

BY-LAWS
OF
ESCALANTE VALLEY WATER USERS ASSOCIATION

ARTICLE I. OFFICES

Section 1. Principal Office. The principal office of the corporation in the State of Utah shall be located at Beryl, County of Iron, State of Utah. The corporation may have such other offices, either within or without the State of Utah as the Board of Trustees may designate or as the business of the corporation may require from time to time.

Section 2. Registered Office. The registered office of the corporation required by the Utah Nonprofit Corporation Act, to be maintained in the State of Utah may be, but need not be, identical with the principal office in the State of Utah, and the address of the registered office may be changed from time to time by the Board of Trustees. Until otherwise designated, the registered office shall be as follows: Star Route, Box 27, Beryl, Utah 84714.

ARTICLE II. MEMBERS

Section 1. Annual Meeting. The annual meeting of the members shall be held on the second Tuesday of February, each year, beginning with the year 1985, for the purpose of electing Trustees and for the transaction of such other business as may come before the meeting. If the day fixed for the annual meeting shall be a legal holiday in the State of Utah, such meeting shall be held on the next succeeding business day. If the election of Trustees shall not be held on the day designated herein for any annual meeting of the members, or at any adjournment thereof, the Board of Trustees shall cause the election to be held at a special meeting of the members as soon thereafter as conveniently may be.

Section 2. Special Meetings. Special meetings of the members, for any purpose or purposes, unless otherwise prescribed by statute, may be called by the President or by the Board of Trustees and shall be called by the President at the request of one-fourth of the members of the corporation entitled to vote at the meeting.

Section 3. Place of Meeting. The Board of Trustees may designate any place, either within or without the State of Utah, as the place of meeting for any annual meeting or for any special meeting called by the Board of Trustees. A waiver of

notice signed by all members entitled to vote at a meeting may designate any place, either within or without the State of Utah, as the place for the holding of such meeting. If no designation is made, or if a special meeting be otherwise called, the place of meeting shall be the registered office of the corporation in the State of Utah.

Section 4. Notice of Meeting. Written or printed notice stating the place, day and hour of the meeting and, in case of a special meeting, the purpose or purposes for which the meeting is called shall be delivered not less than ten nor more than fifty days before the date of the meeting, either personally or by mail, by or at the direction of the President, or the Secretary, or the officer or persons calling the meeting, to each member of record entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the member at his address as it appears on the books of the corporation, with postage thereon paid.

Section 5. Voting Lists. The officer or agent having charge of the membership books of the corporation shall make, at least ten days before each meeting of the members, a complete list of the members entitled to vote at such meeting, or any adjournment thereof, arranged in alphabetical order, with the address and amount of acre feet of water owned by each member in the Escalante Valley, which list, for a period of ten days prior to such meeting, shall be kept on file at the registered office of the corporation and shall be subject to inspection by any member at any time during usual business hours. 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 member during the whole time of the meeting. The original membership book shall be prima facie evidence as to who are the members entitled to examine such list or to vote at any meeting of the members.

Section 6. Quorum. A majority of the outstanding members of the corporation entitled to vote, represented in person or proxy, shall constitute a quorum at a meeting of the members. If less than a majority of the outstanding members are represented at a meeting, a majority of the members so represented may adjourn the meeting from time to time without further notice. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally notified. The members present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough members to leave less than a quorum.

Section 7. Proxies. At all meetings of members, a member may vote by proxy executed in writing by the member or by his duly authorized attorney in fact. Such proxy shall be filed with the Secretary of the corporation before or at the time of the meeting. No proxy shall be valid eleven months from the date of its execution, unless otherwise provided in the proxy.

Section 8. Voting of Members. Voting in any meeting of the members of the corporation shall be done on the basis of the number of acre feet of water owned by the member in the Escalante Valley. For each ten (10) acre feet of water owned, or a proportionate share thereof, a member shall be entitled to one (1) vote.

Section 9. Voting of Shares by Certain Holders. Membership, and the right to vote established thereby, standing in the name of another corporation may be voted by such officer, agent or proxy as the by-laws of such corporation may prescribe, or, in the absence of such provisions, as the Board of Directors of such corporation may determine.

Membership, and the voting rights established thereby, held by an administrator, may be voted by him, either in person or by proxy, without a transfer of such membership into his name. Membership in the name of a trustee may be voted by him, either in person or by proxy, but no trustee shall be entitled to vote the membership held by him without a transfer of such membership into his name.

Memberships, and the voting rights established thereby, standing in the name of a receiver may be voted by such receiver, and voting rights established by said membership, held by or under the control of a receiver may be voted by such receiver without the transfer thereof into his name if authority so to do be contained in an appropriate order of the court by which such receiver was appointed.

A member whose membership is pledged shall be entitled to vote such membership until the membership has been transferred into the name of the pledgee, and thereafter the pledgee shall be entitled to vote the membership so transferred.

Section 10. Informal Action by Members. Any action required to be taken at a meeting of the members, or any other action which may be taken at a meeting of the members, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the members entitled to vote with respect to the subject matter thereof.

Section 11. Husband and Wife Eligibility. A husband and wife may jointly become a member of said corporation and their application for joint membership may be accepted in accordance with these By-Laws. When a membership is held jointly by a husband and wife, upon the death of either, such membership shall be deemed to be held solely by the survivor with the same effect as though such membership had been originally issued to him or her, as the case may be, and the joint membership certificate may be surrendered by the survivor and upon the recording of such death on the books of the corporation, the certificate may be re-issued to and in the name of such survivor; provided, however, that the estate of the deceased shall not be released from any membership debts or liabilities to this corporation, and provided, however, that the surviving member is in full compliance with the provisions of the Articles of Incorporation and the By-Laws of this corporation.

In the case of a membership held jointly by a husband and wife, either the husband or the wife, but not both, may vote at a membership meeting. In the event the membership certificate is held by one or more persons, or owned jointly by a husband and wife, both persons named therein, shall be required to sign a proxy statement to be used for voting purposes.

ARTICLE III. BOARD OF TRUSTEES

Section 1. General Powers. The business and affairs of the Corporation shall be managed by its Board of Trustees.

Section 2. Number, Tenure and Qualifications. The affairs of this corporation shall be managed by a Board of Trustees consisting of nine members. Six members of the board of trustees shall be elected from members owning underground water rights in the Escalante Valley. The remaining three members of the Board of Trustees shall come from each of the following named water companies:

1. New Castle Reservoir Company.
2. Pinto Creek Water Users Association.
3. Enterprise Reservoir Company.

The member of the Board of Trustees from the New Castle Reservoir Company, the Pinto Creek Water Users Association, and the Enterprise Reservoir Company shall be designated by that respective water association. The remaining six trustees from the Escalante Valley Water Users shall be elected by the membership at the annual meeting herein set forth.

The Board of Trustees when elected and qualified, shall proceed to elect from their number, a president and vice-president and shall also appoint a secretary-treasurer. The secretary-treasurer must be a member of the Escalante Valley Water Users Association.

Section 3. Regular Meetings. A regular meeting of the Board of Trustees shall be held without other notice than this by-law immediately after, and at the same place as, the annual meeting of members. The Board of Trustees may provide, by resolution, the time and place, either within or without the State of Utah, for the holding of additional regular meetings without other notice than such resolution.

Section 4. Special Meetings. Special meetings of the Board of Trustees may be called by or at the request of the President or any two Trustees. The person or persons authorized to call special meetings of the Board of Trustees may fix any place, either within or without the State of Utah, as the place for holding any special meeting of the Board of Trustees called by them.

Section 5. Notice. Notice of any special meeting shall be given at least two (2) days previously thereto by written notice delivered personally or mailed to each Trustee at his business address, or by telegram. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail so addressed, with postage thereon prepaid. If notice be given by telegram, such notice shall be deemed to be delivered when the telegram is delivered to the telegraph company. Any Trustee may waive notice of any meeting. The attendance of a Trustee at a meeting shall constitute a waiver of notice of such meeting, except where a Trustee attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Trustees need be specified in the notice of waiver of notice of such meeting.

Section 6. Quorum. A majority of the number of Trustees fixed by Section 2 of this Article III shall constitute a quorum for the transaction of business at any meeting of the Board of Trustees, but if less than such majority is present at a meeting, a majority of the Trustees present may adjourn the meeting from time to time without further notice.

Section 7. Manner of Acting. The act of the majority of the Trustees present at a meeting at which a quorum is

present shall be the act of the Board of Trustees.

Section 8. Vacancies. Any vacancy occurring in the Board of Trustees may be filled by the affirmative vote of a majority of the remaining Trustees though less than a quorum of the Board of Trustees. A Trustee elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office. Any trusteeship to be filled by reason of an increase in the number of Trustees shall be filled by election at an annual meeting or at a special meeting of members called for that purpose.

Section 9. Compensation. By resolution of the Board of Trustees, the Trustees may be paid their expenses, if any, of attendance at each meeting of the Board of Trustees and may be paid a fixed sum for attendance at each meeting of the Board of Trustees or a stated salary as Trustee. No such payment shall preclude any Trustee from serving the corporation in any other capacity and receiving compensation therefore.

Section 10. Presumption of Assent. A Trustee of the corporation who is present at a meeting of the Board of Trustees at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless his dissent shall be entered in the minutes of the meeting or unless he shall file his written dissent to such action with the person acting as the Secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the Secretary of the corporation immediately after the adjournment of the meeting. Such right to dissent shall not apply to a Trustee who voted in favor of such action.

Section 11. Removal of Trustees. Any one or more of the Trustees may be removed either with or without cause, at any time by a vote of a majority of the members, at any special meeting called for the purpose.

ARTICLE IV. OFFICERS

Section 1. Number. The officers of the corporation shall be a President, one or more Vice Presidents (the number thereof to be determined by the Board of Trustees), a Secretary-Treasurer, who shall be elected by the Board of Trustees. Such other officers and assistant officers as may be deemed necessary may be elected or appointed by the Board of Trustees. Any two or more offices may be held by the same person, except the offices of President and Secretary.

Section 2. Election and Term of Office. The officers of the corporation to be elected by the Board of Trustees shall be elected annually by the Board of Trustees at the first meeting of the Board of Trustees held after each annual meeting of the members. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. Each officer shall hold office until his successor shall have been duly elected and shall have qualified or until his death or until he shall resign or shall have been removed in the manner hereinafter provided.

Section 3. Removal. Any officer or agent elected or appointed by the Board of Trustees may be removed by the Board of Trustees whenever in its judgment the best interest of the corporation would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed.

Section 4. President. The President shall be the principal executive officer of the corporation and, subject to the control of the Board of Trustees, shall in general supervise and control all of the business and affairs of the corporation. He shall, when present, preside at all meetings of the shareholders and of the Board of Trustees. He may sign, with the Secretary or any other proper officer of the corporation thereunto authorized by the Board of Trustees certificates for membership of the corporation, any deeds, notes, mortgages, bonds, contracts or other instruments which the Board of Trustees has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Trustees or by these by-laws to some other officer or agent of the corporation, or shall be required by law to be otherwise signed or executed; and in general shall perform all duties as may be prescribed by the Board of Trustees from time to time.

Section 5. The Vice Presidents. In the absence of the President or in the event of his death, inability or refusal to act, the Vice President (or in the event there be more than one Vice President, the Vice Presidents in the order designated at the time of their election, or in the absence of any designation, then in the order of their election) shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. Any Vice President may sign, with the Secretary or an Assistant Secretary, certificates for membership of the corporation; and shall perform such other duties as from time to time may be assigned to him by the President or by the Board of Trustees.

Section 6. The Secretary. The Secretary shall: (a) keep the minutes of the members' and of the Board of Trustees' meetings in one or more books provided for that purposes; (b) see that all notices are duly given in accordance with the provision of these by-laws or as required by law; (c) be custodian of the corporate records and of the seal of the corporation and see that the seal of the corporation is affixed to all documents the execution of which on behalf of the corporation under its seal is duly authorized; (d) keep a register of the post office address of each member which shall be furnished to the Secretary by such member; (e) sign with the President, or a Vice President, certificates for membership of the corporation, the issuance of which shall have been authorized by resolution of the Board of Trustees; (f) have general charge of the membership books of the corporation; and (g) in general perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him by the President or by the Board of Trustees.

Section 7. The Treasurer. If required by the Board of Trustees, the Treasurer shall give a bond for the faithful discharge of his duties in such sum and with such surety or sureties as the Board of Trustees shall determine. He shall (a) have charge and custody of and be responsible for all funds and securities of the corporation; receive and give receipts for moneys due and payable to the corporation from any source whatsoever and deposit all such moneys in the name of the corporation in such banks, trust companies or other depositories as shall be selected in accordance with the provisions of Article V of these by-laws and (b) in general perform all of the duties as from time to time may be assigned to him by the President or by the Board of Trustees.

Section 8. Assistant Secretaries and Assistant Treasurers. The Assistant Secretaries, when authorized by the Board of Trustees, may sign with the President or Vice President certificates for membership of the corporation in the issuance of which shall have been authorized by a resolution of the Board of Trustees. The Assistant Treasurers shall respectively, if required by the Board of Trustees, give bonds for the faithful discharge of their duties in such sums and with such sureties as the Board of Trustees shall determine. The Assistant Secretaries and Assistant Treasurers, in general, shall perform such duties as shall be assigned to them by the Secretary or the Treasurer, respectively, or by the President or the Board of Trustees.

ARTICLE V. CONTRACTS, LOANS, CHECKS AND DEPOSITS

Section 1. Contracts. The Board of Trustees 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 corporation, and such authority may be general or confined to specific instances.

Section 2. Loans. No loans shall be contracted on behalf of the corporation and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Trustees. Such authority may be general or confined to specific instances.

Section 3. Checks, Drafts, etc. All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the corporation shall be signed by such officer or officers, agent or agents of the corporation and in such manner as shall from time to time be determined by resolution of the Board of Trustees.

Section 4. Deposits. All funds of the corporation not otherwise employed shall be deposited from time to time to the credit of the corporation in such banks, trust companies or other depositories as the Board of Trustees may select.

ARTICLE VI. CERTIFICATES FOR MEMBERSHIP AND THEIR TRANSFER

Section 1. Certificates for Shares. Certificates representing membership of the corporation shall be in such form as shall be determined by the Board of Trustees. Such certificates shall be signed by the President or a Vice President and by the Secretary or an Assistant Secretary. All certificates for membership shall be consecutively numbered or otherwise identified. The name and address of the person to whom the membership represented thereby is issued, shall be entered on the membership books of the corporation. All certificates surrendered to the corporation for transfer shall be canceled and no new certificate shall be issued until the former certificate shall have been surrendered and canceled, except that in case of a lost, destroyed or mutilated certificate a new one may be issued therefore upon such terms and indemnity to the corporation as the Board of Trustees may prescribe.

Section 2. Transfer of Shares. Transfer of membership of the corporation shall be made only on the membership books of