Company shall have full right and authority to declare a water emergency, and to ration or otherwise regulate the distribution and use of water from the Company's system. Such action by the Board may include a moratorium on new water connections until the emergency has been alleviated. In times of shortage, the use of water for inside culinary purposes shall have priority over irrigation use.

11.6. **Theft of Water.** The taking of water by any person, corporation, Association, or entity, public or private without right or in amounts exceeding that to which the user is entitled pursuant to the shares appurtenant to the property involved, without the express written approval of the Board, shall constitute theft of the Company's water and such action will be prosecuted to the full extent of the law. The Company shall withhold the delivery of water to any such user who is caught taking water to which that person or entity is not entitled until such time as the Board is assured that the unlawful taking of water has been terminated and will not resume.

11.7. **Encroachments upon the Company System.**

(1) No person, corporation, association or entity, public or private, shall be authorized to construct, install or place any structure, including, but not limited to, any garage, carport, , patio, corral, bridge, fence, or other similar structure, which extends over, under, into, across or through any part or portion of the Company System, or which otherwise encroaches upon any easement or right-of-way in connection with the Company System, without the express written approval of the Board. In those cases where an encroachment does occur, the cost of removal and replacement during repair or replacement of any part of the Company System will be the responsibility of the owner of the structure deemed to be an encroachment. Approval of any such encroachment shall be at the sole discretion of the Board and subject to such reasonable conditions and restrictions as the Board may determine to be necessary under the circumstances. No such use shall be authorized except by specific grant of easement or written license from the Company, and no such easement or license shall be granted except upon the following conditions:

(a) The grantee shall first be required to submit to the Board plans and specifications setting forth in detail the proposed use. Such other and further information as shall be necessary, in the discretion of the Board, to properly review and consider said proposed use shall be submitted promptly by the grantee upon request.

(b) The grantee shall agree to construct and install any such structure, and to own, operate, maintain, repair and replace the same, in good working order, and to repair any part or portion of the Company System damaged as a result of any such structure, so long as the structure shall remain in place, all at grantee's sole cost and expense.

(c) The grantee shall indemnify and hold the Company harmless from and against any liability or damage to the Canal, lateral, ditch, pipeline and/or other property, real or personal, of the Company, its shareholders or any other person, and for injury to persons or animals, resulting from or arising out of the grantee's ownership, operation and maintenance of any such structure.

(2) No substance or material, of whatsoever kind or nature, including, without limitation, storm drainage water off roadways or other developments, shall be introduced into any portion of the Company System. Any such introduction of material into the Company System or associated easement or right-of-way of the Company are prohibited and any such trespass shall be prosecuted by the Company to the full extent of the law.

(3) Any person, corporation, association or entity, public or private, which owns, operates and maintains any existing structure which extends over, under, into, across or through any part or portion of the Company System or otherwise encroaches thereon, shall, as of the effective date hereof, be subject to the terms and provisions of this Paragraph 6.

11.8. **Emergency Repairs.** In an emergency situation, duly authorized officials, employees, agents and/or contractors of the Company shall, without incurring any liability, have the right of access to any portion of the Company System located on any Water User's land. In addition, the Company shall have

the right to access the Water User's lateral between the meter and the Water User's residence without incurring any liability. Should the Company elect to make emergency repairs to the service lateral of an individual Water User in order to mitigate damage, prevent waste of water and/or prevent contamination of the water supply, all costs and expenses incurred by the Company in making such emergency repairs shall be paid as provided in Section 13.1(4). Notwithstanding anything in these Bylaws and Rules and Regulations to the contrary, the Company shall not own and shall have no responsibility for any Water User's lateral and, should the Company elect to make emergency repairs to the lateral as stated above, the Water User shall be required to reimburse to the Company the cost of the same. The Company's responsibility stops at the meter, and the lateral between the meter and the home is not part of the Company System.

11.9. **Violations.** In the event any Shareholder or Water User shall violate any provision of these Bylaws, or other lawfully adopted regulation promulgated by the Board as authorized herein, the Board may authorize the termination of water service to said Shareholder or Water User until the violation is corrected.

SECTION 12 SERVICE TO INDIVIDUAL STRUCTURES

12.1 **Association Approval Letter.** The owner of any lot or property connected or to be connected to the Company's water system as a Water User hereunder, as a condition to receiving water service, shall provide a written approved letter from the Water User's Respective Association to the Company for service, and shall agree therein to comply with these and all other applicable rules and regulations of the Company by executing the agreement.

12.2 **HookUp Fee.** The Board shall have authority to levy and collect a hook up fee, the payment of which shall be required as a condition to any new connection to the Company system.

(1) Hookup fees shall be levied to cover the Company's out-of-pocket costs incurred in the construction, installation and inspections of such pipelines, shutoff valves, water meters, meter boxes and appurtenances as shall be required to effectuate the connection of a Water User to the Company's water system, and for inspection of the connection of the Water User's system to the Company's water meter, as provided in Section 12.3.

(2) No Water User shall be allowed to connect onto the Company system, or take water from the Company system unless and until the required hook up fee has been paid in full. The amount of the hook up fee shall be determined by the Board from time-to-time.

12.3 **Physical Connection to the System.** Within a reasonable time after receipt of payment of the hook up fee from a Water User, the Company shall install, at the Water User's property line, that portion of the Company System, as defined in Section 10, as shall be required to serve the premises of the Water User, including, without limitation, the water meter, shut off valve, meter box and related facilities, and shall connect the meter to the Company's water main line. The Water User, at the Water User's sole cost and expense, shall retain a private, licensed, plumbing contractor to install the Water User's System, as defined in Section 10, and connect the same to the water meter. No water may be taken through the meter unless and until the Company has visually inspected the installation of the Water User's System and approved the same. In the event the Water User covers over the Water User's System upon its initial installation, and commences to use water through the meter prior to inspection and approval by the Company, the cost to the Company of uncovering the installation and making the inspection shall be borne by the Water User.

12.4 **Vacant Lots.** Applications for water service will be accepted by the Company for Water Users who own lots and have an approved Association Building Permit in the same manner and subject to the same conditions set forth herein for all other new connections to the water system.

12.5 **Transfer of Lot or Property**. Each Water User shall immediately report, in writing, to the Company's registered office the sale of the Water User's lot or property being served. Immediately upon receipt of this written notice, the Company shall close the shutoff valve and terminate water service to said Water User's lot or property. The Company shall restore water service to the lot or property acquired by a subsequent purchaser subject to and in conformance with the following:

(1) The subsequent purchaser of the lot or property shall be required to make formal written application for renewal of service on a form provided by the Company, and shall agree therein to comply with these and all other lawfully adopted rules and regulations of the Company.

(2) The subsequent purchaser of a lot within an Association holding Class A stock shall present to the Company, as part of the application for renewal of service, a water service authorization letter signed by the president of the respective Association to which the subsequent purchaser shall belong. Verification of payment in full of all applicable Association assessments by the prior Customer or the subsequent purchaser, as the case may be, shall be a condition precedent to the issuance of a water service authorization letter to a subsequent purchaser.

(3) The subsequent purchaser of a lot or property which is appurtenant to a Class B or Class C share shall present to the Company proof of acquisition of the lot or property; whereupon, the appurtenant stock shall be properly transferred into the subsequent owner's ownership upon the books of the Company.

(4) In addition to the presentation of the water service authorization letter or proof of acquisition, as the case may be, the subsequent purchaser shall also be required to pay to the Company a resumption of service fee to cover the costs incurred by the Company in re-establishing water service to the subsequent purchaser's lot or property. The amount of the resumption of service fee shall be established from time-to-time by the Board.

(5) The Company shall neither undertake the obligation nor have the responsibility to determine any pro-rated amount of any assessment paid or to be paid in connection with the lot or property acquired by the subsequent purchaser, nor will the Company endeavor to collect the same from the prior owner.

SECTION 13 ASSESSMENT OF SHARES

13.1. **Power to Levy and Collect Assessments**. In accordance with the Company's Articles of Incorporation, the Company shall have the power to levy assessments, as herein provided, against all Class A, Class B and Class C shares of the Company, as follows:

(1) **Regular Assessments - Applicable to Lots With Residential/Commercial Structures Thereon**. Each year, the Board shall determine the amount of money estimated to be necessary to cover the Company's costs. The Board shall make and levy a regular assessment against the Company's outstanding stock to generate the funds necessary to pay said costs. Regular assessments shall be levied on lots with residential or commercial structures thereon, in conformance with the following:

(a) **Annual Operating Assessment**. An annual operating assessment to cover the Company's costs of purchasing, using, leasing or obtaining water, (ii) operating, repairing and maintaining the Company System, (iii) establishing and funding a reserve fund to cover major repairs, improvements and replacement of the water system, (iv) taxes and insurance on the Company System and the Company, and (v) other items or services necessary or desirable to enable the Company to perform or fulfill its obligations, functions and purposes under its Articles and these Bylaws.

(b) Usage Assessment. An assessment levied based upon usage as follows:

(i) Base Usage Assessment. A "Base Usage Assessment," either as a base rate/1,000 gallons up to a given Base Water Entitlement, or as a Base Water Entitlement to be paid in full by the Water User, as provided herein whether or not the Base Water Entitlement is fully utilized by the Water User, shall be due and payable for usage of water for the Base Water Entitlement as determined by the Board from year-to-year; and

(ii) Overage Usage Assessment. A graduated overage assessment shall be due and payable for usage of any of the Company's water by a Water User in excess of the Base Water Entitlement, in amounts as determined by the Board in those situations where additional water is available for use.

(2) Special Assessments - Applicable to Lots With or Without Residential/Commercial Structures Thereon. The Board shall levy special assessments for the purpose of defraying, in whole or in part, any extraordinary corporation expenses not reasonably capable of being fully paid with funds generated by regular assessments, the costs of any unexpectedly required repair or replacement of any part of the Company System, and for the construction, reconstruction, repair, or any improvement of the water system for the common benefit of all of the properties served by the water system. The Board shall issue orders levying a special assessment in the same manner as orders levying regular assessments

(3) Stand-by Maintenance and Capital Improvements Assessments - Applicable to Lots Without a Structure Thereon. The Board shall levy a standby maintenance and capital improvements assessment (collectively, the "Stand-by Assessment"), in an amount to be determined by separate resolution of the Board, against the Class A shares designated for each vacant lot within an Association but which is not physically connected to the Company's water system, for the purpose of covering costs incurred by the Company in maintaining, repairing, upgrading and replacing the Company System in such a manner as will facilitate connection of a vacant lot thereto when a request for connection of said lot to the Company System is made. The Standby Assessment shall be assessed monthly, quarterly or annually at the discretion of the Board, and shall commence at the time the internal water distribution system for the platted development is transferred to the Company for operation and maintenance in accordance with these rules and regulations. The amount of the Standby Assessment is subject to change from time to time by the Board. The Standby Assessment shall continue until such time as the purchasers of the individual lots to which a Class A share has been designated files an application for water service and connects onto the Company System. At that time, the Standby Assessment shall cease as against such share of stock. The Class A stock which is designated for such lot or unit shall then become subject to the levy of regular and special assessments of the Company.

(4) Water User System Repair Assessments. Notwithstanding the provisions of Sections 13.1(1) through (3) herein, any cost and expense incurred by the Company in repairing the Water User's System under the provisions of Section 11.8 herein shall be billed to the property owner as a special assessment on said property owner's property, and shall upon such billing automatically constitute a special assessment against the property. If individual meters are not in place and the Water User or property owner refuses to pay, the expense incurred will be billed to the appropriate Association.

(5) Fees and Charges.. The Board, by separate resolution, may, from time-to-time, levy such fees and charges, other than and in addition to regular and special assessments, as it may deem necessary for the administration of the Company and otherwise in carrying out the purposes and objectives of the Company as set forth in the Articles.

13.2. Levy of Assessments. Regular Assessments, Special Assessments and Stand-by Assessments (sometimes referred to herein collectively as the "Company Assessments") and the cost of the purchase of a new share of the Company, shall be levied in conformance with the following:

(1) **Assessments May Differ Class to Class; Other than Pro-rata Assessment.** The assessment rates for the Company Assessments among the various classes of stock may differ; and with respect to Class A stock, the rates for Company Assessments among the various Associations may differ at the discretion of the Board, taking into consideration such things as the cost of delivery of water to differing pressure zones within the system, the size of lot or property to be served, etc. Ordinarily all assessments shall be levied on an equal and pro rata basis according to the number of shares owned as set forth above. However, the Board, in its discretion, may levy or otherwise apportion assessments, particularly with respect to special assessments, and impose fees and charges when the equities appear to justify the levy of assessments and imposition of fees and charges on other than an equal and pro-rata basis.

(2) **Assessment Procedure**

(a) **Assessment Procedure.** The procedure for levying and enforcing the collection of assessments against the stock of the Company shall be as follows:

(i) **Order Levying Assessment.** An assessment shall be levied by order of the Board. The order shall: (i) specify the amount of the levy per shareholder; (ii) specify when, to whom, and where the assessment is payable; and (iii) identify the day on which an unpaid assessment becomes delinquent. The date on which an unpaid assessment is considered delinquent shall be at least 30 days after notice of assessment is given. If assessments are not levied on an equal basis for all shares, the order shall state the equitable basis for the differing assessments.

(ii) **Notice of Assessment.** When the Board levies an assessment, the clerk shall prepare a notice of assessment, including:

- (A) name of the Company;
- (B) location of the Company's principal place of business;
- (C) date of the meeting at which the Board adopted the assessment order;
- (D) description of the shares assessed, and assessment amount per share;
- (E) time, place, and manner of payment;
- (F) day on which payment is considered delinquent;
- (G) if assessments are not levied on an equal basis, a statement that the equitable basis for the assessments is set forth in the order; and
- (H) that delinquent assessments will bear interest at the rate of 1.5 percent per month;
- (I) a general statement that the Board may elect various remedies to enforce payment, including the auctioning of shares.

(iii) **Service of Notice of Assessment.** The notice of assessment shall be (i) personally served on each shareholder; or (ii) sent by regular mail to each shareholder at the address shown on the Company's records (a shareholder is responsible for providing the shareholder's current

mailing address to the Company). The Company may, but is not required to publish notice of the assessment.

(b) **Association Pass Through.** Company Annual Assessments against the holders of Class A shares of each Association shall be passed-through the said Association separately, or in conjunction with the Association's levy of assessments against the members cabin/lot owners of the Associations ("Association Assessments"), in conformance with the following:

(i) Company Assessments shall be levied by the Company against the shares of each Association on a per lot basis: connected water service /or stand by service. The Company shall send a billing statement to each Association quarterly levying the Assessments.

(ii) Each Association shall have the sole and separate responsibility to levy Association Assessments against the member/lot owners within such Association, and thereby collect funds from their respective members in an amount sufficient to enable the Association to pay the Company Assessments as billed by the Company. Association Assessments shall be levied, collected and accounted for separately or in conjunction with the homeowner's association dues and assessments levied by each Association, and in accordance with the respective articles of incorporation and bylaws of each such Association.

(iii) Each Association shall be obligated to pay Company Assessments in full as they become due for each lot within the Association, out of the funds generated through the levy of Association Assessments or otherwise.

(iv) Each Association shall utilize all means available to it for the collection of delinquent Association Assessments levied by such Association in order to generate the funds required to pay the Company Assessments as they become due, including, without limitation, the imposition and foreclosure of liens against any delinquent property within the Association pursuant to authority of the Sweetwater CCRs.

(v) The Company will meter all connections and bill each property owner individually for water used. In the event an Association has a common meter or meters rather than individual meters, the Company will bill the Association. Each water user, or Association in the case of common meters, will pay the designated price per gallon of water measured at their own designated meter in conformance with Section 13.1(1)(b) hereof..

(3) **Rental Property (Class B and Class C Shares).** The legal owner of any rental property being served by the Company shall appear as the record owner of any Class B or Class C share and shall be primarily responsible to the Company for payment of all applicable assessments.

(4) **Interest on Delinquent Assessments.** Delinquent assessments shall accrue interest on the unpaid balance at the rate of 1.5% per month.

13.3. Assessment Lien. All unpaid assessments shall constitute a lien against the delinquent stock, which shall have priority over any mortgage, lien, pledge, sales contract, escrow contract, lease, conditional or unconditional transfer, or any other encumbrance, lien, claim, attachment, execution, or other charge or interest in or upon or deemed or claimed to be against the stock, and the right of the Company to assess the stock for such assessments shall be paramount and superior to all those liens, claims, charges, or interests.

13.4 Enforcement of Assessments. Payment of a delinquent assessment by an individual Water User or an Association may be enforced by the Company in one or more of the following ways:

- (1) imposition of a late charge, penalty, or interest;
- (2) suspension of one or more benefits to the Water User or the Association including the right to vote, to transfer shares and/or the delivery of water;
- (3) sale at public auction of the shares on which payment is delinquent in conformance with the requirement of the *Utah Share Assessment Act*, Section 16-4-101 *et seq.*, Utah Code Annotated, 1953, as amended, and
- (4) any other enforcement method specified in the Articles, these Bylaws and Rules and Regulations or otherwise available under law.

In an enforcement action, the Company may recover the delinquent assessment, any late charge, penalty, or interest, and all costs of collection, including attorney fees.

SECTION 14 SERVICE TO NEW DEVELOPMENTS

14.1. **Application for Service.** No individual, firm, corporation or association (“Developer”) developing new lands, other than lots originally platted in connection with the Sweetwater Development, which were never intended to receive water service from the Company at the time the Company was initially incorporated, shall be permitted to connect onto the Company System or receive water service from the Company unless and until a formal written application for service has been received by the Company, and the Company has sent written notice to the Developer accepting the application. Developer applications for service shall be considered subject to and in conformance with the following:

14.2. **Proposed Master Plan.** The Developer shall submit a master plan of the Developer's proposed development and indicate there on the number of water connections the Developer will require (calculated at the rate of one connection per lot).

14.3. **Engineering Review.** The Company's consulting engineers shall review the proposed master plan to evaluate the water requirements of the proposed development.

14.4. **Conditions Precedent to Service to New Developments.** Each Developer requesting service to a new development must comply with all of the following conditions precedent in order to obtain water service from the Company.

(1) **Water Rights.** The Developer must obtain and perfect its own year-round culinary water and seasonal irrigation rights, acceptable to the Company, of sufficient quantity to satisfy the requirements of these rules and regulations and all then current requirements of the Utah Division of Water Rights, Utah Division of Drinking Water, and other local governments as applicable for Developer's proposed development.

(2) **Source Capacity.** The Developer shall obtain and/or develop its own source or sources of culinary and irrigation water supply, acceptable to the Company, which shall be approved as to quality and suitability for culinary use within the Company by the Utah Division of Drinking Water, and which satisfy the requirements of these rules and regulations, including, without limitation, the following:

(a) The quantity of water available for use from the source and the producing capacity and drawdown curve of any well shall be certified by a qualified professional engineer.

(b) Developer shall fully encase all wells and equip each well as required to serve its

development, at its sole expense. If Developer's water supply originates in springs or other surface supplies, Developer will perform all development work necessary and obtain at Developer's expense all required source protection easements necessary to protect the water source and insure the culinary quality of the water withdrawn from it. In the event treatment facilities are required, Developer shall construct and install the same at its sole expense.

(3) **Extension to Main Transmission Lines.** Developer shall construct at its sole expense, all extensions of the Company's main water transmission lines required to serve Developer's proposed development, in conformance with the following:

(a) Developer shall enter into a line extension agreement with the Company, which shall govern the terms and conditions under which said main line extensions shall be made by Developer, including, without limitation the following:

(i) The Company may, in its sole discretion, deem it necessary to extend the line and/or construct excess capacity into an extended line in order to facilitate orderly development of other land in the immediate area. In that case, Developer shall be required to construct said extended line and/or excess capacity at Developer's sole expense.

(ii) Other third parties may subsequently connect to an extended main line and utilize the excess capacity therein. The Company shall require these third parties to pay their proportionate share of the original costs incurred by the Developer in designing, engineering and constructing this extended main line. The Company, in accordance with the terms of the line extension agreement required by this Section, shall make proportionate reimbursement to the Developer who constructed the extended main line from these funds.

(b) All line extensions shall be constructed in conformance with plans and specifications provided or approved by the Company's engineers, as dictated by the Company, and upon completion of construction shall be inspected and approved by the Company's engineer in order to insure that the extended system will be compatible with the Company's existing water system.

(4) **Internal Water Distribution System.** Developer shall construct at its sole expense the water distribution system within the Developer's development parcel, including all pipelines, valves, pump stations, storage, treatment and other appurtenant facilities necessary to serve Developer's proposed development.

(a) All such facilities shall be designed and constructed in accordance with the Company's standard specifications, and/or such other plans and specifications as shall be required by the Company's engineers, as approved by the Company.

(b) Pump stations and storage facilities shall be placed at an elevation which will be compatible with pump stations, storage facilities and pressure zones already existing or which may now or later be proposed as part of the Company's water system.

(5) **Easements and Rights-of-way.** Where possible, provision shall be made for the construction of all wells, pipelines, pump stations and related facilities within public streets and easements. However, where any such facilities must be installed upon or within private property, Developer shall obtain, at Developer's sole expense, such perpetual easements as shall be necessary therefore.

(6) **Conveyance to the Company.** Upon completion of the acquisition of water rights, easements and rights-of-way, and the development and construction of the facilities described in Subsections (1) through (4) of this Section 14.4., and upon receipt by the Company of written acceptance of the same by the

Company's engineer, the Developer shall convey title to said water rights, easements and facilities to the Company, free and clear of all liens and encumbrances except for those specifically agreed to in writing by the Company, by instruments of conveyance acceptable to the Company. Thereafter, the Company shall be the record owner of said water rights, easements and facilities and the same shall thereupon be commingled with and become a part of the water rights and Company System through which all of its shareholders will be served, including Developer's development.

(7) **Issuance of Shares.** Upon conveyance of the water rights, easements and facilities required pursuant to Section 14.4(5), shares of Company stock shall be issued in conformance with the following:

(a) **Multiple Unit Developments.** For developments comprised of more than one unit to be served through the Company System, the Company, in its sole discretion, may require, as a condition to committing to provide water service to the new development, that the Developer be required to incorporate a new homeowner's association for the new development with the power and obligation to function with respect to water service from the Company in the same manner as the Associations which are the holders of Class A shares in the Company. In such event, the newly incorporated association will be issued Class A shares as a General Class A Shareholder in number equal to the number of lots within the new development to be served, at the rate of one (1) share per lot, and the Association shall be governed by the same regulations hereunder as are imposed upon all other the Associations holding Class A shares as a General Class A Shareholder.

(b) **Other Developments.** For commercial developments comprised of one unit and other residential developments comprising one unit or more than one unit as to which the Company, in its sole discretion, has determined is not to be served through an Association as a General Class A Shareholder, the Company will issue Class B shares of stock in number equal to the number of lots within the new development to be served, at the rate of one (1) share per lot.

14.5. **Reimbursement of Costs and Expenses Incurred by the Company.** The Developer shall be required to be pay to the Company all costs and expenses incurred by it in connection with the requirements of this Section, including, without limitation, all District administrative costs, internal personnel review costs, and consulting engineering and attorneys fees, and other costs and expenses incurred and to be incurred by the Company with regard to the Developer's application and all matters related thereto.

SECTION 15 METERS REQUIRED

15.1. **Meters Required.** All uses of water from the Company's system shall be metered, except for fire protection water, which will not be metered, as provided in this Section. Company shall read the Water User's water meters twice each year, once in May or June and once in September or October.

15.2. **Un-metered Connections.** Existing un-metered connections shall continue to receive service, but shall be required to install a water meter and to have its installation inspected and approved within two years of the date of notice of such requirement by the Board. The Board shall give each Water User, using un-metered water, written notice of this requirement. Enforcement of this requirement may be through the suspension of water deliveries until the Water User is in compliance. This remedy cannot be invoked until after written notice, the running of the 2 year period to install a water meter, and further notice of default and of a 30 day time period to cure such default in the event of non-compliance.

15.3. **One Structure Per Meter.** Not more than one structure or building shall be connected to any one water meter without the prior written approval of the Board. Multiple dwelling units may be served by a single metered connection, provided that the owner of each such dwelling unit so served or the owner's association representing that owner owns at least one share of stock for each residential unit served through a

single or master meter.

15.4. **Meter Readers and Meter Maintenance.** No shareholders or Water User shall obstruct in any way the ability of authorized Company personnel to gain access to water meters for periodic reading and maintenance. The cost of removing any physical obstructions may be charged to the shareholder or Water User.

**SECTION 16
MAINTENANCE AND SERVICE CONTRACTS**

16.1. **Contract Services.** The Board shall have authority to enter into written contracts for operation and maintenance of the Company's water distribution system with such persons and/or entities as the Board may, in its discretion, deem suitable. The services to be provided under such contracts may include, but shall not be limited to, the following:

(1) Monitor and maintain, on a regular basis, the following facilities and equipment of the Company, and recommend repairs and improvements to the same, as necessary, to the Board:

- (a) all wells and pumps (including, water depth and flow);
- (b) all water storage reservoirs (including flushing the same on a quarterly basis), and all related telemetry, radio and other signaling equipment;
- (c) all fire hydrants (including flushing the same); and
- (d) all pipelines, valves, water meters and related equipment;

(2) Read all water meters on a schedule as determined by the Board and deliver an accounting of all meter readings and calculations to the individual or entity designated by the Company to perform accounting services;

(3) Monitor water demand for new home construction sites, and purchase and install shut-off valves, water meters and meter boxes for each new lot to be served;

(4) Monitor and report excess water usage on new home construction sites during the construction period;

(5) Take monthly and annual water samples, submit the samples to the appropriate laboratory for analysis in conformance with all applicable State and local laws, and give a monthly report of the results of the analysis to the Board;

(6) Meet and cooperate with State and local water officials, submit appropriate reports as required, and immediately report any deficiencies and other notable matters pertaining to the Company's water system and water quality; and

(7) Perform all other activities and functions as may be required, by the Board and otherwise, to effectively and efficiently operate and manage the water system of the Company.

16.2. **Contract Remuneration.** Remuneration and other terms and conditions pertaining to such contracts shall be determined by the Board in its sole discretion.

**SECTION 17
APPORTIONMENT OF WATER RIGHTS LOST BY FORFEITURE OR NONUSE**

17.1 **Apportionment of Water Rights.** If all or any portion of the water rights to which the Company holds title ceases or is lost due to forfeiture or abandonment for lack of beneficial use, the Company, pursuant to the provisions of Utah Code Annotated Section 73-1-4.5, shall apportion the loss to each shareholder or Water User whose failure to make beneficial use of the water to which the shareholder was entitled under his or her stock caused the loss of the water right, subject to the following:

(1) Such an apportionment shall be made at such time as the Utah Division of Water Rights or a court of proper jurisdiction makes a final decision that a loss has occurred under Utah Code Annotated Section 73-1-4, including losses that occur as part of a general determination under Title 73, Chapter 4, Determination of Water Rights, or by any other decision of a court of proper jurisdiction.

(2) In making an apportionment of the loss among the responsible shareholders or Water Users, a sufficient number of shares to account for the water right lost, including necessary transport or "carrier water" losses, as applicable, shall be treated by the Company as shares redeemed by the Company from each of the respective shareholders responsible for the loss; whereupon, the number of shares owned by each such shareholder shall be reduced accordingly on the records of the Company.

(3) Upon redemption, the total authorized shares of the Company shall be reduced by the amount of shares redeemed pursuant to this Article.

(4) The redemption and retirement of shares belonging to a shareholder pursuant to this Article shall not relieve the shareholder or Water User of liability for unpaid assessments on the stock or debts the shareholder may owe to the Company.

17.2. **Reduction in Delivery Pending Appeal.** In making the apportionment, the Company shall reduce the amount of water provided to the shareholder in proportion to the amount of the lost water right during an appeal of a decision that reduced the Company water rights, unless otherwise ordered by a court of proper jurisdiction.

SECTION 18 CROSS-CONNECTION AND BACK-FLOW CONTROL

18.1 In order to give the public reasonable assurance that the water being consumed is satisfactory, the governing board of the Utah Division of Drinking Water, by authority of the Safe Drinking Water Act, Title 19, Chapter 4 of the Utah Code, and pursuant to the Utah Administrative Rulemaking Act, Title 63, Chapter 46a of the Utah Code, has promulgated administrative rules governing the design, construction, operation and maintenance of public drinking water systems (the Rules). Section R309-102-5 of the Rules requires that public water suppliers impose regulations to control cross-connections and prevent back-flow within the System in compliance with the requirements of Chapter 10 of the Utah Plumbing Code. This regulation is imposed in conformance with the requirements of the Rules.

18.2. **Purpose.** This regulation is enacted to accomplish the following purposes:

(1) To protect the public drinking water supply of the Company from the possibility of contamination by requiring cross-connection and back-flow control protection in conformance with the Rules. Compliance with the minimum safety requirements of the Rules will be considered reasonable and due diligence in preventing the back-flow of contaminants into the System.

(2) To promote the reasonable elimination or control of cross connections within the piping and plumbing fixtures of the Water User's Individual Water System, as defined herein, pursuant to the requirements of the Rules.

(3) To provide for the administration of a continuing program of cross-connection and back-flow prevention which will systematically examine the risk and effectively prevent the contamination of the Company's public drinking water within the System, as defined below.

18.3. **Definitions.** As used in this Section 11, the following definitions shall apply:

(1) **Auxiliary Water Supply:** Any water supply on or available to the premises other than through the System. An Auxiliary Water Supply may include water from another purveyor's public potable water supply or any natural source such as a well, spring, river, stream, etc., and shall include used waters and industrial fluids. An Auxiliary Water Supply may be contaminated or polluted or it may be objectionable and constitute an unacceptable water source over which the System Operator has no authority for sanitary control.

(2) **Back-flow:** The reversal of the normal flow of water caused either by back-pressure or back-siphonage.

(3) **Back-flow Prevention Assembly:** An assembly or means designed to prevent Back-flow which is accepted by the Utah State Department of Environmental Quality, Division of Drinking Water, as meeting an applicable specification or as suitable for the proposed use. Specifications for Back-flow Prevention Assemblies are contained within the Uniform Plumbing Code, Chapter 10, Section 1003, and in the Rules.

(4) **Back-Pressure:** The flow of water or other liquids, mixtures, or substances from a region of high pressure to a region of lower pressure into the water distribution pipes of a potable water supply system from any source other than the intended source.

(5) **Back-Siphonage:** The flow of water or other liquids, mixtures, or substances under vacuum conditions into the distribution pipes of a potable water supply system from any source other than the intended source, caused by the reduction of pressure in the potable water system.

(6) **Contamination:** A degradation of the quality of the potable water supply by sewage, industrial fluids or waste liquids, compounds or other materials or substances that may create a health hazard.

(7) **Cross Connection:** Any physical connection or arrangement of piping or fixtures which may allow non-potable water including, without limitation, industrial fluids or waste liquids, compounds or other materials or substances of questionable quality to come into contact with potable water inside a water distribution system. This shall include, but not be limited to, temporary conditions such as swing connections, removable sections, four-way plug valves, spools, dummy sections of pipe, swivel or change-over devices, sliding multiport tubes or any other such plumbing arrangements.

(8) **Water User's Individual Water System:** The water service lateral pipeline, and all valves, pumps and related equipment and facilities utilized by the Water User in receiving water service from the Company for the Water User's premises, commencing at the point of the connection of the Water User's service lateral with the System.

(9) **System:** All diversion and collection works, springs, wells, treatment facilities, pumps, lift stations, service meters, main water transmission and distribution pipelines, hydrants, reservoirs, tanks and any and all related equipment, facilities, and other appurtenances owned by or under the control of the Company which are utilized in providing water service to the Water Users, terminating at the point of connection with the Water User's Individual Water System.

(10) **System Operator:** The person designated by the Board to be in charge of the operating

the System.

18.4. **Responsibility; Vesting of Authority.** The Company shall be responsible for the protection of the drinking water distribution system from the foreseeable conditions leading to the possible contamination or pollution of the drinking water system due to the Back-flow of contaminants or pollutants into the drinking water supply. In order to accomplish the purposes of this resolution, the System Operator is hereby vested with the authority and responsibility to implement an effective cross connection and Back-flow prevention control program in conformance with the provisions of these rules and regulations and to enforce the same.

18.5. **Regulations.**

(1) **Water User Compliance.** A Water User's Individual Water System shall not be allowed to be connected to the System, and no existing connection to the System shall be allowed to be maintained, unless the public water supply of the Company is protected as required by the Rules and these rules and regulations.

(2) **Inspection and Survey.** The Water User's Individual Water System shall be sufficiently open and available, at all reasonable times, in order to allow the Company to inspect and conduct period system surveys to determine whether cross-connections or other structural or sanitary hazards, including violation of these Bylaws and Rules and Regulations, exist and to audit the results of the required survey (R309-102-5 of the Utah Administrative Code).

(a) The Company shall schedule and notify all Water Users, in writing, of such periodic inspections and surveys.

(b) A record of all periodic inspections and surveys of the Water User's Individual Water System shall be maintained by the System Operator in the records of the Company.

(3) **Required Installation of Back-flow Prevention Assembly.** Whenever the System Operator deems a Water User's usage of water through the Water User's water service connection contributes a sufficient hazard to the Company's water supply, a Back-flow Prevention Assembly shall be installed on the service line of the identified Water User's Individual Water System, at or near the property line or immediately inside the building being served; but, in all cases, before the first branch line leading off of the service line.

(a) It shall be the responsibility of the Water User, at his expense, to purchase, install, and maintain any Back-flow Prevention Assembly required to be installed by the System Operator in compliance with this resolution.

(b) The type of Back-flow Prevention Assembly required under this Section shall depend upon the degree of hazard which exists at the point of Cross-connection (whether direct or indirect), according to the results of the survey, based upon the rules and other applicable state and local requirements.

(c) No Back-flow Prevention Assembly shall be installed so as to create a safety hazard. For example, installing a Back-flow Prevention Assembly over an electrical panel, steam pipes, boilers, or above ceiling level.

(d) All Back-flow Prevention Assemblies shall be tested within ten (10) working days of their initial installation.

(e) All Back-flow Prevention Assemblies installed prior to the effective date hereof which do not meet the requirements of these Bylaws and Rules and Regulations, but which were approved Back-flow Prevention Assemblies for the purposes described herein at the time of installation and which, in the opinion of the System Operator, have been properly maintained, shall, except for the inspection and

maintenance requirements under Section 9.4(2), be excluded from the requirements of this resolution so long as the system operator is assured that said Back-flow Prevention Assembly will satisfactorily protect the System. Whenever an existing Back-flow Prevention Assembly is moved from its present location, or if said assembly requires more than minimum maintenance, or when the System Operator finds that the operation of said assembly constitutes a hazard to health, the assembly shall be replaced, in conformance with the requirements of this resolution, with an approved Back-flow Prevention Assembly which meets the requirements of the Bylaws and Rules and Regulations.

(4) **Continued Inspection of Installed Back-flow Prevention Assemblies.** It shall be the responsibility of the Water User residing on or having the right of possession of any premises receiving water from the System where a Back-flow Prevention Assembly has been installed to obtain certified inspections and to conduct tests of said assemblies, at least once per year, all at the Water User's sole expense.

(a) In those instances where the System Operator deems the hazard to be great, he may require certified inspections and tests at more frequent intervals.

(b) It shall be the duty of the System Operator to see that all inspections are performed and all tests are made according to the standards set forth by the Utah State Department of Environmental Quality, Division of Drinking Water.

(c) Inspection and testing of back-flow prevention assemblies shall only be accomplished by a certified Back-flow assembly technician authorized to make the inspection and/or take the test. The certified technician shall report the results of the inspection and test to the System Operator who shall report the results to the Water User and to the Company.

(5) **Repair of Back-flow Prevention Assemblies.** If any commercially tested Back-flow Prevention Assembly is in need of repair, said repairs shall be made by a plumber licensed pursuant to the Construction Trade License Act, Title 58, Chapter 55-2-(21).

18.6. **Certified Back-flow Prevention Technician.** All initial and on-going inspections, surveys, testing and determinations with respect to the need for, and the continued adequacy, operation, maintenance, repair and replacement of, Back-flow Prevention Assemblies required to be installed pursuant these rules and regulations, shall be performed and or supervised by a certified Back-flow prevention technician. Certified Back-flow technicians performing services for the Company shall be required to:

(1) Insure that acceptable equipment and procedures are used for inspecting, testing, operating, maintaining, repairing or replacing Back-flow Prevention Assemblies;

(2) Make reports of such inspections, testing, operations, maintenance, repairs or replacements to the Water User and the System Operator on forms approved by the System Operator and within time frames as described by the Utah Division of Drinking Water;

(3) Include in the report the list of materials or replacement parts being used;

(4) Insure that replacement parts are equal in quality to parts originally supplied by the manufacturer of the assembly being repaired;

(5) Refrain from changing the design, material or operational characteristics of the assembly during testing, repair, maintenance or replacement;

(6) Perform all tests of the assemblies and be responsible for the competence and accuracy of all tests and reports;

(7) Insure that the technician's license is current and in good standing;

(8) Insure that the testing equipment being used is acceptable to the State of Utah, and is in proper operating condition;

(9) Be equipped with, and be competent to use, all necessary tools, gauges, and other equipment necessary to properly inspect, test, operate, maintain, repair and replace all Back-flow Prevention Assemblies; and

(10) Tag each double check valve, pressure vacuum breaker, reduced pressure Back-flow assembly and high hazard air gap, showing the serial number, date tested and by whom, and to include the technician's license number on the tag.

18.7. **Violations.** All Water Users shall comply with the Cross-connection and Back-flow requirements of these rules and regulations as a condition to receiving water service from the Company, and the Water User's acceptance of service constitutes an acknowledgment and representation by the Water User that the Water User is familiar with and agrees to be bound by the requirements of these Bylaws and Rules and Regulations.

(1) **Violation.** A Water User shall be in violation of these Bylaws and Rules and Regulations if:

(a) A Back-flow Prevention Assembly determined to be required for the control of Back-flow and Cross-connections is not installed, tested and maintained, by a Water User in conformance with the requirements of these Bylaws and Rules and Regulations;

(b) It is found that a required Back-flow Prevention Assembly has been removed or by-passed;

(c) An unprotected Cross-connection exists on the Water User's premises;

(d) The periodic system survey has not been conducted; or

(e) The Water User is otherwise in violation of the requirements of these Bylaws and Rules and Regulations.

(2) **Notice of Violation.** Any Water User found to be in violation of these requirements shall receive written notice from the System Operator of any and all deficiencies constituting a violation.

(3) **Suspension of Service.** If any deficiency or other violation of these requirements exists or if there has not been any corrective action taken by the Water User within ten (10) days of the date of written notice pursuant to Section 9.6 (2) above, the System Operator shall deny or immediately discontinue service to the Water User's premises by providing for a physical break in the Water User's service line. The Company shall continue to deny service to the Water User unless and until the Water User has corrected the deficiencies or cured the violations and is otherwise in full compliance with the requirements of this resolution and the Rules.

SECTION 19 WAIVER

27 April 2023

Failure on the part of the Company to enforce any term or provision of these Bylaws and Rules and Regulations or to declare any shareholder in violation of the same, irrespective of how long such failure continues, shall not constitute a waiver by the Company of any right which it may have to enforce such provision or of any of its rights hereunder in the future.

**SECTION 20
CALENDAR YEAR**

The Company shall operate on a calendar year basis, January 1 through December 31.

**SECTION 21
AMENDMENTS; EXCEPTIONS**

These Bylaws and Rules and Regulations may be changed and amended from time to time by appropriate action of the Board. No exceptions to these Bylaws and Rules and Regulations will be permitted without the prior written approval of the Board.

**SECTION 22
SAVINGS CLAUSE**

If any section, subsection, sentence, clause or phrase these Bylaws and Rules and Regulations is for any reason held to be invalid by a court of law, such determination shall not affect the validity of the remaining portions of these Bylaws and Rules and Regulations, which shall remain binding and enforceable against the shareholders of the Company.

**SECTION 23
EFFECTIVE DATE**

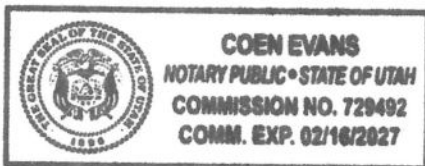
These Bylaws and Rules and Regulations shall be in full force and effect from and after a state of passage and adoption by the Board.

I HEREBY CERTIFY that the foregoing is the original or a true and correct copy of the Amended and Restated Bylaws and Rules and Regulations adopted by Bear Lake Water Company this 27th day of April, 2023

Frank Corgiat
Frank Corgiat – President

**STATE OF UTAH
COUNTY OF RICH**

On the 27th day of March, 2024 Frank Corgiat personally appeared before me and, who being duly sworn by me, did say that he is an officer of the Bear Lake Water Company and that said instrument was signed on behalf of said company by authority of a of its bylaws, and duly acknowledged to me that said company executed the same.



Coen Evans
NOTARY PUBLIC FOR UTAH

Commission Expires: 02/16/2027

Residing at: Weber, UT