

RESTATED AND AMENDED

BYLAWS

of

HOOPER IRRIGATION COMPANY

Adopted February 17, 2005

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**RESTATED AND AMENDED BYLAWS
of
HOOPER IRRIGATION COMPANY**

ARTICLE I. - NAME

The name of this nonprofit mutual corporation is Hooper Irrigation Company (hereinafter referred to as the “Company”).

ARTICLE II. - DURATION

The period of duration of the Company shall be perpetual.

ARTICLE III. - PURPOSE

The Company is a nonprofit mutual water company which operates a water system for the benefit of its members. The Company may engage in any act or activity allowed by law in accordance with the provisions of the Utah Revised Nonprofit Corporation Act, as amended.

ARTICLE IV. - SHARES

A. CLASSES OF SHARES. There shall be five classes of shares, as allowed in the Company's Articles of Incorporation. Class A shares for water used in traditional irrigation and stockwatering on the member's land, and delivered to members through the Company canal system; Class B shares for water used on the member's land and delivered to members out of Willard Bay under contract with the Company; Class C shares for water used on the member's land and delivered to members through the Company's pressurized secondary system; Class D shares for water held by or for the benefit of a municipality or governmental entity, for the purpose of providing secondary water service to others, and delivered by the Company to a specific point for distribution through a system owned or controlled by the municipality or governmental entity; Class E shares for water held by or for the benefit of a municipality or governmental entity, for the purpose of providing culinary water service to others.

Each share shall represent an undivided interest in the assets of the Company and shall entitle the holder thereof to delivery of water in accordance with the terms of these Bylaws and/or any special written agreement with the Company.

B. CLASS C SHARES. Company members holding Class C shares will obtain water from the Company's secondary system. Class C members shall complete and execute a Service Agreement prepared by the Company prior to obtaining water and prior to receiving the benefits of membership in the Company. The Service Agreement shall, among other things, designate the size of the Service Area and the appropriate fees for the irrigation of such area. One Class C share shall be equivalent to one quarter (1/4) of one Class A share. Class C members will be entitled to receipt of one quarter (1/4) of the amount of water per share to which a Class A member is entitled. The Company is authorized to convert one Class A or Class B share into four class C shares.

Connection to and service by the Secondary System shall require one or more Class C shares, as determined by the Board of Directors, according to the area served by the secondary water.

C. SHARES TO RUN WITH THE LAND. Each Class A, Class B, and Class C share in the Company that is dedicated to providing water service for a particular service area shall run with the land: In other words, irrigation rights under Company shares shall remain attached to the parcel within the Company's service area on which the water is used, and ownership of the share or shares dedicated to that parcel shall transfer to the new owner when the owner of such a parcel conveys the parcel to another. All C shares shall be dedicated to the property served. Each share certificate shall contain a restriction on transfer as set forth in subparagraph F, below, stating that the shares are permanently attached to the particular parcel and cannot be transferred independent of the parcel. The Seller of a parcel attached to a Company share or shares bears the sole responsibility to recover the value of such share or shares when selling his or her property to another.

D. RIGHT OF FIRST REFUSAL. In the event a member owning an A or B share desires to transfer all or any portion of his shares in the Company separately from the property to which those shares are attached under the above paragraph, he shall first give to the Company written notice of his intentions, which notice shall contain the name and address of the proposed transferee and the price, terms and number of shares proposed to be transferred. Such notice shall constitute an offer to sell those interests to the Company upon reasonable terms and conditions. The Company shall have thirty (30) days in which to exercise its right of first refusal and accept the offer to transfer. Any transfer of Company shares that is made not in compliance with this paragraph is void *ab initio*. Class D and Class E shares not appurtenant to a parcel of land are specifically excluded from the restrictions in this paragraph. Class C shares may not be sold separately from the land to which they are attached.

E. TRANSFER OF SHARES. Shares in the Company are transferable on the books of the Company only in accordance with the following procedures and subject to approval of said transfer by the Board of Directors.

1. The share certificate must be presented to the Company's Secretary signed by the person in whose name the share appears on the Company's books, by his or her legal representative(s), or by his or her duly authorized agent. The signing of the certificate shall be properly witnessed and the name of the new owner shall be included in the space provided. In the case of a transfer by an authorized agent, a copy of the duly executed and acknowledged power of attorney shall be deposited with the Secretary. Lost Certificate and Indemnification affidavits are also available from the Secretary. The share certificate must be surrendered to the Secretary and canceled before a new certificate may be issued.

2. The cost of a certificate change is twenty-five dollars (\$25.00). The change

fee and all past due balances must be paid before a change can be made.

3. The name, address, and telephone number of the new owner must be provided and the new owner, his or her legal representative(s), or his or her duly authorized agent must sign for the receipt of the new certificate. Again, where an authorized agent is used, a copy of the duly executed and acknowledged power of attorney shall be deposited with the Secretary.

4. Shares may be transferred only in increments as determined by the Board of Directors from time to time.

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

6. It is the member's responsibility to bring transfers of shares to the attention of the Company. Until the above steps are taken, the owner of shares as recorded on the Company's books remains legally responsible to the Company for payment of all obligations owed to the Company.

7. Any transfer that results or is intended to result in a change to underlying water right with regard to point of diversion, time, place, or nature of use must be done in accordance with this Article IV and with Article XIV of these bylaws regarding change applications.

8. Upon the transfer of any Class A, Class B, or Class C share to or for the benefit of a municipality or other governmental entity, or entity who holds the shares for the primary purpose of providing culinary or secondary water service to others, the shares being transferred will automatically convert to Class D shares (in the case of secondary water), or to Class E shares (in the case of culinary water).

9. Except as set forth above, Shares may be converted to a different share Class only in accordance with the provisions in this Article IV and with Article XIV of these bylaws regarding change applications. Upon approval of any change in accordance therewith, share certificates for the appropriate number of shares in the new share Class, as determined by the Company's Board of Directors, shall be issued upon the surrender of share certificates for the former share Class.

F. **DESCRIPTION OF SHARE CERTIFICATES.** The certificates of shares in the Company shall be in such form as shall be determined by the Board of Directors. The certificates shall be consecutively numbered and duly signed by the President or such other officer authorized by law and by the Board of Directors, and countersigned by the Secretary and sealed with the seal of the Company. The certificates shall exhibit the member's name, the total number of shares represented thereby. A, B, and C shares shall bear the following restriction:

**The shares represented by this certificate are permanently attached to the lot
on which the water is used. This certificate cannot be conveyed without
conveying the associated lot(s) described as _____.**

The Certificate shall also exhibit any other condition(s) or restriction(s) placed thereon, and any other information designated by the Board of Directors. Such information shall be perpetuated on any and all subsequent transfers of such shares. The name and address of the member, the number of shares, the nature and place of use, any condition(s) or restriction(s) placed thereon, and the date of issue shall be entered in the share transfer books of the Company which shall be kept at the principal office of the Company. Notwithstanding the above, when Class A or Class B shares is converted to Class C shares, or if Class C shares should be issued by the Company, no certificate shall be issued by the Company to the shareholder. The owner of the lot containing a Service Area under a Class C share

shall be deemed to be the owner of the Class C share. However, all provisions in these Bylaws regarding attachment of shares to the lot on which they are used will apply to Class C shares.

G. CONDITIONS AND RESTRICTIONS ON SHARES. Upon written request and 15 days notice from the Company, share certificates shall be surrendered to the Company for re-issuance to the member with any reasonable condition(s) or restriction(s) written thereon.

H. LOST, STOLEN, OR DESTROYED CERTIFICATES. If a member shall claim that a certificate has been lost, stolen, or destroyed, the Board of Directors may, at its discretion, direct that a new certificate be issued, upon the making of an affidavit of that fact by the person claiming the old certificate was lost, stolen, destroyed and upon the deposit of a bond or other indemnity in such form and amount and with such sureties, if any, as the Board may require.

I. MEMBER OF RECORD. The Company shall be entitled to treat the holder of record according to the share transfer books of the Company of any share as the holder in fact thereof, and shall not be bound to recognize any equitable claim or other claim to, or interest in, such share on the part of any other person whether or not the Company shall have express or other notice thereof, except as expressly provided by the laws of this State.

ARTICLE V. - FISCAL YEAR

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

ARTICLE VI. - PRINCIPAL OFFICE & REGISTERED AGENT

The principal place of business and registered agent of the Company shall be as provided in the Company's Articles of Incorporation and may be changed from time to time by the Board of Directors in accordance with the provisions of the Utah Revised Nonprofit Corporation Act.

ARTICLE VII. - BOARD OF DIRECTORS

A. ELECTION OF DIRECTORS. The initial Board of Directors shall consist of seven

(7) Directors elected by the Company's members. Elections for directorships shall be held at the annual meetings of the Company. The person receiving the highest number of votes for each position open shall be elected thereto. If there shall be a failure to elect the necessary Director(s) at the annual meeting, the Board or President shall call and give notice of a special shareholder meeting for the purpose of electing the necessary Director(s).

B. REPRESENTATION OF DIRECTORS. For purposes of representation on the Board of Directors, the Company shall be divided into seven geographic districts. These districts correspond to the lateral systems owned by the Company, and will be known as the North Branch District, the Muskrat District, the Flinders District, the Main Canal District, the South End District, the Taylor District, and the West Weber District. The board shall contain, at all times, one director owning Class A or Class B shares from each of the Company's seven irrigation districts. Company members are members of the district from which they obtain water, and shall vote only to elect the director from the district to which the member belongs.

At the next annual meeting of members following the date when more than one thousand (1,000) shares of Class D and/or one thousand (1,000) Class E shares are issued, the number of directors will be increased to include one director owning Class D and/or Class E shares. At the next annual meeting of members following the date when more than four thousand (4000) shares of Class C are issued, the number of directors will be increased to include one director owning Class C shares. In no event shall the Board of Directors consist of more than nine (9) directors—seven from Classes A and B, one from Class C, and one from Classes D and E, as set forth above.

C. POWERS & DUTIES OF DIRECTORS. The Board of Directors shall have the control and general management of the affairs and business of the Company. The Directors shall in all cases act as a regularly convened Board and may adopt such rules and regulations for the conduct

of meetings and the management of the Company as may be deemed proper, so long as they are not inconsistent with these Bylaws, the Company's Articles of Incorporation, and the laws of the State of Utah.

D. TENURE & QUALIFICATIONS OF DIRECTORS. Each director shall be a member of the Company or a duly appointed representative of a member if the member is not a natural person, and shall own at least ten (10) shares in the Company. If no member owns at least ten shares in the Class of shares qualifying for representation on the board, or no member owning at least ten shares is willing or able to serve on the board of directors, then the requirement that each member of the board own at least ten shares may be temporarily waived by the board. The normal term of a directorship is two years. Directors shall serve staggered two year terms wherein approximately one-half ($\frac{1}{2}$) of the directors are elected each year. Directors shall serve until their successors have been elected and qualified, or until death, resignation, or removal.

E. RESIGNATION OF DIRECTORS. A Director may resign at any time by giving written notice to the Board of Directors. Unless otherwise specified in the notice, the resignation shall take effect upon receipt thereof by the Board, regardless of whether or not it is accepted by the Board.

F. REMOVAL OF DIRECTORS. Any or all of the Directors may be removed for cause by a majority vote of the members at a duly called member meeting where a quorum is present or by a majority vote of the Board of Directors at a duly called Board meeting. A Director may be removed without cause only by a majority vote of the members at a duly called shareholder meeting.

G. VACANCIES. A vacancy caused by the resignation, removal, or death of a Director shall be filled by a Director appointed and approved by a majority vote of the Board of Directors at a duly called Board meeting. The Director so elected shall hold office for the unexpired term of his

or her predecessor.

H. CONTRACTS, LOANS, OR OTHER OBLIGATIONS. No contract, loan, or other such obligation shall be executed in the name of, or on behalf of, the Company by any officer or agent of the Company unless specifically authorized to do so by a resolution of the Board of Directors, which authorization may be general or limited to specific conditions or circumstances.

I. HANDLING OF FINANCIAL MATTERS. All contracts, loans, checks, notes, evidences of indebtedness, and other such documents shall be signed by the officers as specified in these Bylaws or by such persons as the Board of Directors may from time to time designate in such manner as shall be determined by the Board. All funds of the Company not otherwise employed shall be regularly deposited to the credit of the Company in such financial institution(s) as the Board of Directors shall designate.

J. VOTING. At all meetings of the Board of Directors, each director is to have one (1) vote. The act of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors. In the event that any addition to the Board of Directors results in an even number of directors on the Board, an additional temporary *pro tem* director shall be appointed by the Board. The *pro tem* director shall serve only during a time when there is an even number of directors on the Board.

K. QUORUM. A majority of the Directors on the Board shall constitute a quorum of the Board. If a quorum shall not be present at any meeting of the Board of Directors, those present may adjourn the meeting, from time to time, until a quorum shall be present.

L. REGULAR BOARD MEETINGS. A regular meeting of the Board of Directors may be held without any notice, other than that given by this Bylaw, immediately following and at the same location as the annual meeting of members. The Directors may provide by resolution, the time

and place for additional regular meetings without any notice other than that given by such a resolution.

M. SPECIAL BOARD MEETINGS. Special meetings of the Board of Directors may be called by the President or by the written request of any two Directors given to the President. The President shall fix a time and place for the meeting that is reasonable under the circumstances.

N. NOTICE OF BOARD MEETINGS. Meetings of the Board of Directors, regular or special, may be held upon such notice as the Board may prescribe by resolution. Attendance of a Director at any meeting shall constitute waiver of notice of such meeting except where such Director attends a meeting for the express purpose of objecting to the transacting of any business at that meeting because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board need be specified in the notice or waiver of notice of such meeting.

O. WAIVER OF NOTICE. Whenever any notice is required to be given, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be equivalent to the giving of such notice.

P. PRESUMPTION OF ASSENT. A director who is present at a meeting of the Board of Directors at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless that director's dissent is entered in the minutes of the meeting or unless he or she shall file 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 or certified mail, to the Secretary of the Company immediately after the adjournment of the meeting. Such right to dissent shall not apply to a director who voted in favor of such action.

ARTICLE VIII. - OFFICERS

A. ELECTION OF OFFICERS. The Board of Directors shall elect a President, Vice-President, Secretary, and Treasurer. The President and Vice-President shall be Directors. The President shall act as the Chairman of the Board of Directors. The Secretary and the Treasurer may be the same person if so designated by the Board of Directors, but cannot be the same person as the President. The Board of Directors may also require the Secretary, the Treasurer, or any other officer or employee of the Company to give to the Company such security or bond for the faithful discharge of his or her duties as the Board may direct.

B. DUTIES OF OFFICERS. The duties and powers of the officers of the Company shall be as follows:

1. PRESIDENT. The President shall be the principal executive officer of the Company and, subject to the direction of the Board, shall supervise and control all of the business and affairs of the Company. The President shall preside at all meetings of the members and of the Board of Directors. The President shall: present a report of the condition of the business of the Company at each annual meeting of the members and directors; cause to be called regular and special meetings of the members and Directors in accordance with these Bylaws and the Company's Articles of Incorporation; appoint and remove, employ and discharge, and fix the compensation of all employees and agents of the Company other than the duly appointed officers, subject to the approval of the Board of Directors; sign and make all contracts and agreements in the name of the Company, subject to the approval of the Board of Directors; see that the books, reports, statements and certificates required by the statutes are properly kept, made, and filed according to law; sign all certificates of shares, notes, drafts, or bills of exchange, warrants or other orders for the payment of money duly

drawn by the Secretary and/or Treasurer; and enforce these Bylaws and perform all the duties incident to the position and office and which are required by law.

2. VICE-PRESIDENT. During the absence or inability of the President to render and perform the President's duties or exercise the President's powers, as set forth in these Bylaws or in the statutes under which the Company is organized, the same shall be performed and exercised by the Vice-President and, when so acting, the Vice-President shall have all the powers and be subject to all the responsibilities hereby given to or imposed upon such President. The Vice-President shall also perform such other duties as are from time to time assigned by the President or the Board of Directors.

3. SECRETARY. The Secretary shall keep the minutes of the meetings of the Board of Directors and of the members in appropriate books; shall give and serve all notices of the Company; and shall be custodian of the records and of the corporate seal and affix the latter when required. In addition, the Secretary shall keep the share transfer books in the manner prescribed by law and by these Bylaws so as to show at all times the amount of shares issued and outstanding; the names and addresses of the owners thereof; the number of shares owned by each; the nature and place of use of the water associated with each share; the time at which each person became the owner thereof; and such other information as is appropriate; and keep such share transfer books open daily during the business hours of the office of the Company, subject to the inspection of any member of the Company, and permit such member to make extracts from said books to the extent prescribed by law. The Secretary shall also sign all certificates of shares; shall present to the Board of Directors at their meetings all communications addressed to the Secretary officially, by the President, or any officer or member of the Company; and shall attend to all correspondence and perform all

the duties incident to the office of Secretary. The Secretary shall also perform such other duties as are from time to time assigned by the President or the Board of Directors.

4. **TREASURER.** The Treasurer shall: have the care and custody of and be responsible for all the funds and securities of the Company; deposit all such funds in the name of the Company in such bank or banks, trust company or trust companies, or safe deposit vaults as the Board of Directors may designate; exhibit at all reasonable times the Company's books and accounts to any director or member of the Company upon application at the office of the Company during business hours; render a statement of the conditions of the finances of the Company at each regular meeting of the Board of Directors and at such other times as shall be required, as well as a full financial report at the annual meeting of the members; keep, at the office of the Company, correct books of account of all its business and transactions and such other books of account as the Board of Directors may require; and do and perform all duties appertaining to the office of Treasurer. The Treasurer shall also perform such other duties as are from time to time assigned by the President or the Board of Directors.

C. **RESIGNATION OF OFFICERS.** An officer may resign at any time by giving written notice to the Secretary, or to the President in the case of the Secretary. Unless otherwise specified in the notice, the resignation shall take effect upon receipt of said notice, regardless of whether or not it is accepted by the Company.

D. **REMOVAL OF OFFICERS.** Any or all of the officers may be removed by a majority vote of the Board of Directors whenever the Board determines it is in the best interests of the Company. The removal of an officer shall not prejudice any contract rights of the removed officer. However, election or appointment as an officer, of itself, shall not create any contract rights.

E. VACANCIES. A vacancy caused by the resignation, removal, or death of an officer shall be filled by a majority vote of the Board of Directors.

ARTICLE IX. - COMPENSATION

A. COMPENSATION OF DIRECTORS. By resolution of the Board of Directors, the Directors may be paid their expenses, if any, of attendance at each meeting of the Board of Directors. No such payment shall preclude any Director from serving the Company in any other capacity and receiving compensation therefor.

B. COMPENSATION OF OFFICERS. By resolution of the Board of Directors, the Officers may be paid a reasonable stipend for their services. This stipend may be paid to the Officers directly or it may be issued and applied as a credit against the assessments levied on the Officers' shares. No such payment shall preclude any Officer from serving the Company in any other capacity and receiving compensation therefor.

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

ARTICLE X. - MEMBERS

A. ANNUAL MEETINGS. The Annual Meeting of the members of the Company shall be held on the first Monday in February each year with 10 to 30 days advance written notice of the date, time, and place of said meeting. Failure to hold this meeting as appointed herein shall not impair in any way any of the Company's corporate rights and any such missed meeting may be held thereafter with 10 to 30 days advance written notice of the date, time, and place of said meeting.

B. SPECIAL MEETINGS. Special Meetings of the members of the Company may be held as necessary when properly called and upon reasonable notice under the circumstances of the

date, time, and place of such meetings.

C. CALLING SPECIAL MEETINGS. Special meetings shall be called by written request by the President, by a majority of all Directors, or by the owners of at least 25% of the issued and outstanding shares of the Company. The written request required herein shall be given to the President and shall specify the purpose(s) and a date, time, and place for the meeting that is reasonable under the circumstances.

D. NOTICE. The Secretary shall provide notice by mail or by personal delivery to all members of record as of the record date established pursuant to Paragraph G of this Article, specifying the date, time, and place for the meeting, and if it is a special meeting, the general purpose(s) for which it is being called. The first named individual or owner that appears on a share certificate in the records of the Company shall be the member to whom all notices shall be addressed and sent.

E. MAILING NOTICE. The mailing of all required notices under the Articles of Incorporation and these Bylaws 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 Company's share transfer books, and with postage provided thereon.

F. WAIVER OF NOTICE. Whenever any notice is required to be given, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be equivalent to the giving of such notice.

G. VOTING LIST & MEMBER OF RECORD DATE. The Secretary shall establish a member of record date for each member meeting and shall close and bring current the share transfer books as of such date. The share transfer books shall be subject to inspection by any member at any time during usual business hours and shall also be subject to the inspection of any member during

the whole time of the meeting. The share transfer books shall be *prima facie* evidence as to the list of members who are entitled to vote at the meeting. For the Annual Meeting of Members held on the first Monday in February, the member of record date shall be the preceding December 31.

For the purpose of determining members entitled to receive notice of, or to vote at, any meeting of members or any adjournment thereof, or in order to make a determination of members for any other proper purpose, the Company's share transfer books shall be closed for ten (10) days prior to providing notice for any meeting which is being called. The members as they are then listed on the share transfer books shall be the members of record and the record date shall be the date on which said books were closed. If under emergency conditions, the share transfer books cannot be closed for ten (10) days prior to the date of providing notice of the meeting, the record date shall be fixed for the determination of members entitled to receive notice of, or to vote at, such a meeting of members as the date on which notice of the meeting is mailed. When a determination of members entitled to vote at any meeting of members has been made as provided in this section, such determination shall apply to any adjournment thereof.

H. VOTING. All Company members are entitled to vote in the election of directors for the District or Share Class to which they belong. Members holding shares are also entitled to vote in elections pertaining to **(a)** the Company's organizational structure, bylaws, and/or these Articles of Incorporation; **(b)** the sale, transfer, or other conveyance of the assets of the Company and the operation of the Company's water system to any other entity; and **(c)** such other matters as the Board of Directors deem appropriate to place before the members. Members holding Class A, Class B, Class D, and Class E shares are entitled to cast one vote for each share held and a corresponding fractional vote for each fraction of a share held. Members holding Class C shares are entitled to cast one-quarter (1/4) of one vote for each share held. Cumulative voting shall not be allowed.

I. PROXY. Votes may be cast in person or by written, authorized proxy. Each proxy must be executed in writing by the member or the member's duly authorized attorney. The proxies shall be filed with the Secretary of the Company before or at the time of the meeting. No proxy shall be valid after the expiration of eleven (11) months from the date of its execution unless its duration shall have been specified therein. Every proxy shall be revocable at the discretion of the person executing it or of his or her personal representative(s) or assign(s).

J. VOTING BY CERTAIN TYPES OF MEMBERS. Special voting rules and procedures apply to certain types members as follows:

1. CORPORATE AND GOVERNMENTAL MEMBERS. Shares held in the name of another corporation, limited liability company, or other legal entity may be voted by such officer, agent, or proxy as the bylaws of such corporation may prescribe, or, in the absence of such provision, as the governing body of such entity may determine. Shares held by a governmental entity may be voted by the designee duly authorized by the governmental entity's legislative body.

2. REPRESENTATIVE MEMBERS. Shares held by a personal representative, administrator, executor, guardian, or conservator may be voted either in person or by proxy without a transfer of such shares into his or her name. Shares held in the name of a trustee may be voted by the trustee either in person or by proxy, but no trustee shall be entitled to vote shares held by the trustee without a transfer of such shares into that trustee's name.

3. MEMBERS IN RECEIVERSHIP. Shares held in the name of a receiver may be voted by that receiver, and shares held by or under the control of a receiver may be voted by that receiver without the transfer thereof into the receiver's name if authority so to do be contained in an appropriate Order of the Court by which that receiver was appointed.

4. MEMBERS OF PLEDGED SHARES. A member whose shares are pledged shall be entitled to vote those shares until the shares have been transferred into the name of the pledgee and, thereafter, the pledgee shall be entitled to vote the shares so transferred.

5. TREASURY SHARES. Shares in the Company belonging to the Company or held by it in a fiduciary capacity shall not be voted, directly or indirectly, at any meeting, and shall not be counted in determining the total number of outstanding shares at any given time.

K. QUORUM. The members present in person or by proxy at any duly called meeting of the members shall constitute a quorum and, except as otherwise provided for herein or in the Articles of Incorporation, a majority vote of such quorum shall be a majority vote of the members and shall be the action of the members on that matter, to the maximum extent allowed by law.

L. ORDER OF BUSINESS. The order of business at all annual meetings of the members, and at all special meeting as applicable, shall be as follows:

1. Roll Call.
2. Reading of the notice of the meeting.
3. Reading of the minutes of the preceding meeting and approval thereof.
4. Secretary's report on the number of shares present in person or by proxy.
5. President's Business Report.
6. Presentation of the Annual Report on Financial Condition of the Company.
7. Unfinished business.
8. New Business.
9. Elections.

ARTICLE XI. - SERVICE AREA

The Board of Directors shall establish, and may from time to time change, enlarge, or reduce, the territory that is to be serviced by the Company, i.e., the Company's service area.

ARTICLE XII. - WATER DELIVERY

A. DUTY OF THE COMPANY. The Company has no responsibility to deliver water directly to each member's property or place of use. The Company's responsibility to deliver water to the Company's members is met and complete when the company delivers water to the point where the water is diverted out of the company owned system and into the private conveyances and ditches owned by the members. It shall be the duty of the members, and not the Company, to properly and suitably prepare and maintain the private conveyances and ditches to receive and convey water. The Company shall have no responsibility whatsoever to repair, recover, clear, treat, or otherwise maintain or contribute to the maintenance of the private ditches of the members, nor liability for failure to do so or for failure to force others to do so.

B. WATER MASTER. It shall be the duty of the members who use water from a local or private ditch or ditches to appoint a water master over each private ditch within thirty days following the date on which a vacancy arises. The identity of such water master should be reported to the secretary of the company as soon as possible following appointment. The local water master shall be responsible for inspecting and overseeing the maintenance of the private ditch to ensure that it are in good condition and capable of conveying water to the members. Such maintenance shall be conducted at the expense of or with the efforts of the members who draw water from said ditch, and shall not be the sole responsibility of the water master. The local water master is hereby authorized to shut off water from any private ditch until it is properly maintained and prepared to convey water.

The Board of Directors shall appoint a general water master with responsibility for the entire

Company system, with such duties and responsibilities as shall be appointed to him from time to time by the Board of Directors.

C. WATER SCHEDULES. Delivery of water to the Company's members shall be according to schedules, except in limited circumstances evidenced by special written agreements approved by the Board of Directors. The local water master is responsible for creating and overseeing a schedule of water turns for the private ditch, ensuring that all members receive the full amount of water to which he is entitled by virtue of the shares owned, and that water is distributed in an orderly and organized manner. In the event that any member shall take water out of turn, such activity shall be reported immediately to the Board of Directors. The Board of Directors shall investigate, and shall take whatever action it deems necessary, including but not limited to the suspension of water rights of the accused member for one or more turns. The Company shall have no liability to any member who has been shown to have taken water out of turn for loss of any subsequent water turn. The foregoing shall not be construed to limit the Company or any other person injured by the accused member from seeking any other remedies available in law or equity.

ARTICLE XIII. - EXPANSION OF WATER SYSTEM

The Company has sufficient facilities and water rights to service the number of shares currently issued. The issuance of new shares to provide additional water service can only occur if the following requirements are met: (1) the Board of Directors must determine that there is sufficient capacity in the system to provide the requested additional service; (2) the Board of Directors must determine that the provision of the requested additional service will not be detrimental to the interests of the Company and/or its shareholders as a group; (3) title to sufficient water rights to cover the requested additional service, with approved points of diversion and places of use that are consistent with the Company's system and service area, must be conveyed to the Company; and (4)

a fee representing a proportionate share of the value of the existing facilities must be paid to the Company. Upon compliance with these requirements and upon resolution of the Board of Directors approving the same, the appropriate number of new shares of the appropriate class shall be issued. The appropriate number of new shares shall be determined in a manner that maintains the right to the same quantity of water per share that existed before the issuance of the new shares and the addition of the new water rights. The new shareholder(s) must also bear the cost of any additions or changes to the Company's facilities needed to provide the additional service.

ARTICLE XIV. - CHANGE APPLICATIONS

A. CHANGE APPLICATION POLICIES. Any member desiring to propose changes in the place of use of Company water, where the new place of use is within the same Company water district (as set forth in Article VII, paragraph B) as the former place of use, must first obtain approval from the Board of Directors before making such a change. Any member desiring to propose changes to any water right held by the Company with regard to point of diversion, time, nature of use, or place of use (where the new place of use will be outside of the Company water district of the former place of use), whether or not such change will require the filing of applications with the Utah State Engineer, shall comply with the provisions of this Article XIV and the provisions of the Company's Change Application Policy then in effect. The Company's Change Application Policy is attached hereto as Attachment "A."

B. REQUESTS FOR CHANGE APPLICATION. Members requesting changes subject to the Change Application Policy shall submit to the Company Secretary a completed Member Request for Change Application ("Request Form") in substantially the same form as that attached hereto as Attachment "B," along with a \$100 application fee, specifying the following details of the requested change:

1. the certificate number(s) for the shares affected by the proposed change;
2. the quantity of water sought to be changed;
3. the details of the member's current use of water under the share certificate which would be affected by the proposed change;
4. the details of the proposed change;
5. a description of the land proposed to be retired from irrigation, if the proposed change in place or nature of use involves water that was previously used for irrigation;
6. an agreement that the shareholder shall continue to pay all applicable corporate assessments on the shares affected by the change; and
7. all other information requested by the Request Form, as well as any additional information that the Company may reasonably request, to be submitted with or after the Request Form , so as to evaluate the requested change application.

C. CONSIDERATIONS. The completed Request shall be reviewed by the Board of Directors at a duly called Board Meeting. The Request will be evaluated in accordance with the Company's Change Application Policy then in effect. The Company may consider the following factors in evaluating shareholder Requests:

1. any increased or decreased cost to the Company or its shareholders;
2. interference with the Company's ability to manage and distribute water for the benefit of all shareholders;
3. whether the proposed change represents more water than Shareholder's pro rata share of the Company's right;
4. impairment of either the quantity or quality of water delivered to other shareholders under the existing water rights of Company, including rights to carrier water;

5. whether the proposed change would cause a violation of any statute, ordinance, regulation, or order of a court or governmental agency;

6. whether member has or can arrange for a commensurate beneficial use of the water to prevent or avoid claims of forfeiture or abandonment of the water retired from irrigation within Company's service area under the proposed change; and

7. the cumulative effects that the approval of the change application may have on other shareholders or Company operations.

D. DECISION BY THE COMPANY. The Board shall make a decision and provide written notice of that decision within 120 days from receipt of the request for a change application. The Board may approve the request, approve the request with conditions, deny the request, or continue consideration of the Request until the next Board Meeting. Reasons for continuance shall include (but not be limited to) the need for the member to provide additional information and resubmission of the request within fewer than seven days prior to the Board Meeting. If the Board fails to respond, the failure to respond shall be considered to be a denial of the request.

The Company reserves the right to impose any and all reasonable conditions necessary to protect Company and its members, including but not limited to the following:

1. The member shall bear all costs and expenses associated with the change application.

2. the member shall bear all losses and expenses caused by the change through evaporation, percolation, or other shrinkage, and such other anticipated losses as the Board shall reasonably determine;

3. the member must be current on all Company assessments and agree to continue to pay all applicable future assessments, except that the member may choose to

prepay any portion of Company assessments attributable to an existing debt of Company;

4. Other than prepaid assessments, the Company may require that the member continue to pay all applicable assessments;

5. the Company may refuse to approve Requests that would result in a place of use being outside of the Company's service area, as may be determined by the Board of Directors from time to time;

6. the Company may refuse to approve change requests that would result in an initial point of diversion being different from the Company's existing points of diversion, as may be determined by the Board of Directors from time to time; and

7. the member will defend and indemnify the Company against claims arising out of the proposed use and pay all costs and expenses caused by the proposed use.

Any member affected by a Board decision may, by written request to the Secretary, ask that the decision be reconsidered at another duly noticed and called meeting. The decision of the Board upon reconsideration shall be final on the issue.

E. APPLICATION TO THE DIVISION OF WATER RIGHTS. Upon Board approval of a Request , with or without conditions, the Company and the member shall enter into a Change Application Approval Agreement (“Agreement ”) in substantially the same form as that attached hereto as Attachment “C”. As soon as reasonably possible after execution of the Agreement, the Company shall file with the Division a change application consistent with the terms of both the Request, as approved, and the Agreement . The change application shall be filed in the name of both the member and the Company, and shall be prosecuted by the Company, with the member providing all necessary information and evidence. The member shall bear all costs associated with the change application, including costs of submitting proof.

F. CANCELLATION. If the member fails to comply with all of the conditions imposed by Company or the State Engineer, Company may, after written notice to Member and after allowing reasonable time to remedy the failure, withdraw its approval of the application, and petition the State Engineer for an order withdrawing the change application.

ARTICLE XV. - ASSESSMENTS

The shares of this Company may be assessed in such amounts and at such times and in such manner and for such uses and purposes pertaining to the operation and maintenance of the water system as the Board of Directors may determine.

A. NOTICE OF ASSESSMENT. The Company shall provide a Notice of Assessment to each member on whom an assessment is levied. The notice of assessment may be given either personally to each member and/or by mail addressed to the address of record for each member. The first named individual or owner that appears on a share certificate in the records of the Company shall be the member to whom all notices shall be addressed and sent. It is the express duty of each member to timely notify the Company of any address changes. No other means of providing notice is required. The Notice of Assessment should be in substantially the same form as that attached hereto as Attachment "D." The Annual assessment of the Company shall be made on the 24th day of August of each year, although additional or partial assessments may be made at other times in the discretion of the Board of Directors.

B. NOTICE TO MEMBER. If any portion of the assessment mentioned in the notice of assessment remains unpaid on the day specified thereon as to when the share shall be delinquent, the Secretary shall, unless otherwise directed by the Board of Directors, give notice that the share is delinquent to the member owning the delinquent share either personally and/or by mail addressed to the address of record for each member. The Notice to Member should be in substantially the same

form as that attached hereto as Attachment "E." The Annual Assessment of the Company shall be due on November 15th of each year, and shall be delinquent if unpaid thereafter.

C. NOTICE OF DELINQUENCY AND SALE. If any portion of the assessment mentioned in the Notice of Assessment remains unpaid on the day specified thereon as to when the share shall be delinquent, the Secretary shall, unless otherwise directed by the Board of Directors, cause a Notice of Delinquency to be published in some newspaper of general circulation in the place where the Company's principal place of business is located. The Notice of Delinquency and Sale, when published in a daily newspaper must be published for ten days previous to the day of sale; when published in a weekly or semiweekly paper it must be published in each issue thereof for two weeks previous to the day of sale. The first publication of all delinquent sales must be at least fifteen days prior to the day of sale. The notice of delinquency should be in substantially the same form as that attached hereto as Attachment "F." The date of sale of advertised delinquent annual assessments shall be December 20th of each year.

D. JURISDICTION TO SELL SHARES. By giving the notices of delinquency and sale as required by these Bylaws, the Company acquires jurisdiction to sell and convey a perfect title to all of the share described in said notices upon which any portion of the assessment, any accrued interest, or any expenses of advertising remains unpaid at the close of business on the day before the sale, along with any assessments subsequently levied. However, the Company shall not sell any more shares than are necessary to pay the assessments due and expenses of advertising and sale. The sale of such share shall be in increments of full shares first and then a pre-existing fractional share, if any. In the event the member desires to pay the delinquent assessments prior to the sale, such assessments will not be considered paid unless such payment includes any accrued interest and the actual expenses of advertising the sale.

E. PURCHASE OF DELINQUENT SHARES BY COMPANY. The Company, through any officer or director, may make an opening minimum bid at the sale of shares in the amount of the assessment, the accrued interest, and the expenses due. Thereafter, the Company, if authorized by the Board of Directors, may enter higher bids as so authorized. If the Company is the highest bidder, the amount of the assessment, interest, and expenses shall be credited as paid in full on the Company's books and entry of the transfer of the share to the Company shall be made on the books thereof. While the share remains the property of the Company, it is not assessable, nor shall any dividends be declared thereon, but all assessments and dividends shall be apportioned upon the shares held by the members of the Company. Such share may be subsequently sold at a fair market value to a qualified buyer or buyers in accordance with the Company's Articles and Bylaws.

F. EXTENSION OF TIME SPECIFIED IN NOTICES. The dates set forth in any notice of assessment, notice of delinquency, or notice of sale served or published according to the provisions hereof may be extended from time to time by motion and order of the board of directors entered on the records of the Company for any period or periods aggregating not more than six months, but no order extending the time for the performance of any act specified in any notice shall be effective unless a new notice is timely served or published reflecting the extension.

G. ERRORS OR OMISSIONS IN PROCEEDINGS. No assessment is invalidated by a failure to give the notices provided for herein, nor by the nonperformance of any act required in order to enforce payment of the same, but in case of any substantial error or omission in the course of proceedings for collection, the defective proceedings, except the levying of the assessment, are void and notice must be begun anew for that proceeding and all subsequent proceedings.

H. ACTIONS TO RECOVER SHARE SOLD. No action shall be sustained to recover shares sold for delinquent assessment upon the ground of irregularity or defect of the notice of the

sale or defect or irregularity in the sale, unless the person seeking to maintain such action first pays or tenders to the Company or to the person holding the shares sold the sum for which the same was sold, together with all subsequent assessments which may have been paid thereon, or in the case of shares sold to the Company, all subsequent assessments levied upon the outstanding share of the Company, and interest on such sums from the time they were paid or payable; and no such action shall be sustained unless the same is commenced by the filing of a complaint within six months after such sale was made.

I. **AFFIDAVIT OF NOTICE PROVIDED.** Affidavits made by the Secretary of personal service or of the mailing of notices shall be *prima facie* evidence thereof. The publication of notices relating to assessments may be proved by the affidavit of the printer foreman or principal clerk of the newspaper in which the same were published; and the affidavit of the Secretary or auctioneer shall be *prima facie* evidence of the time and place of sale, of the quantity and particular description of the share sold, and to whom and for what price, and of the fact of the purchase money being paid. The affidavits shall be filed in the office of the Company and copies of the same certified by the Secretary thereof shall be *prima facie* evidence of the facts stated therein.

ARTICLE XVI. - INSPECTION OF RECORDS

In accordance with Utah Law, any member desiring to inspect or copy the records of the Company shall submit to the Company Secretary a completed Demand to Inspect and/or Receive Copies of Company Records (“Records Request”) in substantially the same form as that attached hereto as Attachment “G” or such other form adopted by the Board of Directors. Review of the Records will be conducted only during regular business hours and at the Company’s principal office.

ARTICLE XVI. - INDEMNIFICATION

Any person made a party to or involved in any civil, criminal, or administrative action by

reason of the fact that this person or his or her testator or intestate is or was a director, officer, or employee of the Company, or of any Company which he or she, the testator, or intestate served as such at the request of the Company, shall be indemnified by the Company against expenses reasonably incurred by him or her or imposed on him or her in connection with or resulting from the defense of such action and in connection with or resulting from any appeal thereon, except with respect to matters as to which it is adjudged in such action that such officer, director, or employee was liable to the Company, or to such other corporation, for negligence or misconduct in the performance of his or her duty. As used herein, the term "expense" shall include all obligations incurred by such person for the payment of money, including without limitation attorney's fees, judgments, awards, fines, penalties, and amounts paid in satisfaction of judgment or in settlement of any such action, except amounts paid to the Company or such other corporation by him or her.

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

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

ARTICLE XVII. - ANNUAL FINANCIAL REPORT

The President and the Board of Directors shall prepare, or cause to be prepared by a qualified accountant, an annual report on the financial condition of the Company at the end of each fiscal year. The President or his designee shall present this report to the members at the annual meeting.

ARTICLE XVIII. - AMENDMENTS TO THE BYLAWS

These bylaws may be amended as set forth in the Company's Articles of Incorporation.

ARTICLE XIX. - SEVERABILITY CLAUSE

If any provision of these bylaws, or the application of any provision to any person or circumstance, is held invalid, the remainder of the bylaws shall be given effect without the invalid provision or application.

DULY ADOPTED BY VOTE OF THE MEMBERS OF THE COMPANY, REPRESENTING THE NUMBER OF AFFIRMATIVE VOTES SUFFICIENT FOR APPROVAL, THIS 17TH DAY OF FEBRUARY, 2005.

Hooper Irrigation Company

By: _____
_____, President

CERTIFICATE OF SECRETARY

I, the undersigned, do hereby certify:

1. That I am the duly elected and acting Secretary of the Hooper Irrigation Company, a Utah corporation; and
2. That the foregoing Bylaws comprised of thirty-one (31) pages, including this page but not including the cover and table of contents, constitute the Bylaws of said Company as approved by vote of the members of the company, representing the number of affirmative votes sufficient for approval, at a meeting of the members duly called and held on the 17th day of February, 2005.

_____, Secretary

ATTACHMENTS

- A. Change Application Policy
- B. Member Request for Change Application
- C. Change Application Approval Agreement
- D. Notice of Assessment
- E. Notice to Member
- F. Notice of Delinquency and Sale
- G. Demand to Inspect And/or Receive Copies of Company Records

Attachment A

HOOPER IRRIGATION COMPANY
CHANGE APPLICATION POLICY

_____, 2005

1. The shareholder desiring to make a change application shall submit to the Company a change application in substantially the same form as that included with the bylaws of the company, containing all requested information and including the required fee.
2. Along with the shareholder's request for a change application, the shareholder shall agree to bear the cost of an engineering study, conducted by the company at the shareholder's sole cost and expense, which considers the effects of the proposed change application on the Company. This engineering study will specifically consider and address:
 - a. How the proposed change will affect the place of use of the water, and including the extent to which land will be retired from irrigation.
 - b. How the proposed change will affect the flow of water throughout the entire system, through each affected lateral branch of the system operated by the Company shareholders, and through the private laterals of the shareholders.
 - c. Whether or not the proposed change will create a need for check structures in order to maintain operational flow, and the proposed location and cost of those structures.
 - d. How the proposed change will affect the velocity of the water throughout the system.
 - e. How the proposed change will affect the amount of silt deposition and/or increase the need for weed control throughout the system.
 - f. How the proposed change will affect losses due to leakage, evaporation, transpiration, and other water losses throughout the system.
 - g. Whether the proposed change, if approved and effected, will allow sufficient carrier water to remain in the system to service other shareholders.
 - h. How the proposed change will affect return flows available to Shareholders, others, and the natural environment.
 - i. How the proposed change will affect the quality of water being delivered to the Company's other shareholders.
 - j. How the proposed change will affect the ability of the company to manage, maintain, and oversee the system.
 - k. How the proposed change will affect the company's ability to distribute water to the individual shareholders.
 - l. How the proposed change will affect costs to the company and shareholders for

ongoing maintenance, including increased costs for oversight.

- m. Whether and to what extent the amount of water being changed is greater, less than, or equal to the *pro-rata* amount of water to which the shareholder is entitled, less losses and expenses caused by the change through evaporation, percolation, or other shrinkage, and such other anticipated losses.
 - n. Any other information that the company should consider when deciding whether to approve the change application.
3. The engineering study shall be conducted by an engineer selected by the Company.
 4. The engineering study may consider and discuss the cumulative effects of multiple change applications previously submitted by one or more owners or reasonably expected to be submitted in the future.
 5. Proposed change applications will not be approved that have not been included and analyzed in an engineering study submitted to the company.
 6. The proposed change application will not be approved if the quantity of water sought to be changed exceeds the amount of water to which the individual shareholder is entitled, less losses and expenses caused by the change through evaporation, percolation, or other shrinkage, and such other anticipated losses. The shareholder requesting the change must bear all of these losses.
 7. The proposed change application will not be approved if the flow of water throughout the entire system, through each lateral branch of the system, and through the private laterals of the shareholders, is affected in either volume, velocity, or quality that would, in the reasonable opinion of the board of directors, impair the company's ability to deliver to the company's shareholders the full *pro-rata* amount of water to which they are entitled.
 8. The proposed change application will not be approved if the proposed change will require extensive alteration of the company's water system.
 9. The proposed change application will not be approved if the proposed change will result in a significant increase in silt deposition and/or increase in the need for weed control throughout the system.
 10. The proposed change application will not be approved if the proposed change will result in a significant increase in losses to leakage, evaporation, transpiration, and other water losses throughout the system.
 11. The proposed change application will not be approved if the proposed change will not allow sufficient carrier water to remain in the system to service other shareholders.
 12. The proposed change application will not be approved if the Company will experience any increased cost to manage, maintain, and oversee the system that will not be borne by the shareholder requesting the change.
 13. The proposed change application will not be approved if, in the opinion of the Company's attorney, the proposed change would cause a violation of any contract, statute, ordinance, regulation, or order of a court or governmental agency. The Shareholder requesting the change agrees to bear the cost for legal review of the proposed change.
 14. The proposed change application will not be approved if the shareholder requesting the change is not current on all water company assessments.
 15. The proposed change application will not be approved if the shareholder requesting the change does not agree in writing to continue to pay all applicable future assessments.
 16. The shareholder requesting the change will pay all increases in costs directly caused by the change application for management, maintenance, and oversight of the system, and agree to

- bear all of those costs in the future.
- 17. The shareholder requesting the change will pay all costs associated with any necessary and approved alteration of the company's water system.
 - 18. The shareholder requesting the change will pay all costs, including legal and engineering costs, associated with prosecution of the change application and final proof, and provide all of the necessary information and evidence.
 - 19. If a shareholder fails to comply with all of the conditions imposed by the water company, the water company may, after written notice to the shareholder and after allowing reasonable time to remedy the failure, withdraw its approval of the application, and petition the state engineer to withdraw approval of the change application.

Attachment B

**HOOPER
IRRIGATION
COMPANY**

OFFICE USE ONLY

Rec'd by _____
Date _____
Fee Paid \$100

Member Request for Change Application

Name: _____
Address: _____
Telephone: _____ Fax: _____
Email: _____

1/ Please Attach a Photocopy of Each Certificate of the Shares Affected by the Proposed Change, and Give the Certificate Numbers Here:

2/ Quantity of Water Sought to be Changed: _____ cfs and/or _____ acre-feet

3/ CURRENT USE

a. Point(s) of Diversion:

b. Nature	c. Period	d. Purpose & Place of Use
<input type="checkbox"/> Irrigation	from _____ to _____	
<input type="checkbox"/> Stockwatering	from _____ to _____	
<input type="checkbox"/> Domestic	from _____ to _____	
<input type="checkbox"/> Municipal	from _____ to _____	
<input type="checkbox"/> Other: _____	from _____ to _____	

4/ PROPOSED CHANGE

a. Point(s) of Diversion:

b. Nature	c. Period	d. Purpose & Place of Use
<input type="checkbox"/> Irrigation	from _____ to _____	
<input type="checkbox"/> Stockwatering	from _____ to _____	
<input type="checkbox"/> Domestic	from _____ to _____	
<input type="checkbox"/> Municipal	from _____ to _____	
<input type="checkbox"/> Other: _____	from _____ to _____	

**5/ Please Attach a Survey or Plat Map Giving the Description and Acreage of Any Lands Proposed to Be Retired from Irrigation
(if the proposed change in place or nature of use involves water previously used for irrigation).**

NOTE: All Costs Associated with a Change Application Filed Pursuant to Approval Hereof, Including Costs of Submitting Proof, Shall Be Paid by the Member.

BY SIGNING BELOW, THE MEMBER

- a. Represents that he or she is the owner of the shares described in #1 above.
 - b. Represents that he or she is current on all Irrigation Company assessments;
 - c. Agrees to continue to pay all applicable future assessments (except that the member may choose to prepay any portion of the irrigation company assessments attributable to an existing debt of the irrigation company);
 - d. Agrees to continue to pay all applicable assessments, including all corporate assessments on the share(s) affected by the proposed change; and
 - e. Agrees to pay all costs associated with the preparation and review of this Request for Change Application and any Change Application filed on the member's behalf with the Utah Division of Water Rights, including review of this Request by the Company's attorney and engineer.

Member

Date

The Irrigation Company shall make a decision and shall provide written notice of that decision within 120 days of its receipt of a properly completed Request for Change Application. (If the Irrigation Company fails to respond, such failure shall constitute a denial of the requested change.)

The Company may consider any of the following factors in evaluating change application requests:

- a. Any increased cost to the Company or its members;
 - b. Interference with the Company's ability to manage & distribute water for the benefit of all members;
 - c. Whether the proposed change represents more water than the member's pro rata share of the Company's right;
 - d. Impairment of either the quantity or quality of water delivered to other members under the existing water rights of the Company, including rights to carrier water;
 - e. Whether the proposed change would cause a violation of any statute, ordinance, regulation, or order of a court or governmental agency;
 - f. Whether the member has or can arrange for a commensurate beneficial use of the water to prevent or avoid claims of forfeiture or abandonment of the water retired from irrigation within the Company's service area under the proposed change; and
 - g. The cumulative effects that the approval of the change application may have on other members or Company operations.

IRRIGATION COMPANY ACTION

APPROVED *As this Change Request requires the filing of a Change Application with the Utah Division of Water Rights (the State Engineer's Office), a Change Application shall be filed by and in the name of both the member and the Company, and shall be prosecuted by the Company, with member paying all associated costs and providing all of the necessary information and evidence.*

**with conditions
(see attachments)**

DENIED *The member may, by written request to the Secretary, ask that the denial be reconsidered at another duly noticed and called meeting. The decision of the Company Board upon reconsideration shall be final.*

President, Hooper Irrigation Company

Date

Secretary

Date _____

NOTE: If the member fails to comply with all of the conditions imposed by the Company or by the Division of Water Rights, the Company may, after written notice to the member and after allowing reasonable time to remedy the failure, withdraw its approval of the application and petition the State Engineer for an order withdrawing the Change Application.

Attachment C

**HOOPER IRRIGATION COMPANY
CHANGE APPLICATION APPROVAL AGREEMENT**

This Agreement is entered into this day _____ of _____, 20____, between HOOPER IRRIGATION COMPANY, a Utah nonprofit corporation (hereafter referred to as "Company") and _____ (hereafter referred to as "Member").

RECITALS

- A. Company owns the right to divert water from the Weber River and other sources and put it to the beneficial use of its members.
- B. Member is the owner of shares of share in Company and requests permission from Company to file a permanent change application to change the point of diversion and/or place of use and/or purpose of use of the water available under its shares of share.
- C. Company consents to Member's request to file the permanent change application pursuant to the terms and conditions provided in this Agreement. Member is willing to comply strictly with such terms and conditions.

In consideration of the covenants contained in this Agreement and other good and valuable consideration, the parties agree as follows:

AGREEMENT

1. Form of Change Application.

Company consents to the filing of a permanent change application with the Utah Division of Water Rights ("DWR") in the form attached to this Agreement as Exhibit "A." The change application shall be approved by the State Engineer on terms and conditions consistent with this Agreement. If the State Engineer's memorandum decision approving the change application imposes a condition that either party concludes violates the terms of this Agreement, either party has the right to withdraw the change application and terminate this Agreement without the consent of the other.

2. Description of Water Right.

Title to the water right that will be amended by the change application is owned by Company. The change application will be filed jointly in the name of Company and Member.

3. Ownership of Company Shares.

Member, or his or her successor, shall maintain ownership of the shares of share and continue to pay all applicable future assessments, except that Member may choose to prepay any portion of the Company assessments attributable to an existing debt of the Company in accordance with Company's Articles of Incorporation and Bylaws.

4. Responsibility for Change Application Approval

4.1 Company shall file the change application with the DWR, in the name of both the member and the Company. Company shall prosecute the change application through all necessary administrative procedures, including proof of change, extension requests, and other applications required by the laws of the State of Utah, with the member providing all necessary information and evidence. The member shall bear all costs associated with the change application and all administrative process necessary for approval thereof, including costs of submitting proof.

4.2 If a judicial review action is filed in the district court following a decision by the State Engineer, either by Member or any other interested party, Company will be a necessary party. Member shall indemnify and hold harmless Company for all costs, expenses and attorney's fees incurred by Company, including any appeals. Member or Company may elect to withdraw the change application to avoid the judicial review action.

5. Carrier Water - Beneficial Use

Under the change application, Company will have the discretion to divert the historic return flows into its canal to be used as carrier water. If the State Engineer's decision on the change application prohibits the use of part or all of the return flow to cover seepage losses in the canal, then Member agrees that a proportionate amount of the water available to the shares of share will remain in Company's canal as carrier water to compensate for canal seepage, transportation losses and return flows to ensure that moving the water out of Company's system will not adversely affect the remaining members in Company.

6. Water Meter and Related Infrastructure

Member shall, at his or her expense, construct, operate and maintain all facilities needed to divert and convey the water to its place of use. Member shall install a water meter on all such facilities, and shall provide records of the flow to Company and the State Engineer, upon request.

7. Indemnity

Member agrees to indemnify and hold harmless Company, its officers and directors, against any and all losses, damages, liabilities, costs, expenses, and attorney's fees incurred by Company in any way resulting from this Agreement or arising out of the use of water by Member under the change application.

8. Cancellation

If Member fails to comply with all of the conditions imposed by this agreement or by the DWR, Company may withdraw its approval of the application, and petition the State Engineer for an order canceling the change application. However, Company must first give written notice to Member and allow 90 days from the time such notice is received for Member to remedy the failure.

9. Entire Agreement

This Agreement constitutes the entire agreement between the parties and supersedes any prior understanding, representation, or agreement regarding the subject matter.

10. Third Party Rights Prohibited

This Agreement is not intended to create third-party beneficiary rights.

11. Standard for Interpreting the Agreement

This Agreement shall be construed as having been drafted as a joint effort of both parties and shall not be construed against any one party in the event of a controversy regarding its interpretation. Whenever the context so requires, the singular shall include the plural, the plural shall include the singular, and the whole shall include any part thereof. This Agreement shall be governed by the laws of the State of Utah and venue for any legal action based thereon shall be with the Second Judicial District Court in and for Weber County.

12. Assignment

This Agreement, together with the shares of share and the change application may be assigned. However, the right to divert water under the change application is conditioned on the ownership of the underlying shares of share in Company that support the changes. Therefore, any assignment of this Agreement must also include an assignment of Member's interest in the change application and the shares of share in Company to that same party. Member agrees to provide notice of any such assignment to Company.

HOOPER IRRIGATION COMPANY

By _____ / _____
President Date

Member

_____ / _____
Date

Attachment D

Hooper Irrigation Company
P.O. Box 184
5375 South 5500 West
Hooper, UT 84315-0184

(Date)

Re: NOTICE OF ASSESSMENT OF SHARES

Dear Hooper Irrigation Company Member:

At a meeting of the Board of Directors at held on (date), an assessment of (amount) per share was levied on the shares (here insert the description of the class or classes of shares assessed) of the Company, payable (when, to whom, and where). Any share upon which this assessment may remain unpaid on the (day fixed) will be delinquent and advertised for sale at public auction, and unless payment is made before will be sold on the (day appointed) to pay the delinquent assessment and all accrued interest at the rate of 18% per year from the date of delinquency, together with the cost of advertising and expense of sale.

(Signature of Secretary)
Secretary, Hooper Irrigation Company

Attachment E

Hooper Irrigation Company
P.O. Box 184
5375 South 5500 West
Hooper, UT 84315-0184

(Date) _____

Re: NOTICE TO MEMBER OF DELINQUENCY

Dear Hooper Irrigation Company Member:

The assessment levied by the Board of Directors on (date) on certain shares of Company share for which you are the owner of record has not been paid in full by the due date of (date) and therefore said shares of share are delinquent. More specifically, the (no. of shares) shares of Class share represented by Share Certificate No. are delinquent in the amount of \$(amount), plus accrued interest. Therefore, in accordance with the applicable laws of the State of Utah and the Company's Articles and Bylaws, as many shares of such share as are necessary will be sold at (place of sale) on the day of , , at the hour of , in order to pay the above-referenced delinquent assessments and all accrued interest thereon at the rate of 18% per year from the date of delinquency, together with the cost of advertising and expense of sale, unless such amounts are paid in full by the close of business on the day prior to said sale.

(Signature of Secretary)
Secretary, Hooper Irrigation Company

Attachment F

Hooper Irrigation Company
P.O. Box 184
5375 South 5500 West
Hooper, UT 84315-0184

NOTICE OF DELINQUENCY AND SALE

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

Name	Certificate No.	No. of Shares	Amount

Therefore, in accordance with the applicable laws of the State of Utah and the Company's Articles and Bylaws, so many shares as may be necessary will be sold to the highest qualified bidder over the minimum bid at the (particular place) on the _____ day of _____, ____, at the hour of _____, to pay the delinquent assessments thereon and all accrued interest thereon at the rate of 18% per year from the date of delinquency, together with the cost of advertising and expense of sale, unless such amounts are paid in full by the close of business on the day prior to said sale. Bidders must be able to utilize the water represented by these shares in accordance with the Articles and Bylaws of this Company.

(Name of Secretary)

Attachment G

Demand to Inspect and/or Receive Copies of Company Records

Hooper Irrigation Company

P.O. Box 184
5375 South 5500 West
Hooper, UT 84315

Pursuant to Utah Code Annotated § 16-6a-1602(1) & (2), written demand for inspection or copying of Company records must be made at least **five days** in advance.

Records may be inspected, and copies will be made available, at the Company offices at 5375 South 5500 West, Hooper, UT 84315, during the Company's regular business hours.

Contact Information

Name:	Telephone:
Address:	Fax:
	E-mail:

Are you requesting
(Check One) INSPECTION of Records?
 COPIES of Records (20¢ per page)? or
 BOTH?

Please check this box if you wish to receive by mail a copy of the Company's most recent annual financial statements (if any) and its most recently published financial statements (if any). UCA § 16-6a-1603(3) & -1606. (Free of Charge)

<p><i>If you wish to inspect and/or receive copies any of the records listed at right, please check the appropriate boxes, and fill in the requested information.</i></p> <p><i>If you wish to inspect and/or receive copies of any other records, please fill out the reverse side.</i></p>	<p><input type="checkbox"/> The Articles of Incorporation.</p> <p><input type="checkbox"/> The Bylaws.</p> <p><input type="checkbox"/> Names and Addresses of Current Directors and Officers.</p> <p><input type="checkbox"/> Membership Resolutions. Which?:</p> <p><input type="checkbox"/> Our Most Recent Annual Report to the Division of Corporations.</p> <p><input type="checkbox"/> Minutes of Members' Meetings Within the Last 3 Years. Dates?:</p> <p><input type="checkbox"/> Records of Actions Taken Within the Last 3 Years Without a Meeting. Which?:</p> <p><input type="checkbox"/> Written Communications to the Members Within the Last 3 Years Which?:</p> <p><input type="checkbox"/> Financial Statements Prepared for Periods Ending During the Last Three Years. Which Years?:</p>
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**Demand to Inspect
and/or Receive Copies
of Company Records**

SENSITIVE & PROTECTED RECORDS

<p><i>Please describe the purpose of your demand to inspect and/or receive copies</i></p> <hr/>	
<p><i>Please note that the purpose of record access must be reasonably related to your interest as a member or director of the Company. UCA § 16-6a-1602(4)(b)</i></p>	

<p><i>Please describe the records to be inspected or copied.</i></p> <hr/>	
<p><i>Please be as specific as possible. Note that the records you request must be directly connected with your above-described purpose. UCA § 16-6a-1602(3)(c)</i></p>	

After your Demand to Inspect and/or Receive Copies of Sensitive and Protected Company Records has been duly reviewed by the Company's custodian of records, you will be notified whether inspection or receipt of copies may be permitted.

Inspection or receipt of copies will take place within five days of presentation of this completed demand at the Company offices.

NOTE: *Any director or member obtaining information from or copies of sensitive and protected Company records may not use such information or copies for any purpose except the purpose given above.*

**Signature of
Requesting Member**

Date

Approved
 Denied

**Signature of
Director**

Date