

BY LAWS OF HATCH IRRIGATION COMPANY

ARTICLE I: OFFICE

The principle office of the Corporation in the State of Utah shall be located in the Town of Hatch, County of Garfield, and State of Utah. The Corporation may have such offices as the Board of Directors may determine or as the affairs of the Corporation may require from time to time.

ARTICLE II: MEMBERS

Section 1 Classes of Members: The Corporation shall have but one class of members. Each member shall be issued a certificate of shares in the Corporation signed by the secretary and the president of the Corporation. The rights of each member shall be upon a par with the number of shares in the Corporation.

Section 2 Voting: Each member shall be entitled to one (1) vote per share, on each matter submitted to a vote of the members.

Section 3 Transfer of Shares: Shares of the Corporation shall be transferable, except that no transfer of shares shall be made which will require the Corporation to deliver water to any other ditch or vicinity not now served by the Corporation. i.e. Shares in the lower ditch cannot be transferred to the upper ditch or meadow ditch and vice versa. Shares cannot be transferred out of the Corporation.

No transfer of shares shall be approved or authorized unless all delinquent bills, charges, costs and expenses shall have first been paid by the transferor, his administrator, executor, heirs or assigns and this sub-provision shall be applicable whether such transfer

takes place by reason of voluntary assignment, death or by operation of law or in any other manner.

Section 4 Pipe Irrigation System: With the existing limit of the water supplied in the pipe irrigation system it is necessary to distribute that water to its' pipe shareholders equally. Each water connection will be supplied from the main pipe through a 3/4 inch line. If the share holder owns more than two shares and wishes to use those additional shares at the same location then the supply pipe diameter can be increased accordingly at owners expense.

Owners of pipe irrigation may move their share to any location within the town of Hatch. Whatever costs associated with said move will be at the expense of the share owner. Prior to any work being done on the irrigation system a request in writing will be submitted to the irrigation board for review and approval. That request will state the location from which the water is to be moved and the new location requested along with the person responsible for the actual work. No water share will be allowed to move if there are any outstanding debts to the company. A check list will be provided to the share holder stating the specifications required and will be returned to the company when the work is complete and inspected by a board member. This will apply to any new hook-ups starting in 2017.

Section 5 Rights of Members: Each member shall be entitled to receive for irrigation purposes, that proportionate share of water carried by or through the distribution facilities of the Corporation of the total share out-standing: provided however, that this entitlement to receive water is expressly conditioned upon the fact that all assessments, dues, charges and levies made, imposed or assessed shall be fully paid and current. In time of shortage of water, all members will prorate losses and the Corporation shall not be liable

or responsible to any person or any members if supplies of water fall below a point making it impossible to deliver water to certain sections or areas on the system.

ARTICLE III: MEETING OF MEMBERS

Section 1 Annual Meeting: An annual meeting of the members shall be held at the town hall in the Town of Hatch, Garfield County, Utah on the first Wednesday in the month of March each year at the hour of 6:30 o'clock P.M. for the purpose of electing directors and for the transactions of such other business as may come before the meeting.

Section 2 Special Meetings: Special meetings of the members may be called by the President, the Board of Directors or members having 51% of the voting rights.

The Board of Directors may designate any place within the state as a place for any special meeting called by the Board of Directors.

Section 3 Notices of Meetings: Printed or written notice stating the place, day and hour of any meeting of members shall be posted in at least two (2) public places ten (10) days before date of the meeting. Telephone, regular mail or e-mail notices may also be sent. In the case of a special meeting the purpose of the meeting shall also be stated. In situations requiring more immediate attention, ten (10) days notice will not be required.

Section 4 Quorum: A simple majority (51%) of shares constitute a quorum.

Section 5 Proxies: At any meeting of members, a member entitled to vote may vote by proxy executed in writing by a member or his duly authorized Attorney-in Fact, delivered to the Corporation's secretary prior to the meeting. No proxy shall be valid after

eleven (11) months from date of execution. Voting may also be done by mail if Board of Directors so decree.

ARTICLE IV: OFFICERS & DIRECTORS

Section 1 General Powers: The affairs of the Corporation shall be managed by its Board of Directors. Directors need not be a resident of the Town of Hatch or of Garfield County, but must own a Certificate of Shares in the Corporation with his or her name on said certificate.

Section 2 Number in Office: At the annual meeting to be held in March there shall be three (3) or more directors elected for a term of one (1) year, at least one (1) director from each ditch . One (1) director elected as president, and one (1) elected as vice president. A secretary and/or treasurer may be elected at the annual meeting or appointed by the Board of Directors. The Board of Directors may elect or appoint such other officers as it shall deem desirable. Such officers are to have authority to perform the duties described from time to time, by the Board of Directors. The office of secretary and treasurer may, but need not , be combined in one person. Any two of more offices may be held by the same person, except the office of the president and the secretary and/or treasurer.

Section 3 Compensation: Directors as such shall not receive any stated salaries for their service, but by resolution of the Board of Directors, a fixed sum and expense of attendance, if any, may be allowed for attendance at regular or special meetings of the board, But nothing here in contained shall be constructed to preclude any director from serving the Corporation in any other capacity and receiving compensation therefore.

Section 4 Quorum: A majority of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the board, unless the act of a greater number is required by law or by these by-laws.

Section 5 Vacancies: A vacancy in any office because of death, resignation, removal, disqualification or otherwise, may be filled by the Board of Directors for the unexpired portion of the term.

Section 6 Removal: Any officer elected or appointed by the Board of Directors may be removed by the Board of Directors whenever, in its judgment, the best interest of the Corporation would be served thereby.

Section 7 President: The president shall be the principal executive officer of the Corporation and shall in general supervise and control all of the business and affairs of the Corporation. He or she shall preside at all meetings of stockholders and Board of Directors. He may sign with the secretary, any deeds, mortgages, bonds, contracts or other instruments which the Board of Directors have authorized to be executed.

Section 8 Vice President: In the absence of the President or in the event of his inability or refusal to act, the Vice President shall perform the duties of the President, and when so acting, shall have all the power of and be subject to all the restrictions upon the President. The Vice President shall perform such other duties as may be assigned to him by the President or Board of Directors.

Section 9 Treasurer: If required by the Board of Directors, the treasurer shall give a bond for the faithful discharge of his or her duties in such a sum and with such surety or sureties as the Board of Directors shall determine. He or she shall have charge and custody of and be responsible for all funds and securities of the Corporation; receive and

give receipts for monies due and payable to the Corporation from any source whatsoever, and deposit all such monies in the name of the Corporation in such banks, trust companies or other depositories as the Board of Directors may select, and in general perform all the duties incident to the office of the treasurer and such other duties as may be assigned to him or her by the President or by the Board of Directors.

Section 10 Secretary: The secretary shall keep the minutes of the meetings of the members and of the Board of Directors in one or more books provided for that purpose; see that all notices are duly given in accordance with the provisions of the by-laws or as required by law; be custodian of the Corporate Records and of the Seal of the Corporation and seen that the Seal of the Corporation is affixed to all documents of execution of which on behalf of the Corporation under its seal is duly authorized in accordance with the provisions of these by-laws, keep a register of the post office address, phone numbers, and e-mail address of each member, which shall be furnished to the secretary by such member and in general perform all duties incident to the office of the secretary and such other duties as from time to time may be assigned to them by the President or the Board of Directors.

ARTICLE V: COMMITTEES

The Board of Directors, by resolution, may designate one or more committees which shall have and exercise the authority of the Board of Directors in the management of the Corporation to the extent that said authority is expressly delegated to said committee.

ARTICLE VI: CHECKS, DRAFTS, DEPOSITS and FUNDS

Section 1 Checks, Drafts, etc.: All checks, drafts or orders for the payment of money, notes or other evidence 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 the resolutions of the Board of Directors. In the absence of such, determined by the Board, such instruments shall be signed by the treasurer and countersigned by the President or Vice President of the Corporation.

Section 2 Funds: All funds of the Corporation shall be deposited in a timely manner to the credit of the Corporation in such banks, trust companies or other depositories as the Board of Directors may select.

Sections 3 Gifts: The Board of Directors may accept on behalf of the Corporation any contribution, gift, bequest or devise for the general purposes, or for any special purpose of the Corporation.

ARTICLE VII: CERTIFICATES of MEMBERSHIP

Certificates of membership in this Corporation shall be the Certificate of Shares issued to the person(s) subscribing there to, and who shall have paid the full consideration therefore. All certificates evidencing membership in the Corporation shall be consecutively numbered and shall be signed by the President, attested by the Secretary and the Corporate Seal thereto affixed.

As a condition precedent to the issuance of any new certificates in the Corporation there shall be imposed the requirement that all assessments, duties, taxes, levies or charges which remain unpaid or delinquent as of the date said certificate is surrendered for transfer, shall be fully paid and discharged before any new certificate will be issued by the secretary of the Corporation.

No water shall be furnished to any premises where previous member, landlord or any person in charge of the premises shall be delinquent in any assessments, dues, taxes, levies or charges whatsoever.

ARTICLE VIII: BOOKS and RECORDS

The Corporation shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its members, Board of Directors and committees having any authority of the Board of Directors, and shall keep at the registered or principal office a record giving the names and addresses of the stockholders entitled to vote. All books and records of the Corporation may be inspected by any member or his agent or attorney for any proper purpose at any reasonable time .

ARTICLE IX: FISCAL YEAR

The fiscal year of the Corporation shall begin on the 1st day of January and end on the last day of December of each year.

ARTICLE X: ASSESSMENTS, CHARGES AND FEES

Section 1 Annual Assessment: The Board of Directors may determine from time to time of amount of annual or other assessments, levy fees for construction or maintenance and any other assessments which may be imposed against the membership in this Corporation. All partial shares will be assessed as one (1) full share for billing only.

Section 2: Payment of Assessments, Charges, and Dues: The Secretary or Treasures shall prepare notice of Assessments, charges and dues and send them by mail to

last known address of the shareholder no later than November 15th of the water year.

Payment of those fees must be paid by January 15th. Any dues not paid in full by January 15 will be assessed a late fee of \$25.

Section 3: Default in Payments: Water shall be denied the premises at any time after January 15th and shall not be allowed use at those premises until the delinquency is fully paid, irrespective of change in occupancy, tenancy of ownership of premises. On or before February 1st notice of default of payment shall be sent by certified mail to the last known listed address of the share holder with an additional \$50 dollar fee attached to cover notice expense. By February 15th if the notice cannot be delivered, a public notice will then be posted in the local paper and at (2) two public places advising that the share holder is delinquent and if the fees are not paid by March 1st the water shares will revert to the Hatch Water Company at the annual share holders meeting in March. The Company may bring action to recover judgment against any delinquent user or member. The ownership of shares declared delinquent at the annual meeting may then be sold to pay the delinquent charges in a manner provided by law and by resolution of the Board.

Notice of the sale of any delinquent water shares will take place at a time and place of the Company's choosing after a 10 (ten) day posting of the notice in 2 public places and a notice in the local newspaper.

ARTICLE XI: AMENDMENTS to BY-LAWS

These by-laws may be altered, amended to repealed and [new by-laws may be adopted by a majority of Shares of the Corporation represented in person or by proxy at any regular meeting of the membership, or at any special meeting if at least ten (10) days

written notice is given of intention to alter, amend, repeal or adopt new by-laws at such meeting.

Lastest revision of By-Laws adopted pending legal review March 1, 2017.