

Bylaws

of

DRAPER IRRIGATION COMPANY

A Utah Corporation

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**Bylaws
of
Draper Irrigation Company**

ARTICLE I. OFFICES

Section 1.1 Business Office

The principal office of the corporation shall be located at any place either within or without the state of Utah as designated in the corporation's most current annual report filed with the Utah Division of Corporations and Commercial Code. The corporation may have such other offices, either within or without the state of Utah, as the board of directors may designate or as the business of the corporation may require from time to time. The corporation shall maintain at its principal office copies of certain records, as specified in section 2.19 of Article II.

Section 1.2 Registered Office

The registered office of the corporation required by Section 16-6a-501 of the Utah Revised Nonprofit Corporation Act (the "Act"), or any section of like tenor as from time to time amended, shall be located within Utah and may be, but need not be, identical with the principal office. The address of the registered office may be changed from time to time.

ARTICLE II. STOCKHOLDERS

Section 2.1 Annual Stockholder Meeting

The annual meeting of stockholders shall be held within 150 days after the close of the corporation's fiscal year, at a time and date as is determined by the corporation's board of directors, for the purpose of electing directors and for the transaction of such other business as may come before the meeting.

The failure to hold an annual or special meeting does not affect the validity of any corporate action or work a forfeiture or dissolution of the corporation.

Section 2.2 Special Stockholder Meetings

Special meetings of the stockholders, for any purpose or purposes described in the meeting notice, may be called by the board of directors and shall be called by the president at the request of the holders of not less than 20% of all outstanding votes of the corporation entitled to be cast on any issue to be submitted to the stockholders for consideration at the meeting.

Section 2.3 Place of Stockholder Meetings

The board of directors may designate any place, either within or without the state of Utah, as the place of meeting for any annual or any special meeting of the stockholders, unless by written consents, which may be in the form of waivers of notice or otherwise, a majority of stockholders entitled to vote at the meeting may designate a different place, either within or without the state of Utah, as the place for

the holding of such meeting. If no designation is made by either the directors or majority action of the voting stockholders, the place of meeting shall be the principal office of the corporation.

Section 2.4 Notice of Stockholder Meetings

Written notice stating the place, date, and time of any annual or special stockholder meeting shall be delivered not less than 10 nor more than 60 days before the date of the meeting, by first class or registered mail or by any other manner provided for in the Act, by or at the direction of the president or the board of directors, to each stockholder of record entitled to vote at such meeting and to any other stockholder entitled by the Act or the articles of incorporation to receive notice of the meeting. Notice shall be deemed to be effective at the earlier of the following: (a) the date deposited in the United States mail, addressed to the stockholder at his/her address as it appears on the stock transfer books of the corporation, with postage thereon prepaid; (b) the date shown on the return receipt if sent by registered or certified mail, return receipt requested, and the receipt is signed by or on behalf of the addressee; or (c) the date received; or (d) as otherwise provided in the Act.

If any stockholder meeting is adjourned to a different date, time, or place, notice need not be given of the new date, time, and place, if the new date, time, and place are announced at the meeting before adjournment. If a new record date for the adjourned meeting is or must be fixed (see section 2.8 of this Article II), or if the adjournment is for more than 30 days, then notice must be given pursuant to the requirements of the previous paragraph of this section 2.4 to those persons who are stockholders as of the new record date.

A stockholder may waive notice of the meeting (or any notice required by the Act, articles of incorporation, or bylaws) by a writing signed by the stockholder entitled to the notice, which is delivered to the corporation, either before or after the date and time stated in the notice, for inclusion in the minutes or filing with the corporate records.

A stockholder's attendance at a meeting:

- (a) waives objection to lack of notice or defective notice of the meeting, unless the stockholder at the beginning of the meeting objects to holding the meeting or transacting business at the meeting; and
- (b) waives objection to consideration of a particular matter at the meeting that is not within the purpose or purposes described in the meeting notice, unless the stockholder objects to considering the matter when it is presented.

The notice of each special stockholder meeting shall include a description of the purpose or purposes for which the meeting is called. Except as provided in this paragraph, the articles of incorporation, or otherwise in the Act, the notice of an annual stockholder meeting need not include a description of the purpose or purposes for which the meeting is called.

If a purpose of any stockholder meeting is to consider either: (a) a proposed amendment to the articles of incorporation (including any restated articles requiring stockholder approval); (b) a plan of merger or share exchange; (c) the sale, lease, exchange, or other disposition of all or substantially all of the corporation's property; (d) the dissolution of the corporation; or (e) the removal of a director, the notice must so state and, to the extent applicable, be accompanied by a copy or summary of the articles of amendment, plan of merger or share exchange, agreement for the disposition of all or substantially all of the corporation's property, or the terms of the dissolution.

When giving notice of an annual, regular, or special meeting of stockholders, the corporation shall give notice of a matter a stockholder intends to raise at the meeting if requested in writing to do so by a person entitled to call a special meeting and the request is received by the secretary or president of the corporation at least ten days before the corporation gives notice of the meeting.

Section 2.5 Meetings by Telecommunications

Any or all of the stockholders may participate in an annual or special meeting of stockholders by, or the meeting may be conducted through the use of, any means of communication by which all persons participating in the meeting can hear each other during the meeting. A stockholder participating in a meeting by this means is considered to be present in person at the meeting.

Section 2.6 Fixing of Record Date

For the purpose of determining stockholders of any voting group entitled to notice of or to vote at any meeting of stockholders, or in order to make a determination of stockholders entitled to exercise any rights in respect of any other lawful action, the board of directors may fix in advance a date as the record date. Such record date shall not be more than 70 days prior to the meeting of stockholders or the action requiring the determination of stockholders occurs. If no record date is so fixed by the board of directors for the determination of stockholders entitled to notice of or to vote at a meeting of stockholders, or for determination of stockholders entitled to exercise any rights in respect of any other lawful action, the record date for determination of such stockholders shall be at the close of business on:

- (a) with respect to determining those stockholders entitled to notice of the meeting, the business day preceding the day on which notice is given or, if notice is waived, the business day preceding the day on which the meeting is held;
- (b) with respect to determining those stockholders entitled to vote at the meeting, the date of the meeting; and
- (c) with respect to determining those stockholders entitled to exercise their rights in any other lawful action, either the day the board of directors adopts the resolution relating to the exercise of the right or the sixtieth day before the date of the exercise of the right, whichever is later.

When a determination of stockholders entitled to vote at any meeting of stockholders has been made as provided in this section 2.6, such determination shall apply to any adjournment thereof, unless the board of directors fixes a new record date. A new record date must be fixed if the meeting is adjourned to a date more than 120 days after the date fixed for the original meeting.

Section 2.7 Stockholder List

The officer or agent having charge of the stock transfer books for shares of the corporation shall make a complete record of the stockholders entitled to vote at each meeting of stockholders, arranged in alphabetical order with the address of and the number of shares held by each. The list must be arranged by voting group (if such exists, see Article II, section 2.8) and within each voting group, by class or series of shares. The stockholder list must be available for inspection by any stockholder, beginning on the earlier of ten days before the meeting for which the list was prepared or two business days after notice of the meeting for which the list was prepared is given and continuing through the meeting. The list shall be

available at the corporation's principal office or at a place identified in the meeting notice in the city where the meeting is to be held. A stockholder, his/her agent, or attorney is entitled, on written demand and subject to the requirements of section 2.19 of this Article II and sections 16-6a-1602 and 16-6a-1603 of the Act, or any sections of like tenor as from time to time amended, to inspect and copy the list during regular business hours, at his/her expense, during the period it is available for inspection. The corporation shall maintain the stockholder list in written form or in another form capable of conversion into written form within a reasonable time.

Section 2.8 Stockholder Quorum and Voting Requirements

If the articles of incorporation or the Act provides for voting by a single voting group on a matter, action on that matter is taken when voted upon by that voting group.

Shares entitled to vote as a separate voting group may take action on a matter at a meeting only if a quorum of those shares exists with respect to that matter. Unless the articles of incorporation, a bylaw adopted pursuant to section 2.9 of this Article II, or the Act provides otherwise, one-third of the votes entitled to be cast on the matter by the voting group constitutes a quorum of that voting group for action on that matter.

If the articles of incorporation or the Act provides for voting by two or more voting groups on a matter, action on that matter is taken only when voted upon by each of those voting groups counted separately. Action may be taken by one voting group on a matter even though no action is taken by another voting group entitled to vote on the matter.

Once a share is represented for any purpose at a meeting, it is deemed present for quorum purposes for the remainder of the meeting and for any adjournment of that meeting, unless a new record date is or must be set for that adjourned meeting.

If a quorum exists, action on a matter (other than the election of directors) by a voting group is approved if the votes cast within the voting group favoring the action exceed the votes cast opposing the action, unless the articles of incorporation, a bylaw adopted pursuant to section 2.9 of this Article II, or the Act requires a greater number of affirmative votes.

The corporation may be a party to a merger or consolidation; dissolve; convert to a business corporation; sell, lease, exchange, or otherwise dispose of all or substantially all of its property, other than in the usual course of business; or sell, lease, exchange, or otherwise dispose of any material portion of its water rights, other than in the usual course of business, only upon the approval of stockholders holding at least two-thirds of the issued and outstanding Class A stock. Notwithstanding anything to the contrary contained in these bylaws, no amendment, repeal, or adoption of a provision inconsistent with the provisions of this section 2.8 shall be adopted unless it is approved by stockholders holding two-thirds of the issued and outstanding Class A stock.

Section 2.9 Increasing either Quorum or Voting Requirements

For purposes of this section 2.9, a "supermajority" quorum is a requirement that more than a majority of the votes of the voting group be present to constitute a quorum; and a "supermajority" voting requirement is any provision that requires that a matter be approved by a vote of greater than the number of votes cast within the voting group favoring the action exceeding the number of votes cast within the voting group opposing the action.

The articles of incorporation may fix a supermajority quorum or supermajority voting requirement to adopt, amend, or delete a bylaw.

The adoption or amendment of a bylaw that adds, changes, or deletes a supermajority quorum or voting requirement for stockholders must meet the same quorum requirement and be adopted by the same vote and voting groups required to take action under the quorum and voting requirement then in effect or proposed to be adopted, whichever is greater.

A bylaw adopted by the stockholders that fixes a supermajority quorum or voting requirement for stockholders may not be amended or repealed by the board of directors.

Section 2.10 Proxies

At all meetings of stockholders, a stockholder may vote in person or vote by proxy executed in writing by the stockholder or by his/her duly authorized attorney-in-fact. Such proxy shall be filed with the secretary of the corporation or other person authorized to tabulate votes before or at the time of the meeting. No proxy shall be valid after 11 months from the date of its execution, unless otherwise provided in the proxy.

Section 2.11 Voting of Shares

Unless otherwise provided in the articles of incorporation, each outstanding share entitled to vote shall be entitled to one vote upon each matter submitted to a vote at a meeting of stockholders.

Except as provided by specific court order, no shares held by another corporation, if a majority of the shares entitled to vote for the election of directors of such other corporation are held by the corporation, shall be voted at any meeting or counted in determining the total number of outstanding shares at any given time for purposes of any meeting; *provided, however*, the prior sentence shall not limit the power of the corporation to vote any shares, including its own shares, held by it in a fiduciary capacity.

Redeemable shares are not entitled to vote after notice of redemption is mailed to the holders and a sum sufficient to redeem the shares has been deposited with a bank, trust company, or other financial institution under an irrevocable obligation to pay the holders the redemption price on surrender of the shares.

Section 2.12 Corporation's Acceptance of Votes

If the name signed on a vote, consent, waiver, proxy appointment, or proxy appointment revocation corresponds to the name of a stockholder, the corporation, if acting in good faith, is entitled to accept the vote, consent, waiver, proxy appointment, or proxy appointment revocation and give it effect as the act of the stockholder.

If the name signed on a vote, consent, waiver, proxy appointment, or proxy appointment revocation does not correspond to the name of its stockholder, the corporation, if acting in good faith, is nevertheless entitled to accept the vote, consent, waiver, proxy appointment, or proxy appointment revocation and give it effect as the act of the stockholder if:

- (a) the stockholder is an entity as defined in the Act and the name signed purports to be that of an officer or agent of the entity;

(b) the name signed purports to be that of an administrator, executor, guardian, or conservator representing the stockholder and, if the corporation requests, evidence of fiduciary status acceptable to the corporation has been presented with respect to the vote, consent, waiver, proxy appointment, or proxy appointment revocation;

(c) the name signed purports to be that of a receiver or trustee in bankruptcy of the stockholder and, if the corporation requests, evidence of this status acceptable to the corporation has been presented with respect to the vote, consent, waiver, proxy appointment, or proxy appointment revocation;

(d) the name signed purports to be that of a pledgee, beneficial owner, or attorney-in-fact of the stockholder and, if the corporation requests, evidence acceptable to the corporation of the signatory's authority to sign for the stockholder has been presented with respect to the vote, consent, waiver, proxy appointment, or proxy appointment revocation; and

(e) two or more persons are the stockholder as co-tenants or fiduciaries, and the name signed purports to be the name of at least one of the co-owners, and the person signing appears to be acting on behalf of all the co-owners.

The corporation is entitled to reject a vote, consent, waiver, proxy appointment, or proxy appointment revocation if the secretary or other officer or agent authorized to tabulate votes, acting in good faith, has reasonable basis for doubt about the validity of the signature or about the signatory's authority to sign for the stockholder.

The corporation and its officer or agent who accepts or rejects a vote, consent, waiver, proxy appointment, or proxy appointment revocation, in good faith and in accordance with the standards of this section, are not liable in damages to the stockholder for the consequences of the acceptance or rejection.

Corporate action based on the acceptance or rejection of a vote, consent, waiver, proxy appointment, or proxy appointment revocation under this section 2.12 is valid, unless a court of competent jurisdiction determines otherwise.

Section 2.13 Inspectors of Election

There shall be appointed at least one inspector of the vote. Such inspector shall first take and subscribe an oath or affirmation faithfully to execute the duties of inspector at such meeting with strict impartiality and according to the best of his/her ability. Unless appointed in advance of any such meeting by the board of directors, such inspector shall be appointed for the meeting by the presiding officer. In the absence of any such appointment, the secretary of the corporation shall act as the inspector. No candidate for the office of director (whether or not then a director) shall be appointed as such inspector. Such inspector shall be responsible for tallying and certifying each vote, whether made in person or by proxy.

Section 2.14 Stockholder Action without Meeting

Unless otherwise provided in the articles of incorporation, any action required or permitted to be taken at a meeting of the stockholders, except for the election of directors as set forth in section 2.15 of this Article II, may be taken without a meeting and without prior notice if one or more consents in writing setting forth the action so taken shall be signed by stockholders having not less than the minimum

number of votes that would be necessary to authorize or take the action at a meeting at which all shares entitled to vote with respect to the subject matter thereof are present. Directors may be elected without a meeting of stockholders by the written consent of the stockholders holding all of the shares entitled to vote for the election of directors. Unless the written consents of all stockholders entitled to vote have been obtained, notice of any stockholder approval without a meeting shall be given at least ten days before the consummation of the action authorized by the approval to (a) those stockholders entitled to vote who have not consented in writing, and (b) those stockholders not entitled to vote and to whom the Act requires that notice of the proposed action be given. If the act to be taken requires that notice be given to nonvoting stockholders, the corporation shall give the nonvoting stockholders written notice of the proposed action at least ten days before the action is taken. The notice shall contain or be accompanied by the same material that would have been required if a formal meeting had been called to consider the action. A consent signed under this section 2.14 has the effect of a meeting vote and may be described as such in any document. The written consents are only effective if received by the corporation within a 60-day period and not revoked prior to the receipt of the written consent of that number of stockholders necessary to effectuate such action. Action taken pursuant to a written consent is effective as of the date the last written consent necessary to effect the action is received by the corporation, unless all of the written consents necessary to effect the action specify a later date as the effective date of the action, in which case, the later date shall be the effective date of the action. If the corporation has received written consents signed by all stockholders entitled to vote with respect to the action, the effective date of the action may be any date that is specified in all the written consents as the effective date of the action. Such consents may be executed in any number of counterparts or evidenced by any number of instruments of substantially similar tenor.

Section 2.15 Vote Required; Election of Directors

The election of directors need not be by ballot, unless any stockholder so demands before the voting begins. At all meetings of the stockholders at which directors are to be elected, except as otherwise set forth in any stock designation with respect to the right of the holders of any class or series of stock to elect additional directors under specified circumstances, directors shall be elected by a plurality of the votes cast at the meeting.

Section 2.16 Business at Annual Meeting

At any annual meeting of stockholders, only such business shall be conducted as shall have been brought before the meeting by or at the direction of the board of directors or by any stockholder of record of the corporation who is entitled to vote with respect thereto and who complies with the notice procedures set forth in this section. For business to be properly brought before an annual meeting by a stockholder, the stockholder must have given timely notice thereof in writing to the secretary of the corporation. To be timely, a stockholder's notice shall be delivered or mailed to and received at the principal executive offices of the corporation not less than 15 days prior to the date of the annual meeting; *provided, however*, in the event that less than 20 days' notice of the date of the meeting is given or made to stockholders, to be timely, a stockholder's notice shall be so received not later than the close of business on the tenth day following the day on which such notice of the date of the annual meeting was mailed. A stockholder's notice to the secretary shall set forth, as to each matter such stockholder proposes to bring before the annual meeting, (a) a brief description of the business desired to be brought before the annual meeting and the reasons for conducting such business at the annual meeting, (b) the name and address, as they appear on the corporation's books, of the stockholder of record proposing such business, (c) the class and number of shares of the corporation's capital stock that are beneficially owned by such stockholder, and (d) any material interest of such stockholder in such business. Notwithstanding anything in these bylaws to the contrary, no business shall be brought before or conducted at an annual

meeting except in accordance with the provisions of this section. The chairman of the annual meeting shall, if the facts so warrant, determine and declare to the meeting that business was not properly brought before the meeting in accordance with such provisions, and if such chairman should so determine and declare to the meeting that business was not properly brought before the meeting in accordance with such provisions, any such business so determined to be not properly brought before the meeting shall not be transacted.

Section 2.17 Notification of Nominations

Nominations for the election of directors may be made by the board of directors or by any stockholder entitled to vote for the election of directors. Any stockholder entitled to vote for the election of directors at a meeting may nominate persons for election as directors only if written notice of such stockholder's intent to make such nomination is given, either by personal delivery or by United States first class mail, postage prepaid, to the secretary of the corporation not later than 45 days in advance of such meeting with respect to an election to be held at an annual meeting of stockholders, and not later than the close of business on the seventh day following the date on which notice of such meeting is first given to stockholders with respect to an election to be held at a special meeting of stockholders for the election of directors. Each such notice shall set forth:

- (a) the name and address of the stockholder who intends to make the nomination and of the person or persons to be nominated;
- (b) a representation that such stockholder is a holder of record of stock of the corporation entitled to vote at such meeting and intends to appear in person or by proxy at the meeting to nominate the person or persons specified in the notice;
- (c) a description of all arrangements or understandings between such stockholder and each nominee and any other person or persons (naming such person or persons) pursuant to which the nomination or nominations are to be made by such stockholder;
- (d) a description, covering the past five years, of:
 - (i) the nominee's business experience, including the nominee's principal occupations and employment and the name and principal business of the corporations or organizations in which such occupations or employment were carried on;
 - (ii) any federal bankruptcy petitions or state insolvency proceedings that were filed by or against the nominee, any partnership in which the nominee was a general partner at or within two years preceding the time of filing, or any corporation or business association in which the nominee was an executive officer at or within two years before the time of filing;
 - (iii) any criminal convictions of the nominee, other than traffic violations or other minor offenses;
 - (iv) any other judgment or decree (not later reversed, suspended, or vacated) enjoining or barring the nominee from participating in any business activity, including those related to banking or trading in securities or commodities, or any judicial or administrative determination, finding, or conclusion that the nominee had violated federal or state law; and

- (e) the consent of each nominee to serve as a director of the corporation if elected.

The chairman of a stockholder meeting may refuse to acknowledge the nomination of any person not made in compliance with the foregoing procedure.

Section 2.18 Conduct of Meeting

The board of directors of the corporation shall be entitled to make such rules or regulations for the conduct of meetings of stockholders as it shall deem necessary, appropriate, or convenient. Subject to such rules and regulations of the board of directors, if any, the person designated by these bylaws or the officer of the corporation or other person designated by the board of directors to preside and serve as chairman of the meeting shall have the right and authority to prescribe such rules, regulations, and procedures and do all such acts as, in the judgment of such chairman, are necessary, appropriate, or convenient for the proper conduct of the meeting, including, without limitation, establishing an agenda or order of business for the meeting, rules and procedures for maintaining order at the meeting and the safety of those present, limitations on participation in such meeting to stockholders of record of the corporation and their duly authorized and constituted proxies and such other persons as the chairman shall permit, restrictions on entry to the meeting after the time fixed for the commencement thereof, limitations on the time allotted to questions or comments by participants, and regulation of the opening and closing of the polls for balloting on matters that are to be voted on by ballot. Unless and to the extent determined by the board of directors or the chairman of the meeting, meetings of stockholders shall not be required to be held in accordance with rules of parliamentary procedure.

Section 2.19 Stockholder's Rights To Inspect Corporate Records

The corporation shall keep, as permanent records, minutes of all meetings of its stockholders and board of directors, a record of all actions taken by the stockholders or board of directors without a meeting, and a record of all actions taken by a committee of the board of directors in place of the board of directors on behalf of the corporation. The corporation shall maintain appropriate accounting records.

If a stockholder gives the corporation written notice of his/her demand at least five business days before the date on which he/she wishes to inspect and copy, such stockholder (or his/her agent or attorney) has the right to inspect and copy, during regular business hours, any of the following records, all of which the corporation is required to keep at its principal office:

- (a) its articles or restated articles of incorporation and all amendments to the articles of incorporation currently in effect;
- (b) its bylaws or restated bylaws and all amendments to the bylaws currently in effect;
- (c) the minutes of all stockholders' meetings and records of all action taken by stockholders without a meeting for the past three years;
- (d) all written communications to stockholders within the past three years;
- (e) a list of the names and business addresses of its current directors and officers;

(f) the most recent annual report of the corporation delivered to the Utah Division of Corporations and Commercial Code; and

(g) all financial statements prepared for periods ending during the past three years that a stockholder could request under section 2.20 of this Article II.

In addition, if a stockholder gives the corporation a written demand made in good faith and for a proper purpose at least five business days before the date on which such stockholder wishes to inspect and copy, such stockholder describes with reasonable particularity his/her purpose and the records he/she desires to inspect, and the records are directly connected with his/her purpose, such stockholder of the corporation (or his/her agent or attorney) is entitled to inspect and copy, during regular business hours at a reasonable location specified by the corporation, any other records of the corporation.

The right to copy records includes, if reasonable, the right to receive copies made by photographic, xerographic, or other means. The corporation may impose a reasonable charge, covering the costs of labor and material (including third-party costs), for copies of any documents provided to the stockholder. The charge may not exceed the estimated cost of production or reproduction of the records.

For purposes of this section 2.19, the term “stockholder” shall include a beneficial owner whose shares are held in a voting trust or by a nominee on his/her behalf.

Section 2.20 Financial Statements Shall Be Furnished to the Stockholders

Upon written request of any stockholder, the corporation shall mail to such stockholder its most recent annual or quarterly financial statements showing in reasonable detail its assets and liabilities and the results of its operations.

ARTICLE III. BOARD OF DIRECTORS

Section 3.1 General Powers

Unless otherwise provided in the articles of incorporation, all corporate powers shall be exercised by or under the authority of, and the business and affairs of the corporation shall be managed under the direction of, the board of directors.

Section 3.2 Number, Tenure, and Qualification of Directors

The board of directors shall be composed of seven members. The tenure and qualification of directors shall be as provided in the articles of incorporation.

Section 3.3 Regular Meetings of the Board of Directors

A regular meeting of the board of directors shall be held without other notice than this bylaw immediately after, and at the same place as, the annual meeting of stockholders. The board of directors may provide, by resolution, the time and place for the holding of additional regular meetings without other notice than such resolution.

Section 3.4 Special Meetings of the Board of Directors

Special meetings of the board of directors may be called by or at the request of the president or any one director. The person authorized to call special meetings of the board of directors may fix any place as the place for holding any special meeting of the board of directors.

Section 3.5 Notice and Waiver of Notice of Special Director Meetings

Unless the articles of incorporation provide for a longer or shorter period, notice of any special director meeting shall be given at least two days prior thereto, either orally, in person, by telephone, by any form of electronic communication, by mail, by private carrier, or by any other manner provided for in the Act. Any director may waive notice of any meeting. Except as provided in the next sentence, the waiver must be in writing, signed by the director entitled to the notice, and filed with the minutes or corporate records. The attendance of a director at a meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business and at the beginning of the meeting (or promptly upon his/her arrival) objects to holding the meeting or transacting business at the meeting because of lack of notice or defective notice, and does not thereafter vote for or assent to action taken at the meeting. Unless required by the articles of incorporation or the Act, neither the business to be transacted at nor the purpose of any special meeting of the board of directors need be specified in the notice or waiver of notice of such meeting.

Section 3.6 Director Quorum

A majority of the number of directors in office immediately before the meeting begins shall constitute a quorum for the transaction of business at any meeting of the board of directors, unless the articles of incorporation or these bylaws require a greater number.

Any amendment to this quorum requirement is subject to the provisions of section 3.8 of this Article III.

Section 3.7 Manner of Acting

The act of the majority of the directors present at a meeting at which a quorum is present when the vote is taken shall be the act of the board of directors, unless the articles of incorporation or these bylaws require a greater percentage. Any amendment that changes the number of directors needed to take action is subject to the provisions of section 3.8 of this Article III.

Unless the articles of incorporation provide otherwise, any or all directors may participate in a regular or special meeting by, or conduct the meeting through the use of, any means of communication by which all directors participating may simultaneously hear each other during the meeting. A director participating in a meeting by this means is deemed to be present in person at the meeting.

The corporation may be a party to a merger or consolidation; dissolve; convert to a business corporation; sell, lease, exchange, or otherwise dispose of all or substantially all of its property, other than in the usual course of business; or sell, lease, exchange, or otherwise dispose of any material portion of its water rights, other than in the usual course of business, only upon the approval of a two-thirds majority of the Whole Board. No amendment, repeal, or adoption of a provision inconsistent with the provisions of this section 3.7 shall be adopted unless it is approved a two-thirds majority of the Whole Board.

Section 3.8 Establishing a “Supermajority” Quorum or Voting Requirement

For purposes of this section 3.8, a “supermajority” quorum is a requirement that requires more than a majority of the directors in office to constitute a quorum; and a “supermajority” voting requirement is any requirement that requires the vote of more than a majority of those directors present at a meeting at which a quorum is present to be the act of the directors.

A bylaw that fixes a supermajority quorum or supermajority voting requirement may be amended or repealed:

- (a) if originally adopted by the stockholders, only by the stockholders (unless otherwise provided by the stockholders); or
- (b) if originally adopted by the board of directors, either by the stockholders or by the board of directors.

A bylaw adopted or amended by the stockholders that fixes a supermajority quorum or supermajority-voting requirement for the board of directors may provide that it may be amended or repealed only by a specified vote of either the stockholders or the board of directors.

Subject to the provisions of the preceding paragraph, action by the board of directors to adopt, amend, or repeal a bylaw that changes the quorum or voting requirement for the board of directors must meet the same quorum requirement and be adopted by the same vote required to take action under the quorum and voting requirement then in effect or proposed to be adopted, whichever is greater.

Section 3.9 Director Action without a Meeting

Unless the articles of incorporation provide otherwise, any action required or permitted to be taken by the board of directors at a meeting may be taken without a meeting if all the directors sign a written consent describing the action taken and such consent is filed with the records of the corporation. Action taken by consent is effective when the last director signs the consent, unless the consent specifies a different effective date. A signed consent has the effect of a meeting vote and may be described as such in any document. Such consent may be executed in any number of counterparts or evidenced by any number of instruments of substantially similar tenor.

Section 3.10 Removal of Directors

The stockholders may remove one or more directors at a meeting called for that purpose if notice has been given that the purpose of the meeting is such removal. The removal may be with or without cause, unless the articles of incorporation provide that directors may only be removed with cause. If a director is elected by a voting group of stockholders, only the stockholders of that voting group may participate in the vote to remove him/her. A director may be removed only if the number of votes cast to remove him/her exceeds two-thirds of the votes entitled to be cast.

Section 3.11 Board of Director Vacancies

Unless the articles of incorporation provide otherwise, if a vacancy occurs on the board of directors, including a vacancy resulting from an increase in the number of directors, the board of directors may fill the vacancy. If the directors remaining in office constitute fewer than a quorum of the

board, they may fill the vacancy by the affirmative vote of a majority of all the directors remaining in office.

If the vacant office was held by a director elected by a voting group of stockholders, and if one or more directors are elected by the same voting group, only the remaining directors elected by such voting group are entitled to vote to fill the vacancy of a director elected by the voting group if it is filled by directors.

A vacancy that will occur at a specific later date (by reason of resignation effective at a later date) may be filled before the vacancy occurs, but the new director may not take office until the vacancy occurs.

A director elected to fill a vacancy shall be elected for the unexpired term of such director's predecessor in office or, if such vacancy is the result of an increase in the number of directors, as provided in the articles of incorporation.

Section 3.12 Director Compensation

Unless otherwise provided in the articles of incorporation or by resolution of the board of directors, each director may be paid his/her expenses, if any, of attendance at each meeting of the board of directors and may be paid a stated salary as director or a fixed sum for attendance at each meeting of the board of directors or both. No such payment shall preclude any director from serving the corporation in any other capacity and receiving compensation therefor.

Section 3.13 Director Committees

Unless the articles of incorporation provide otherwise, the board of directors may create one or more committees and appoint members of the board of directors to serve on them. Each committee must have two or more members, who serve at the pleasure of the board of directors.

The creation of a committee and appointment of members to it must be approved by the greater of a majority of all the directors in office when the action is taken or the number of directors required by the articles of incorporation to take such action (or if not specified in the articles of incorporation, the number required by section 3.7 of this Article III to take action).

Sections 3.4, 3.5, 3.6, 3.7, 3.8, and 3.9 of this Article III, which govern meetings, action without meetings, notice and waiver of notice, quorum and voting requirements of the board of directors, apply to committees and their members.

Unless limited by the articles of incorporation, each committee may exercise those aspects of the authority of the board of directors that the board of directors confers upon such committee in the resolution creating the committee; *provided, however*, a committee may not:

- (a) authorize distributions to stockholders;
- (b) approve or propose to stockholders action that the Act requires be approved by stockholders;
- (c) fill vacancies on the board of directors or on any of its committees;

(d) amend the articles of incorporation pursuant to the authority of directors to do so granted by section 16-6a-1002 of the Act or any section of like tenor as from time to time amended;

(e) adopt, amend, or repeal bylaws;

(f) approve a plan of merger not requiring stockholder approval;

(g) authorize or approve reacquisition of shares, except according to a formula or method prescribed by the board of directors; or

(h) authorize or approve the issuance, sale, or contract for sale of shares or determine the designation and relative rights, preferences, and limitations of a class or series of shares, except that the board of directors may authorize a committee (or a senior executive officer of the corporation) to do so within limits specifically prescribed by the board of directors.

ARTICLE IV. OFFICERS

Section 4.1 Number of Officers

The officers of the corporation shall be a president and a secretary, both of whom shall be appointed by the board of directors. Such other officers and assistant officers as may be deemed necessary, including any vice-presidents, may be appointed by the board of directors. If specifically authorized by the board of directors, an officer may appoint one or more officers or assistant officers. The same individual may simultaneously hold more than one office in the corporation.

Section 4.2 Appointment and Term of Office

The officers of the corporation shall be appointed by the board of directors for a term as determined by the board of directors. If no term is specified, such term shall continue until the first meeting of the directors held after the next annual meeting of stockholders. If the appointment of officers shall not be made at such meeting, such appointment shall be made as soon thereafter as is convenient. Each officer shall hold office until his/her successor shall have been duly appointed and shall have qualified, until his/her death, or until he/she shall resign or shall have been removed in the manner provided in section 4.3 of this Article IV.

Section 4.3 Removal of Officers

Any officer or agent may be removed by the board of directors or an officer authorized to do so by the board of directors, at any time either before or after the expiration of the designated term, with or without cause. Such removal shall be without prejudice to the contract rights, if any, of the person so removed. Neither the appointment of an officer nor the designation of a specified term shall create any contract rights.

Section 4.4 Chairman

The board of directors may elect one of its members as chairman who, if so elected, shall preside at all meetings of the board of directors and shall be a member of the executive committee, if any. In the

absences of a chairman or if no chairman is elected, the president shall preside at meetings of the board of directors, unless the board of directors designates another officer or other person for such purpose.

Section 4.5 President

The president shall be the principal executive officer of the corporation and, subject to the control of the board of directors, shall in general supervise and control all of the business and affairs of the corporation. The president shall, when present and if the chairman of the board is not present, preside at all meetings of the stockholders and of the board of directors. The president may sign, with the secretary or any other proper officer of the corporation thereunto authorized by the board of directors, certificates for shares of the corporation and deeds, mortgages, bonds, contracts, or other instruments arising in the normal course of business of the corporation and such other instruments as may be authorized by the board of directors, except in cases where the signing and execution thereof shall be expressly delegated by the board of directors or by these bylaws to some other officer or agent of the corporation, or shall be required by law to be otherwise signed or executed; and in general, shall perform all duties incident to the office of president and such other duties as may be prescribed by the board of directors from time to time.

Section 4.6 Vice-Presidents

If appointed, in the event of the president's death or inability to act, the vice-president (or in the event there be more than one vice-president, the executive vice-president or, in the absence of any designation, the senior vice-president in the order of their appointment) shall perform the duties of the president, and when so acting, shall have all the powers of and be subject to all the restrictions upon the president. A vice-president, if any, may sign, with the secretary or an assistant secretary, certificates for shares of the corporation, the issuance of which has been authorized by resolution of the board of directors; and shall perform such other duties as from time to time may be assigned to him/her by the president or by the board of directors.

Section 4.7 Secretary

The secretary shall: (a) keep the minutes of the proceedings of the stockholders and of the board of directors in one or more books provided for that purpose; (b) see that all notices are duly given in accordance with the provisions of these bylaws or as required by law; (c) be custodian of the corporate records and of any seal of the corporation and, if there is a seal of the corporation, see that it is affixed to all documents the execution of which on behalf of the corporation under its seal is duly authorized; (d) when requested or required, authenticate any records of the corporation; (e) keep a register of the post office address of each stockholder that shall be furnished to the secretary by such stockholders; (f) sign with the president or a vice-president certificates for shares of the corporation, the issuance of which has been authorized by resolution of the board of directors; (g) have general charge of the stock transfer books of the corporation; and (h) in general, perform all duties incident to the office of secretary and such other duties as from time to time may be assigned to him/her by the president or by the board of directors.

Section 4.8 Treasurer

The treasurer, if any, and in the absence thereof, the secretary shall: (a) have charge and custody of and be responsible for all funds and securities of the corporation; (b) 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 shall be selected by

the board of directors; and (c) in general, perform all of the duties incident to the office of treasurer and such other duties as from time to time may be assigned to him/her by the president or by the board of directors. If required by the board of directors, the treasurer shall give a bond for the faithful discharge of his/her duties in such sum and with such surety or sureties as the board of directors shall determine.

Section 4.9 Assistant Secretaries and Assistant Treasurers

Any assistant secretary, when authorized by the board of directors, may sign with the president or a vice-president certificates for shares of the corporation, the issuance of which has been authorized by a resolution of the board of directors. Any assistant treasurer shall, if required by the board of directors, give bonds for the faithful discharge of his/her duties in such sums and with such sureties as the board of directors shall determine. Any assistant secretary or assistant treasurer, in general, shall perform such duties as shall be assigned to them by the secretary or the treasurer, respectively, or by the president or the board of directors.

Section 4.10 Salaries

The salaries of the officers shall be fixed from time to time by the board of directors or by a duly authorized officer.

ARTICLE V. INDEMNIFICATION

Section 5.1 Indemnification of Directors and Executive Officers

The corporation shall indemnify any individual made a party to a proceeding because such individual was a director or executive officer of the corporation to the extent permitted by and in accordance with section 16-6a-901, *et seq.* of the Act or any amendments or successor sections of like tenor.

Section 5.2 Advance Expenses for Directors and Executive Officers

To the extent permitted by section 16-6a-904 of the Act or any section of like tenor as amended from time to time, the corporation shall pay for or reimburse the reasonable expenses incurred by a director or executive officer who is a party to a proceeding in advance of final disposition of the proceeding, if:

(a) the director or executive officer furnishes the corporation a written affirmation of his/her good faith belief that he/she has met the standard of conduct described in the Act;

(b) the director or executive officer furnishes the corporation a written undertaking, executed personally or on his/her behalf, to repay advances if it is ultimately determined that he/she did not meet the standard of conduct (which undertaking must be an unlimited general obligation of the director or executive officer, but need not be secured, and may be accepted without reference to financial ability to make repayment); and

(c) a determination is made that the facts then known to those making the determination would not preclude indemnification under section 5.1 of this Article V or section 16-6a-901 through section 16-6a-909 of the Act or similar sections of like tenor as from time to time amended.

Section 5.3 Indemnification of Officers, Agents, and Employees Who Are Not Directors or Executive Officers

Unless otherwise provided in the articles of incorporation, the board of directors may authorize the corporation to indemnify and advance expenses to any officer, employee, or agent of the corporation who is not a director or executive officer of the corporation, to the extent permitted by the Act.

Section 5.4 Contract Right of Indemnification

The right to indemnification conferred hereunder shall be a contract right and shall include the right to be paid by the corporation the expenses incurred in defending any such proceeding (or part thereof), or in enforcing his or her rights hereunder in advance of the final disposition thereof, promptly after receipt by the corporation of a request therefor stating in reasonable detail the expenses incurred; *provided, however*, that the payment of such expenses incurred by a director or officer of the corporation in advance of the final disposition of a proceeding shall be made only upon receipt of an undertaking by or on behalf of such person to repay all amounts so advanced if and to the extent it shall ultimately be determined by a court that he or she is not entitled to be indemnified by the corporation under these provisions or otherwise in the manner provided by law. If a claim for indemnification pursuant to these provisions is not paid in full by the corporation within 30 days after a written claim therefor has been received by the corporation, the claimant may, at any time thereafter, bring suit against the corporation to recover the unpaid amount of the claim, and if successful in whole or in part on the merits or otherwise in establishing his or her right to indemnification or to the advancement of expenses, the claimant shall be entitled to be paid also the expense of prosecuting such claim.

Section 5.5 Continuing Right

The right to indemnification and advancement of expenses provided herein shall continue as to a person who has ceased to be a director or officer of the corporation or to serve in any of the other capacities described herein, and shall inure to the benefit of the heirs, executors, and administrators of such person.

Section 5.6 Nonexclusivity of Rights

The right to indemnification and the payment of expenses incurred in defending a proceeding in advance of a final disposition conferred in this Article V and the right to payment of expenses conferred in Article V shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement of expenses hereunder may be entitled under any bylaw, agreement, vote of stockholders, vote of disinterested directors, or otherwise, both as to actions in his or her official capacity and as to actions in any other capacity while holding that office, the corporation having the express authority to enter into such agreements or arrangements as the board of directors deems appropriate for the indemnification of and advancement of expenses to present or future directors and officers, as well as employees, representatives, or agents of the corporation in connection with their status with or services to or on behalf of the corporation or any other corporation, partnership, joint venture, trust, or other enterprise, including any employee benefit plan, for which such person is serving at the request of the corporation.

ARTICLE VI. CERTIFICATES FOR SHARES AND THEIR TRANSFER

Section 6.1 Certificates for Shares—Certificated Shares

Certificates representing shares of the corporation shall, at minimum, state on their face the name of the issuing corporation and that it is formed under the laws of the state of Utah, the name of the person to whom issued, and the number and class of shares and the designation of the series, if any, the certificate represents, and be in such form as determined by the board of directors. Such certificates shall be signed (either manually or by facsimile) by the president or a vice-president and by the secretary or an assistant secretary and may be sealed with a corporate seal or a facsimile thereof. Each certificate for shares shall be consecutively numbered or otherwise identified.

If the corporation is authorized to issue different classes of shares or different series within a class, the designations, relative rights, preferences, and limitations applicable to each class and the variations in rights, preferences, and limitations determined for each series (and the authority of the board of directors to determine variations for future series) must be summarized on the front or back of each certificate. Alternatively, each certificate may state conspicuously on its front or back that the corporation will furnish the stockholder this information without charge on request in writing.

The name and address of the person to whom the shares represented thereby are issued, with the number of shares and date of issue, shall be entered on the stock transfer books of the corporation.

All certificates surrendered to the corporation for transfer shall be canceled and no new certificate shall be issued until the former certificate for a like number of shares shall have been surrendered and canceled, except that in case of a lost, destroyed, or mutilated certificate, a new one may be issued therefor upon such terms and indemnity to the corporation as the board of directors may prescribe.

Section 6.2 Shares without Certificates—Uncertificated Shares

Unless the articles of incorporation provide otherwise, the board of directors may authorize the issuance of some or all the shares of any or all of its classes or series without certificates. The authorization does not affect shares already represented by certificates until they are surrendered to the corporation.

Within a reasonable time after the issuance or transfer of shares without certificates, the corporation shall send the stockholder a written statement containing, at minimum, the name of the issuing corporation and that it is organized under the laws of the state of Utah, the name of the person to whom issued, and the number and class of shares and the designation of the series, if any, of the issued shares. If the corporation is authorized to issue different classes of shares or different series within a class, the written statement shall describe the designations, relative rights, preferences, and limitations applicable to each class and the variation in rights, preferences, and limitations determined for each series (and the authority of the board of directors to determine variations for future series). Alternatively, each written statement may state conspicuously that the corporation will furnish the stockholder this information without charge on request in writing.

Section 6.3 Registration of the Transfer of Shares

Registration of the transfer of shares of the corporation shall be made only on the stock transfer books of the corporation. In order to register a transfer, the record owner shall surrender the shares to the

corporation for cancellation, properly endorsed by the appropriate person or persons with reasonable assurances that the endorsements are genuine and effective. Unless the corporation has established a procedure by which a beneficial owner of shares held by a nominee is to be recognized by the corporation as the record owner of such shares on the books of the corporation, the record owner shall be deemed by the corporation to be the owner thereof for all purposes.

Section 6.4 Restrictions on Transfer of Shares Permitted

The board of directors (or stockholders) may impose restrictions on the transfer or registration of transfer of shares (including any security convertible into or carrying a right to subscribe for or acquire shares). A restriction does not affect shares issued before the restriction was adopted, unless the holders of the shares are parties to the restriction agreement or voted in favor of the restriction.

A restriction on the transfer or registration of transfer of shares is authorized to maintain the corporation's status when it is dependent on the number or identity of its stockholders, to preserve entitlements, benefits, or exemptions under federal, state, or local law, and for any other reasonable purpose.

A restriction on the transfer or registration of transfer of shares may:

- (a) obligate the stockholder first to offer the corporation or other persons (separately, consecutively, or simultaneously) an opportunity to acquire the restricted shares;
- (b) obligate the corporation or other persons (separately, consecutively, or simultaneously) to acquire the restricted shares;
- (c) require the corporation, the holders of any class of its shares, or another person to approve the transfer of the restricted shares, if the requirement is not manifestly unreasonable; and
- (d) prohibit the transfer of the restricted shares to designated persons or classes of persons, if the prohibition is not manifestly unreasonable.

A restriction on the transfer or registration of transfer of shares is valid and enforceable against the holder or a transferee of the holder if the restriction is authorized by this section 6.4 and such person has knowledge of the restriction, or its existence is noted conspicuously on the front or back of the certificate, or is contained in the written statement required by section 6.2 of this Article VI with regard to shares issued without certificates. Unless so noted, a restriction is not enforceable against a person without knowledge of the restriction.

Section 6.5 Acquisition of Shares

The corporation may acquire its own shares and, unless otherwise provided in the articles of incorporation, the shares so acquired constitute authorized, but unissued shares.

If the articles of incorporation prohibit the reissuance of acquired shares, the number of authorized shares is reduced by the number of shares acquired by the corporation, effective upon amendment of the articles of incorporation, which amendment may be adopted by the stockholders or the board of directors without stockholder action. The articles of amendment must be delivered to the Utah Division of Corporations and Commercial Code for filing and must set forth:

- (a) the name of the corporation;
- (b) the reduction in the number of authorized shares, itemized by class and series;
- (c) the total number of authorized shares, itemized by class and series, remaining after reduction of the shares; and
- (d) if applicable, a statement that the amendment was adopted by the board of directors without stockholder action and that stockholder action was not required.

ARTICLE VII. TERMINATION OR SUSPENSION OF STOCKHOLDER

Section 7.1 Right of Redemption

The corporation may expel or suspend a stockholder of the corporation and terminate or suspend such stockholder's stock ownership in the corporation by redeeming such stockholder's stock subject to the limitations and on the terms and conditions set forth in this Article VII.

Section 7.2 Requirements for Beneficial Use

Any Class A stock or ~~Class B Culinary stock~~Class B Culinary stock with respect to which the related water has not been put to beneficial use in accordance with the requirements and within the established service area of the corporation, or in accordance with the requirements of the state of Utah within the preceding five years, may be redeemed by the corporation pursuant to the authorization of a specific redemption or a general policy approved by two-thirds of the Whole Board.

Section 7.3 Notice of Redemption

In the event of any proposed redemption by the corporation, the corporation shall (a) notify the stockholder whose stock is to be redeemed by certified or registered mail, postage prepaid, addressed to each such stockholder at the address as it appears on the stock transfer books of the corporation, not less than 15 days prior to the effective date of the proposed redemption (the "Redemption Date"), setting forth the reason for the proposed redemption, the price per share to be paid to the stockholder as consideration for such redemption determined in accordance with section 7.4 of this Article VII (the "Redemption Price"), and the date, not less than five days before the Redemption Date, and time during usual business hours of the corporation at which such stockholder shall have the opportunity to submit a written or oral statement to the board or, at the board's election, a duly-constituted committee of the board of directors consisting of not less than three directors, which such board or committee shall be authorized to decide whether the proposed redemption shall take place and, in the case of certificate shares, shall call upon such stockholder to surrender to the corporation on the Redemption Date at the place designated in the notice such stockholder's certificate or certificates representing the shares to be redeemed, or in the case of uncertificated shares, supply a form for demanding payment; or (b) complete such other procedures as are fair and reasonable taking into consideration all of the relevant facts and circumstances (the "Redemption Notice").

Section 7.4 Redemption Price

The Redemption Price shall be the value of the shares immediately before the date of the Redemption Notice, excluding any appreciation or depreciation in anticipation or as a result of such redemption, as determined by the board of directors.

Section 7.5 Deposit of Redemption Price

On or prior to any Redemption Date, the corporation shall deposit with any bank or trust company in the state of Utah, as a trust fund, a sum sufficient to redeem, on the Redemption Date thereof, the shares called for redemption, with irrevocable instructions and authority to the bank or trust company to pay, on or after the Redemption Date or prior thereto, the Redemption Price of the shares to their respective holders upon the surrender of their share certificates for certificated shares, then from and after the later of the date of the deposit or the Redemption Date, the shares so called for redemption shall be redeemed. The deposit shall constitute full payment of the shares to their holders, and from and after the later of the date of the deposit or the Redemption Date, the shares shall no longer be outstanding, and the holders thereof shall cease to be stockholders with respect to such shares and shall have no rights with respect thereto, except the right to notice pursuant to section 7.7 of this Article VII and to receive from the bank or trust company payment of the Redemption Price as provided in this Article VII. If the holders of stock so called for redemption shall not, at the end of two years after the Redemption Date thereof, have claimed any funds so deposited, such bank or trust company shall thereupon pay over to the corporation such unclaimed funds, and such bank or trust company shall thereafter be relieved of all responsibility in respect thereof to such holders, and such holders shall look only to the corporation for payment of the Redemption Price for the shares redeemed.

Section 7.6 Stockholder Rejection of Redemption Price

A stockholder may notify the corporation in writing of such stockholder's own determination of the fair value of such shares and demand payment of such estimated amount, less any payment tendered pursuant to section 7.3 of this Article VII, if (a) the stockholder believes that the Redemption Price is less than the fair value of the shares to be redeemed or (b) the corporation fails to deposit the Redemption Price with a bank or trust company in accordance with the requirements of section 7.5 of this Article VII within ten days after the Redemption Date. A stockholder waives the right to demand payment under this paragraph unless he/she causes the corporation to receive the notice required by this paragraph within 30 days after the Redemption Date.

Section 7.7 Proceeding

If a demand for payment under section 7.6 of this Article VII remains unresolved, the corporation shall commence a proceeding within 60 days after receiving the payment demand contemplated by such section 7.6 and petition the court to determine the fair value of the shares and the amount of interest. If the corporation does not commence the proceeding within the 60-day period, it shall pay each stockholder whose demand remains unresolved the amount demanded. The corporation shall commence such proceeding in the district court of the county in this state where the corporation's principal office is located. The corporation shall make all stockholders that have satisfied the requirements of section 7.6 of this Article VII, whether or not they are residents of this state, whose demands remain unresolved, parties to the foregoing proceeding as an action against their shares. All such stockholders that are named as parties must be served with a copy of the petition. Service on each stockholder may be by registered or certified mail to the address stated in his/her payment demand made pursuant to section 7.6 of this Article VII. If no address is stated in the payment demand, service may be made at the address

stated in the Redemption Notice given pursuant to section 7.3 of this Article VII. If no address is stated in the payment demand, service may be made at the address shown on the corporation's current record of stockholders for the record stockholder holding the shares to be redeemed. Service may also be made otherwise as provided by law. The jurisdiction of the court in which such proceeding is commenced under is plenary and exclusive. The court may appoint one or more persons as appraisers to receive evidence and recommend decision on the question of fair value. The appraisers have the powers described in the order appointing them, or in any amendment to it. The dissenters are entitled to the same discovery rights as parties in other civil proceedings. Each stockholder made a party to the proceeding commenced under this paragraph is entitled to judgment for the amount, if any, by which the court finds that the fair value of his/her shares, plus interest, exceeds the amount paid by the corporation pursuant to section 7.4 of this Article VII.

Section 7.8 Court Action

The court in a proceeding commenced under section 7.7 of this Article VII shall determine all costs of the proceeding, including the reasonable compensation and expenses of appraisers appointed by the court. The court shall assess the costs against the corporation, except that the court may assess costs against all or some of the stockholders, in amounts the court finds equitable, to the extent the court finds that the stockholders acted arbitrarily, vexatiously, or not in good faith in demanding payment under section 7.6 of this Article VII. The court may also assess the fees and expenses of counsel and experts for the respective parties, in amounts the court finds equitable: (a) against the corporation and in favor of any or all stockholders, if the court finds the corporation did not substantially comply with the requirements of sections 7.1 through 7.5 of this Article VII; or (b) against either the corporation or one or more stockholders, in favor of any other party, if the court finds that the party against whom the fees and expenses are assessed acted arbitrarily, vexatiously, or not in good faith with respect to the rights provided by this section. If the court finds that the services of counsel for any stockholder were of substantial benefit to other stockholders similarly situated, and that the fees for those services should not be assessed against the corporation, the court may award to those counsel reasonable fees to be paid out of the amounts awarded the stockholders that were benefited.

Section 7.9 Portional Redemption

In the event the corporation determines to redeem a portion of the shares of stock eligible for redemption under any specific authorization or policy established from time to time by the corporation, the corporation shall effect such redemptions in such order and priority as the corporation, in its sole discretion, may determine.

Section 7.10 Surrender of Shares

On or after the Redemption Date stated in the Redemption Notice, the holder of each certificated share called for redemption shall surrender the certificate evidencing such shares to the corporation at the place designated in such notice and shall thereupon be entitled to receive payment of the Redemption Price for the shares surrendered. If less than all the certificated shares represented by any such surrendered certificate are redeemed, a new certificate shall be issued representing the unredeemed shares. If such notice of redemption shall have been duly given, and if on the Redemption Date funds necessary for the redemption shall be available therefor, then as to any certificates evidencing any stock so called for redemption and not surrendered, all rights of the holders of such shares so called for redemption and not surrendered shall cease with respect to such shares, except only the right of the holder to receive the Redemption Price for such shares that he/she holds, without interest, upon surrender of his/her certificates therefor.

Section 7.11 Termination of Stockholder Rights

On or after the Redemption Date stated in the Redemption Notice given in accordance with section 7.3 of this Article VII, all rights of the holders of uncertificated shares so called for redemption shall cease with respect to such shares, except only the right of the holder to receive the Redemption Price for such shares that he/she holds, without interest, and the corporation may restrict the transfer of such shares.

**ARTICLE VIII. SPECIAL INDEMNIFICATION:
WAIVER OF ABILITY TO TRANSFER INDIRECT INTEREST IN CORPORATE ASSETS**

Section 8.1 Right to Indemnification

Any stockholder asserting any right, cause of action, remedy, or other claim to any interest in the water rights or other tangible or intangible assets for his or her use, benefit, or enjoyment separate from the corporation shall indemnify the corporation and hold it harmless from and against any loss, cost, or damage incurred by the corporation in connection therewith, including all legal and other costs of investigating or defending the same, whether or not litigation results, as provided in the articles of incorporation.

Section 8.2 Payment of Costs

At the request of the corporation, the stockholder asserting any such right, cause of action, remedy or other claim shall, as a condition precedent to proceeding, pay for the reasonable attorney's fees, costs, and expenses incurred by the corporation at the time such attorney's fees, costs, and expenses are incurred and in advance of final disposition of the proceeding.

Section 8.3 Indemnification Amount

The amount of the indemnification shall include all legal and other costs of investigating or defending the same, whether or not litigation results, together with other damages to the corporation, which shall not be less than an amount equal to the greatest of (a) the benefit derived by the stockholder, (b) the reduction in value caused to the corporation, or (c) the fair market value of the water rights or other tangible or intangible assets claimed by such stockholder for his or her use, benefit, or enjoyment separate from the corporation.

**ARTICLE IX
TRANSFERABILITY OF CAPITAL STOCK**

Section 9.1 Scope of Transferability Restrictions

Pursuant to Section 16-6a-606 of the Revised Nonprofit Corporations Act, which provides that a stockholder may not transfer shares unless otherwise provided in the bylaws, a Stockholder of the corporation shall be permitted to sell, assign, give, transfer, pledge, encumber, or in any other way convey or dispose of (any or all of the foregoing being sometimes herein referred to as a "transfer" or a "disposition," or "to transfer" or "to dispose of") any Shares only in strict compliance with the provisions of this Article IX.

Section 9.2 Definitions

For purposes of this Article IX, the following terms and expressions shall have the meanings respectively indicated:

- (a) “Stockholder” shall mean any holder of Shares of any class or series.
- (b) “Shares” means any shares of any class or series of the corporation beneficially owned, together with any rights to acquire or receive additional shares of any class or series in connection with options, warrants, convertible securities, or any other agreement or arrangement, including valuation provisions of any agreement or arrangement, pursuant to which the corporation may issue or be required to issue shares of any class or series.

Section 9.3 Permitted Transfers

Notwithstanding any other provision of this Article IX, a Stockholder shall be permitted to transfer Shares without restriction either to the corporation or to a person who simultaneously acquires Class A stock and the real estate to which the pressurized irrigation water deliverable pursuant thereto has been put to beneficial use during the preceding five years (but only to the extent of such beneficial use) or ~~Class B~~ Class B Culinary ~~ss~~ stock and the real estate to which the culinary water deliverable pursuant thereto is being delivered, *provided, however*, that the corporation may refuse to register transfer of Shares permitted pursuant to this section 9.3 to any transferee who does not furnish in writing to the corporation representations and assurances respecting compliance with the provisions of this section 9.3 and an acknowledgment that any purported transfer in violation of the provisions of this Article IX is void, together with the undertaking and agreement of such transferee to indemnify the corporation and hold it harmless from and against any and all loss, cost or damage resulting from the corporation’s completion of such transfer, all in such form as the corporation may reasonably request. Notwithstanding the foregoing, the corporation may also refuse to register transfer of the Shares and proceed in accordance with the other provisions of this Article IX if, in the good faith sole and absolute discretion of the corporation, any circumstances are present reasonably indicating that the transferee’s representations are not accurate.

Section 9.4 Other Dispositions—Right of First Refusal

If any Stockholder (a “Transferring Stockholder”) desires to dispose of all or any part of his/her Shares in a transaction or other manner not encompassed by the other provisions of this Article IX, he or she shall give written notice (a “Transfer Notice”) to the corporation. Such Transfer Notice shall set forth (a) the number or other amount of Shares (the “Transferable Securities”) that the Transferring Stockholder desires to transfer; (b) the identity and address of the proposed purchaser or other transferee thereof; (c) that the Transferring Stockholder has received a bona fide offer therefor, if a sale is contemplated; (d) the cash and other consideration (per Share or other unit and in the aggregate) to be received by the Transferring Stockholder in connection with such disposition of such Transferable Securities, or if no consideration is to be received, a statement to that effect; (e) a true copy of the offer or agreement, if any, for such sale, gift, or other disposition and a certification by the Transferring Stockholder that, to the best of his/her knowledge and belief, the offer or agreement is genuine and in all respects what it purports to be; (f) such other information as may be necessary or desirable in order to afford to the corporation the benefits intended to be conferred by this section 9.4.

The corporation shall have 14 days after the date of receipt by it of the Transfer Notice to elect to purchase, upon the same terms and conditions as contained in the Transfer Notice, all or any part of the

Transferable Securities, such election to be made by delivering written notice of such election to the Transferring Stockholder within such 14-day period. If the transfer contemplated by the Transfer Notice is a gift, bequest, or otherwise not for consideration, the corporation may elect to purchase all or any part of the Transferable Securities at the price of the most recent arm's-length transfer of Shares of the same class or series, such election to be made by delivering written notice of such election and documentation of the price of the most recent arm's-length transfer of Shares of the same class or series to the Transferring Stockholder within such 14-day period.

If the corporation shall have timely elected to purchase all or any portion of the Transferable Securities, then the corporation shall purchase that part of the Transferable Securities that it has elected to purchase at the price and on the other terms set forth in the Transfer Notice, within five days after expiration of such 14-day period, on a date and at a time designated by the corporation, and at the principal executive office of the corporation or at such other place as the corporation may designate. At the closing, the Transferring Stockholder shall deliver certificates for certificated securities or an instrument of transfer in form and substance satisfactory to the corporation representing the Transferable Securities being purchased, bearing no restrictive legend other than the legend required by section 9.7 of this Article IX and duly endorsed or signed in blank or accompanied by duly executed stock powers signed by the appropriate person or persons and accompanied by reasonable assurances that such endorsements are genuine and effective.

If the corporation does not timely elect to purchase all of the Transferable Securities pursuant to this section 9.4, the Transferring Stockholder, within 20 days after the expiration of such 14-day period, may transfer the Transferable Securities to the purchaser or other transferee named in the Transfer Notice for the consideration (per share or other unit), if any, and on the other terms set forth in the Transfer Notice and not otherwise. Upon failure of the Transferring Stockholder to effect such transfer pursuant to the terms and conditions contained in the Transfer Notice during such 20 days, the right to transfer such Shares shall lapse, and any desired transfer thereafter shall be made only upon compliance again with the notice and election procedures of this section 9.4.

Section 9.5 Encumbrances

In the event that any Stockholder (a "Pledging Stockholder") desires to encumber in any way all or any part of such Pledging Stockholder's Shares, such Pledging Stockholder shall be able to do so only in accordance with this section 9.5.

A Pledging Stockholder must give written notice (a "Pledge Notice") to the corporation at least 30 days prior to granting or otherwise creating any encumbrance on the Pledging Stockholder's Shares. The Pledge Notice shall set forth or otherwise include (a) the number of Shares (the "Pledged Securities") that the Pledging Stockholder desires to encumber; (b) a description of the proposed encumbrance; (c) the identity and address of the person to whom or for whose benefit such encumbrance is to be granted or created (the "Pledgee"); (d) the indebtedness (the "Secured Indebtedness") and the principal amount thereof to be secured by such encumbrance, which such amount shall not be greater than the fair market value of the Shares pledged as determined in the absolute discretion, in good faith, of the board of directors; and (e) a true copy of the definitive "Pledgee Undertaking" duly executed by the Pledgee. Notwithstanding the foregoing, it shall not be necessary to provide the Pledge Notice if the Pledgee is a permitted transferee as set forth in section 9.3 of this Article IX; *provided, however*, such Pledgee must still execute and deliver a Pledgee Undertaking.

Prior to any encumbrance, the Pledgee must deliver the duly executed Pledgee Undertaking, which shall evidence the obligation of the Pledgee (or any assignee or successor thereof), before taking any action to enforce any right that the Pledgee may have to execute on the encumbrance against the Secured Indebtedness, to give written notice (an "Execution Notice") to the corporation. The Execution Notice so delivered shall further provide that the corporation shall have the right to purchase the Secured Indebtedness, such right to be exercisable in accordance with this section, and that the Pledgee will either sell the Pledged Securities and related Secured Indebtedness only to a transferee purchasing Class A stock and the real estate to which pressurized irrigation water has been put to beneficial use during the preceding five years (but only to the extent of such beneficial use), or ~~Class B Class B~~ Culinary ~~ss~~stock and the real estate to which culinary water is being delivered, or not commingle the Pledged Securities with such other collateral that may be related to the Secured Indebtedness and will sell the Shares comprising the Secured Indebtedness in accordance with this section as a separate unit and not as a parcel with any other collateral. The Execution Notice shall set forth (a) the identity and address of the Pledging Stockholder or other then-current holder of the Pledged Securities; (b) the number of Shares then comprising the Pledged Securities; (c) the amount at which Pledgee would release and sell the Pledged Securities and that portion of the Secured Indebtedness secured by the Pledged Securities; (d) the amount, term, and status of the encumbrance and the Secured Indebtedness secured by the encumbrance; and (e) the identity and address of the Pledgee.

Unless all of the Pledged Securities and related Secured Indebtedness are sold to a transferee purchasing Class A stock and the real estate to which pressurized irrigation water has been put to beneficial use during the preceding five years (but only to the extent of such beneficial use), or ~~Class B Class B~~ Culinary ~~ss~~stock and the real estate to which culinary water is being delivered, the corporation shall have the right to purchase all or part of the Pledged Securities or the Secured Indebtedness, as the corporation may determine, upon the same terms and conditions as set forth in the Execution Notice. The corporation shall have 14 days after the date of such Execution Notice to elect to exercise such right to purchase all or part of the Pledged Securities or, at the corporation's election, that portion of the Secured Indebtedness secured by the Pledged Securities, such election to be made by delivering to the Pledgee written notice of such election within such 14-day period following the Execution Notice.

If the corporation has timely elected to purchase all or a portion of the Pledged Securities or, at the corporation's election, that portion of the Secured Indebtedness secured by the Pledged Securities, then the corporation shall purchase that part of the Secured Indebtedness that it has to purchase within five days after expiration of such 14-day notice period, on a date and at a time designated by the corporation. On such date and at such time, payment of the purchase price shall be made to the Pledgee at the bank or other office of the Pledgee, against receipt of documents evidencing and assigning to the corporation the Pledged Securities or, at the corporation's election, that portion of the Secured Indebtedness secured by the Pledged Securities, being purchased and all encumbrances securing the same, together with certificates for certificated securities or instruments of transfer in form and substance satisfactory to the corporation for uncertificated securities representing the Pledged Securities (or corresponding part thereof proportional to the Secured Indebtedness so purchased), duly endorsed in blank or accompanied by duly executed stock powers signed by the appropriate person or persons and accompanied with reasonable assurances that all such endorsements are genuine and effective.

If and to the extent that the corporation does not purchase all of the Secured Indebtedness pursuant to the preceding provisions of this section, the Pledgee shall be entitled thereafter to enforce any right that the Pledgee may have to execute on the encumbrance against the remaining Pledged Securities securing the remaining Secured Indebtedness.

Any transfer of any or all of the Pledged Securities upon execution by the Pledgee following compliance with the provisions of this section shall thereafter continue to be subject to the restrictions on transferability set forth in this article.

Section 9.6 Void Transfers

If any disposition of Shares held by any Stockholder is made or attempted other than in accordance with the provisions of these bylaws, such disposition or attempt shall be void. The corporation, instead of treating such disposition or attempt as a nullity, shall have the right, exercisable at any time prior to the expiration of three years after the corporation actually has knowledge of such disposition or attempted disposition, to purchase such Shares as if the corporation had timely perfected its right to purchase the Shares pursuant to section 9.4 of this Article IX (except that such right may be exercised within the three-year period provided for above). In enforcing such right of purchase, the corporation may refuse to transfer such Shares, or any certificate therefor, tendered to the corporation for transfer, in addition and without prejudice to any and all other rights or remedies that may be available.

Section 9.7 Restrictive Legend

Until the provisions of this Article IX have been terminated and are of no further force and effect, all certificates representing Shares shall bear the following legend, or a legend substantially similar in purpose and effect:

The securities represented by this certificate may be transferred, sold, encumbered, or otherwise disposed of only in strict compliance with the provisions of Article IX of the bylaws of the corporation, a copy of which may be obtained at the principal office of the corporation.

Stockholders shall not remove or permit the removal of the legend from any certificate representing the Shares.

Section 9.8 Amendment

Notwithstanding anything to the contrary contained in these bylaws, no amendment, repeal, or adoption of a provision in consistent with the provisions of this Article IX shall be adopted unless it is approved by the vote of two-thirds of the Whole Board and the holders of two-thirds of the Class A stock.

Section 9.9 Administrative Policies and Procedures

The board of directors is expressly authorized to adopt, amend and implement such administrative policies and procedures not inconsistent with the provisions of this Article IX as they may deem reasonable and appropriate from time to time to implement the intent of the provisions of this Article IX.

ARTICLE X. DISTRIBUTIONS

The corporation may make distributions as authorized by the board of directors and in the manner and upon the terms and conditions provided by law and in the corporation's articles of incorporation.

ARTICLE XI. CORPORATE SEAL

The board of directors may provide for a corporate seal that may have inscribed thereon any designation including the name of the corporation, Utah as the state of incorporation, and the words “Corporate Seal.”

ARTICLE XII. DIRECTORS CONFLICTING INTEREST TRANSACTIONS

A director’s conflicting interest transaction may not be enjoined, be set aside, or give rise to an award of damages or other sanctions in a proceeding by a stockholder, or by or in the right of the corporation, solely because the director or any person with whom the director has a personal, economic, or other association has an interest in the transaction, if:

- (a) directors’ action respecting the transaction was at any time taken in compliance with section 16-6a-825 of the Act or any section of like tenor as amended from time to time;
- (b) stockholders’ action respecting the transaction was at any time taken in compliance with section 16-6a-825 of the Act or any section of like tenor as amended from time to time; or
- (c) the transaction, judged according to the circumstances at the time of commitment, is established to have been fair to the corporation.

ARTICLE XIII. AMENDMENTS

The corporation’s board of directors may amend or repeal the corporation’s bylaws, unless:

- (a) the Act or the articles of incorporation reserve this power exclusively to the stockholders in whole or part;
- (b) the stockholders in adopting, amending, or repealing a particular bylaw provide expressly that the board of directors may not amend or repeal that bylaw; or
- (c) the bylaw either establishes, amends, or deletes a supermajority stockholder quorum or voting requirement (as defined in Article II, section 2.9).

Any amendment that changes the voting or quorum requirement for the board must comply with Article III, section 3.8, and for the stockholders, must comply with Article II, section 2.9.

The corporation’s stockholders may amend or repeal the corporation’s bylaws even though the bylaws may also be amended or repealed by its board of directors.

ARTICLE XIV. FISCAL YEAR

The fiscal year of the corporation shall be fixed by resolution of the board of directors in consultation with the financial and tax advisors of the corporation.

CERTIFICATE OF SECRETARY

The undersigned does hereby certify that such person is the secretary of **DRAPER IRRIGATION COMPANY**, a corporation duly organized and existing under and by virtue of the laws of the state of Utah; that the above and foregoing bylaws of said corporation were duly and regularly adopted as such by the board of directors of said corporation by unanimous consent dated ~~April 30, 2001~~April 30, 2001, and that the above and foregoing bylaws are now in full force and effect and supersede and replace any prior bylaws of the corporation.

DATED this ~~17th-17th~~ day of ~~October~~October, 2001.

~~/s/~~

~~RICHARD C. SKEEN~~Richard C. Skeen, Secretary