

OPERATING AGREEMENT
OF
ZION PEAK WATER COMPANY, LLC

TABLE OF CONTENTS

	PAGE
RECITALS	1
ARTICLE I. : DEFINITIONS	1
SECTION 1.01 SCOPE.....	1
SECTION 1.02 DEFINED TERMS.....	1
ARTICLE II. : THE COMPANY	4
SECTION 2.01 STATUS.....	4
SECTION 2.02 NAME.....	4
SECTION 2.03 TERM.....	4
SECTION 2.04 PURPOSES.....	4
SECTION 2.05 PRINCIPAL OFFICE AND REGISTERED AGENT.....	4
ARTICLE III. : MEMBERS	5
SECTION 3.01 IDENTIFICATION.....	5
SECTION 3.02 CHANGES AND VERIFICATION OF MEMBERSHIP INTERESTS.....	5
SECTION 3.03 MANNER OF ACTING.....	5
SECTION 3.04 LIMITATION ON INDIVIDUAL AUTHORITY.....	6
SECTION 3.05 NEGATION OF FIDUCIARY DUTIES.....	6
SECTION 3.06 WITHDRAWAL OF A MEMBER.....	6
SECTION 3.07 EXPULSION OF A MEMBER.....	6
SECTION 3.08 TRANSFER OF MEMBERSHIP INTEREST.....	6
SECTION 3.09 DISSOCIATION.....	8
SECTION 3.10 REDEMPTION OF DISSOCIATING MEMBER'S INTEREST.....	8
ARTICLE IV. : OPERATIONS	9
SECTION 4.01 WATER MANAGER.....	9
SECTION 4.02 TARIFFS.....	10
SECTION 4.03 WATER DISTRIBUTION.....	10
SECTION 4.04 BENEFICIAL USE.....	11
ARTICLE V. : FINANCE	11
SECTION 5.01 CONTRIBUTIONS.....	11
SECTION 5.02 ALLOCATION OF PROFIT AND LOSS.....	11
SECTION 5.03 TAX ALLOCATIONS.....	13
SECTION 5.04 DISTRIBUTIONS.....	13
SECTION 5.05 CAPITAL ACCOUNTS.....	13
ARTICLE VI. : MANAGEMENT	14
SECTION 6.01 REPRESENTATIVE MANAGEMENT.....	14
SECTION 6.02 POWERS AND AUTHORITY.....	14
SECTION 6.03 SUCCESSOR MANAGER.....	15

SECTION 6.04	MANNER OF ACTING.	15
SECTION 6.05	AGENCY POWER AND AUTHORITY.	16
SECTION 6.06	DELEGATION OF AUTHORITY.	16
SECTION 6.07	FIDUCIARY DUTIES.	16
SECTION 6.08	INDEMNIFICATION AND ADVANCEMENT OF COSTS.	17
SECTION 6.09	COMPENSATION.	17
SECTION 6.10	TENURE.	17
ARTICLE VII.	: RECORDS AND ACCOUNTING	18
SECTION 7.01	MAINTENANCE OF RECORDS.	18
SECTION 7.02	FINANCIAL ACCOUNTING.	19
SECTION 7.03	REPORTS.	19
SECTION 7.04	TAX COMPLIANCE.	19
ARTICLE VIII.	: DISSOLUTION	20
SECTION 8.01	EVENTS OF DISSOLUTION.	20
SECTION 8.02	EFFECT OF DISSOLUTION.	21
ARTICLE IX.	: GENERAL PROVISIONS	21
SECTION 9.01	AMENDMENTS.	21
SECTION 9.02	POWER OF ATTORNEY.	22
SECTION 9.03	NOMINEE.	22
SECTION 9.04	INVESTMENT REPRESENTATION.	22
SECTION 9.05	RESOLUTION OF DISPUTES.	22
SECTION 9.06	NOTICES.	23
SECTION 9.07	RESOLUTION OF INCONSISTENCIES.	23
SECTION 9.08	PROVISIONS APPLICABLE TO TRANSFEREES.	23
SECTION 9.09	ADDITIONAL INSTRUMENTS.	23
SECTION 9.10	COMPUTATION OF TIME.	23
SECTION 9.11	ENTIRE AGREEMENT.	23
SECTION 9.12	WAIVER.	23
SECTION 9.13	FORMALITIES.	23
SECTION 9.14	GENERAL CONSTRUCTION PRINCIPLES.	23
SECTION 9.15	BINDING EFFECT.	24
SECTION 9.16	GOVERNING LAW.	24
SECTION 9.17	COUNTERPARTS.	24

OPERATING AGREEMENT

OF

ZION PEAK WATER COMPANY, LLC

THIS AGREEMENT (this “Agreement”) is between DS Zion Holdings, LC and Zion Mountain Land Holdings, LLC, as members, and Stephen D Neeleman and Kevin J. McLaws, as managers of Zion Peak Water Company, LLC, a Utah limited liability company (the “Company”).

RECITALS

The parties to this Agreement are all of the current members and managers of Zion Peak Water Company, LLC, a Utah limited liability company. The parties intend by this Agreement to define their rights and obligations with respect to the Company’s governance and financial affairs and to adopt regulations and procedures for the conduct of the Company’s activities. Accordingly, they agree as follows:

Article I. : DEFINITIONS

Section 1.01 Scope. For purposes of this Agreement, unless the language or context clearly indicates that a different meaning is intended, capitalized terms have the meanings specified in this Article I.

Section 1.02 Defined Terms.

(a) “Act” means the Utah Revised Limited Liability Company Act.

(b) “Affiliate,” with respect to a Person, means (1) a Person that, directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with the Person, (2) a Person who owns or controls at least ten percent of the outstanding voting interests of the Person, (3) a Person who is an officer, director, manager or general partner of the Person, or (4) a Person who is an officer, director, manager, general partner, trustee or owns at least ten percent of the outstanding voting interests of a Person described in clauses (1) through (3) of this sentence.

(c) “Agreement” means this agreement, including any amendments.

(d) “Certificate” means the Certificate of organization filed with the Division to organize the Company as a limited liability company, including any amendments.

(e) “Available Funds,” for a Taxable Year, means the Company’s gross cash receipts from any source, less the sum of: (1) payments of principal, interest, charges and fees then due pertaining to the Company’s indebtedness; (2) expenditures incurred incident to the usual conduct of the Company’s business; and (3) amounts reserved to meet the reasonable current and anticipated needs of the Company’s business.

(f) “Bankruptcy,” with respect to a Member, means (1) the Member’s general assignment for the benefit of creditors, (2) the filing of a petition or answer seeking for the Member any reorganization, arrangement, composition, readjustment, liquidation, dissolution, protection or similar relief in any state or federal bankruptcy, insolvency, reorganization or receivership proceeding or (3) the filing of an answer or other pleading admitting or failing to contest the material allegations of a petition filed against the Member in any state or federal bankruptcy, insolvency, reorganization or receivership proceeding.

(g) “Capital Account” of a Member means the capital account maintained for the Member in accordance with Section 5.05.

(h) “Code” means the Internal Revenue Code of 1986, as amended.

(i) “Company” means Zion Peak Water Company, LLC and any successor limited liability company.

(j) “Contribution” means anything of value that a Member contributes to the Company as a prerequisite for or in connection with membership, including any combination of cash, property, services rendered, a promissory note or any other obligation to contribute cash or property or render services.

(k) “Principal Office” means the Company’s office in Utah where the Company’s records are required to be maintained.

(l) “Dissolution,” with respect to an Entity, means (1) the filing of articles of dissolution on the Entity’s behalf, (2) the Entity’s administrative dissolution, unless the Entity is reinstated within the time period prescribed by applicable law or (3) any other event that initiates the Entity’s winding up under applicable law.

(m) “Dissociation” means a complete termination of a Member’s membership in the Company in consequence of an event described herein.

(n) “Distribution” means the Company’s direct or indirect transfer of money or other property with respect to a Membership Interest, other than (1) issuance of a Membership Interest, (2) issuance of evidence of indebtedness, (3) reasonable compensation for past or present services or (4) reasonable payments made in the ordinary course of business pursuant to a bona fide retirement plan or other benefits program.

(o) “Division” means the Division of Corporations and Commercial Code of the Utah Department of Commerce.

(p) “Effective Date,” with respect to this Agreement, means the date on which the Company’s existence as a limited liability company begins, as prescribed by the Act.

(q) “Entity” means an association, relationship or artificial person through or by means of which an enterprise or activity may be lawfully conducted, including, without limitation, a domestic or foreign corporation, nonprofit corporation, limited liability company, general partnership, limited partnership, business trust, association, trust, estate, joint venture, cooperative or governmental unit.

(r) “Family”, means lineal descendants, siblings, and lineal descendants of siblings and spouse of a Member.

(s) “Incapacity,” with respect to a Member or Manager, means impairment by reason of mental illness, mental deficiency, physical illness or disability, chronic use of drugs, chronic intoxication or other cause to the extent the Member or Manager lacks sufficient understanding or capacity to make or communicate responsible decisions.

(t) “Manager” means a Person, whether or not a Member, who is vested with authority to manage the Company in accordance with Article VI.

(u) “Member” means an initial Member and any Person who subsequently is admitted as an additional or substitute Member after the Effective Date.

(v) “Membership Interest” means a Member’s percentage interest in the Company, consisting of the Member’s right to share in Profits, receive Distributions, participate in the Company’s governance, approve the Company’s acts, participate in the designation and removal of a Manager and receive information pertaining to the Company’s affairs. The Membership Interests of the current Members are set forth herein. Changes in Membership Interests after the Effective Date, including those necessitated by the admission and Dissociation of Members, will be reflected in the Company’s records. The allocation of Membership Interests reflected in the Company’s records from time to time is presumed to be correct for all purposes of this Agreement and the Act.

(w) “Minimum Gain” means minimum gain as defined in sections 1.704-2(b)(2) and 1.704-2(d) of the Regulations.

(x) “Permitted Transferee,” with respect to a Member, means another Member, a member of the Member’s Family, a trust for the Member’s benefit, a trust for the benefit of a member of the Member’s Family or an Affiliate of the Member.

(y) “Person” means a natural person or an Entity.

(z) “Profit,” as to a positive amount, or “Loss,” as to a negative amount, means, for a Taxable Year, the Company’s net taxable income or loss for the Taxable Year, as determined in accordance with section 703(a) of the Code, with the following adjustments: (1) all items required to be separately stated pursuant to section 703(a)(1) of the Code will be accounted for in the aggregate, (2) any income that is exempt for federal income tax purposes will be included; and (3) any item that is specially allocated pursuant to Section 5.02(b) will be disregarded.

(aa) “Regulations” means proposed, temporary or final regulations promulgated under the Code by the Department of the Treasury, as amended.

(bb) “Sharing Ratio,” with respect to a Member, means the ratio of the Member’s Capital Account to the aggregate of all Capital Accounts. The Sharing Ratios of the Persons who are Members on the Effective Date are set forth in Article 3.1(a). Changes in Sharing Ratios after the Effective Date, including those necessitated by the admission and Dissociation of Members, will be reflected in the Company’s records. The allocation of Sharing Ratios reflected in the Company’s records from time to time is presumed to be correct for all purposes of this Agreement and the Act.

(cc) “Tax Percentage,” for a Taxable Year, means the sum of (1) the highest federal income tax rate applicable to the taxable income of an individual and (2) the highest Utah income tax rate applicable to the taxable income of an individual resident of Utah.

(dd) “Taxable Year” means the Company’s taxable year as determined in accordance with Section 7.02.

(ee) “Transfer,” as a noun, means a transaction or event by which ownership of a Membership Interest is changed, including, without limitation, a sale, exchange, distribution, abandonment, gift, devise or foreclosure. “Transfer,” as a verb, means to effect a Transfer.

(ff) “Transferee” means a Person who acquires a Membership Interest by Transfer from a Member or another Transferee and is not admitted as a Member in accordance with this Agreement.

Article II. : THE COMPANY

Section 2.01 Status. The Company is a Utah limited liability company organized under the Act.

Section 2.02 Name. The Company’s name is Zion Peak Water Company, LLC.

Section 2.03 Term. The Company’s existence will commence on the Effective Date and continue until terminated under this Agreement.

Section 2.04 Purposes. The Company's purposes are (a) to operate a water company; (b) to supply and distribute water from other private or public water companies; and (c) to engage in any other lawful activity for which a limited liability company may be organized under the Act. The Company may take any action incidental and conducive to the furtherance of those purposes.

Section 2.05 Principal Office and Registered Agent.

(a) Principal Office.

(i) The Company’s registered office is its Principal Office.

(ii) The Company at any time may change the location of its Principal Office by filing a statement of change with the Division within 30 days after the effective date of the change.

(b) Registered Office and Agent.

(i) The name and number of the Company’s commercial registered agent are: Pattie S Christensen, 7283179-0251. The Company at any time may change the location of its registered office or the identity of its registered agent by filing a statement of change with the Division within 30 days after the effective date of the change. However, the location of the registered agent’s business office must remain the same as the location of the Company’s registered office.

(ii) If the location of the registered agent’s business office changes, the registered agent may change the location of the Company’s registered office by giving written

notice of the change to the Company and filing a statement of change with the Division within 30 days after the effective date of the change.

Article III. : MEMBERS

Section 3.01 Identification.

(a) Members. The names, addresses and Membership Interests of the Members are as follows:

DS Zion Holdings, LC	50%
12903 S 300 E	
Draper, Utah 84020	

Zion Mountain Land Holdings, LLC	50%
1382 South 325 West	
Hurricane, Utah 84737	

(b) Additional and Substitute Members. The Company may admit additional or substitute Members only with the approval of all of the Managers. A Manager may withhold approval of the admission of any person for any or no reason.

(c) Rights of Additional or Substitute Members. A Person admitted as an additional or substitute Member has all the rights and powers and is subject to all the restrictions and obligations of a Member under this Agreement and the Act.

Section 3.02 Changes and Verification of Membership Interests.

(a) Changes in Membership Interests. The Members' Membership Interests will be proportionately adjusted to account for the admission and Dissociation of Members. Changes in the Members' Membership Interests other than transfers to Permitted Transferees may be made only with the unanimous approval of the Managers.

(b) Verification of Membership Interests. Within 10 days after receipt of a Member's written request, the Company will provide the Member with a statement of the Member's Membership Interest. The statement will serve the sole purpose of verifying the Member's Membership Interest, as reflected in the Company's records, and will not constitute for any purpose a certificated security, negotiable instrument or other vehicle by which a Transfer of a Membership Interest may be effected.

Section 3.03 Manner of Acting.

(a) Voting Power. Each Member's voting power will be proportionate to its Membership Interest.

(b) Meetings.

(i) Right to Call. Any Manager or any Member or combination of Members whose Membership Interest exceeds 10 percent may call a meeting of Members by giving written notice to all Members not less than 10 nor more than 60 days prior to the date of the meeting. The notice must specify the date of the meeting and the nature of any business to be transacted. A Member may waive notice of a meeting of Members orally, in writing or by attendance at the meeting.

(ii) Proxy Voting. A Member may act at a meeting of Members through a Person authorized by a written proxy signed by the Member and filed with the secretary of the meeting before or at the time of the meeting.

(iii) Quorum. Members whose aggregate Membership Interest exceeds 50 percent will constitute a quorum at a meeting of Members. No action may be taken in the absence of a quorum.

(iv) Required Vote. Except with respect to matters for which a greater minimum vote is required by this Agreement, the vote of Members present whose aggregate Membership Interest exceeds 50 percent of the aggregate Membership Interest of all Members present will constitute the act of the Members at a meeting of Members.

(c) Written Consent. The Members may act without a meeting by written consent describing the action and signed by Members whose aggregate Membership Interest is at least equal to the minimum that would be necessary to take the action at a meeting at which all Members were present. The Company will give written notice of any action approved by written consent to each Member who does not join in the written consent. The notice must contain or be accompanied by a description of the action approved by the written consent and be delivered to the Member at least five days before consummation of the action approved by the written consent.

Section 3.04 Limitation on Individual Authority. A Member who is not also a Manager has no authority to bind the Company. A Member whose unauthorized act obligates the Company to a third party will indemnify the Company for any costs or damages the Company incurs as a result of the unauthorized act.

Section 3.05 Negation of Fiduciary Duties. A Member who is not also a Manager owes no fiduciary duties to the Company or to the other Members solely by reason of being a Member.

Section 3.06 Withdrawal of a Member. A Member may withdraw from the Company only with the approval of all remaining Members.

Section 3.07 Expulsion of a Member. Except as provided in the Act, neither the Company nor the Members have power to expel a Member for any reason.

Section 3.08 Transfer of Membership Interest.

(a) Restrictions on Transfer. A Member may Transfer a Membership Interest only in compliance with this Section 3.08. An attempted Transfer of any portion or all of a Membership Interest that is not in compliance with this Section 3.08 is null and void.

(b) Transfers to Permitted Transferees. A Member at any time may Transfer any portion or all of a Membership Interest to a Permitted Transferee if, as of the date the

Transfer takes effect, the Company is reasonably satisfied that all of the following conditions are met:

(i) the Transfer, alone or in combination with other Transfers, will not result in the Company's termination for federal income tax purposes;

(ii) the Transfer is the subject of an effective registration under, or exempt from the registration requirements of, applicable state and federal securities laws; and

(iii) the Company receives from the Transferee the information and agreements reasonably required to permit it to file federal and state income tax returns and reports.

(c) Right of First Refusal.

(i) If at any time a Member proposes to sell a Membership Interest pursuant to a bona fide written offer from a third-party purchaser, the Member (the "seller") will make a written offer to sell the Membership Interest to the remaining Members for the same price and on the same terms as those contained in the offer from the third party.

(ii) The remaining Members must accept the seller's offer by written notice delivered to the seller within 30 days after the offer is received.

(iii) The remaining Members may divide the Membership Interest in any manner to which they all agree. In the absence of agreement, they will divide the Membership Interest in proportion to their Membership Interests, as of the time the offer is received.

(iv) If the remaining Members do not accept the seller's offer, the seller may sell the Membership Interest to the third-party purchaser on the terms specified in the original offer, provided the Company is reasonably satisfied that all of the other conditions prescribed by this Section 3.08 are met. However, if the remaining Members do not accept the seller's offer and the seller does not complete the sale to the third-party purchaser within 30 days after the remaining Members' right to accept the offer terminated, the seller must make a new offer to the remaining Members and the provisions of this Section 3.08 again will apply.

(d) Transferor's Membership Status. If a Member Transfers less than all of the Membership Interest, the Member's rights with respect to the transferred portion, including the right to vote or otherwise participate in the Company's governance and the right to receive Distributions, will terminate as of the effective date of the Transfer. However, the Member will remain liable for any obligation with respect to the transferred portion that existed prior to the effective date of the Transfer, including any costs or damages resulting from the Member's breach of this Agreement. If the Member Transfers all of the Membership Interest, the Transfer will constitute an event of Dissociation for purposes of Section 3.09.

(e) Transferee's Status.

(i) Admission as a Member. A Member who Transfers a Membership Interest has no power to confer on the Transferee the status of a Member. A Transferee may be admitted as a Member only in accordance with the provisions of Section 3.01(b). A Transferee who is not admitted as a Member has only the rights described in this Section 3.08.

(ii) Rights of Non-Member Transferee. A Transferee who is not admitted as a Member in accordance with the provisions of Section 3.01(b), (i) has no right to vote or otherwise participate in the Company's governance, (ii) is not entitled to receive information concerning the Company's affairs or inspect the Company's books and records, (iii) with respect to the transferred Membership Interest, is entitled to receive the Distributions to which the Member would have been entitled had the Transfer not occurred and (iv) is subject to the restrictions imposed by this Section 3.08 to the same extent as a Member.

Section 3.09 Dissociation.

(a) Events of Dissociation. A Member's Dissociation from the Company occurs upon: (1) the Member's withdrawal or expulsion from the Company; (2) the Member's Transfer of the Member's entire Membership Interest; (3) as to a Member who is a natural person, the Member's Incapacity or death; (4) the Member's Bankruptcy; (5) as to a Member who holds a Membership Interest as a fiduciary, distribution of the entire Membership Interest to the beneficial owners; or (6) as to a Member that is an Entity, the Entity's Dissolution.

(b) Rights of Member Following Dissociation.

(i) If a Member's Dissociation occurs for any reason other than the Member's Incapacity or death, then, after the effective date of the Member's Dissociation, (i) the Member will have no right to vote or otherwise participate in the Company's governance and affairs, (ii) except as provided in Section 7.01(b), the Member will not be entitled to receive information concerning the Company's affairs or inspect the Company's books and records and (iii) if the event that results in the Member's Dissociation does not terminate the Member's entire interest in the Company's profits and capital, then, with respect to the interest the Member retains, the Member will be entitled to receive the Distributions to which the Member would have been entitled had the Dissociation not occurred. Except as provided in this paragraph, a dissociating Member will have no right to receive Distributions or otherwise participate in the Company's financial affairs.

(ii) If a Member's Dissociation occurs by reason of the Member's Incapacity or death, the Member's legal representative may exercise the Member's rights under this Agreement and the Act for the sole purpose of settling the Member's estate or administering the Member's property, as the case may be.

(iii) Notwithstanding the foregoing provisions of this Section 3.09(b), a dissociating Member will remain liable for any obligation to the Company that existed prior to the effective date of the Dissociation, including any costs or damages resulting from the Member's breach of this Agreement.

Section 3.10 Redemption of Dissociating Member's Interest.

(a) Optional Redemption.

(i) At any time within 180 days after the effective date of a Member's Dissociation, the Company may redeem not less than all of the Member's Membership Interest on the terms set forth in this Section 3.10.

(ii) The Company must exercise its right to redeem the Membership Interest by giving written notice to the Member or the Member's successor in interest (the "seller") within the 180-day exercise period. The notice must specify the redemption price and payment terms and indicate a closing date within 60 days after the date the notice is delivered.

(b) Redemption Price.

(i) The redemption price of the Membership Interest will be an amount equal to the seller's Capital Account as of the effective date of the Dissociation.

(ii) For the purpose of determining the redemption price, the Company will adjust the seller's Capital Account to reflect the seller's share of any Profit or Loss the Company would have realized had it sold all of its assets at fair market value on the effective date of the Dissociation, as determined by a qualified appraiser selected by the Company. In determining the fair market value of the Company's assets, the appraiser will consider only those factors that are relevant to the valuation of a going concern and will be guided by the Business Valuation Standards of the American Society of Appraisers.

(iii) The Company will pay all costs associated with the determination of the redemption price.

(c) Payment Terms. The Company will pay the redemption price at the closing in the form of cash, property, or its promissory note in the principal amount of the purchase price payable in ten equal annual installments, with interest compounded annually at the applicable Federal rate in effect under Code §1274(d) for an obligation with the same term. The determination of whether the Company pays the redemption price in cash, property, promissory note, or any combination thereof is made in the sole discretion of the Company.

Article IV. : OPERATIONS

Section 4.01 Water Manager.

(a) The Managers shall employ a Water Manager to regulate and monitor the delivery of water to those entitled to its use. The Manager shall fix the compensation of the Water Manager, which may be increased or diminished at its pleasure.

(b) The responsibilities of the Water Manager are:

(1) To contract with the East Zion Special Service District (EZSSD) and/or other entities that can provide water to the Company and its users;

(2) To regulate use of water in the Company's water systems, to monitor total water usage by the Company and by those to whom the Company delivers water;

(3) To have charge of the distribution of all the Company waters in storage and running in the Company's distribution system;

(4) To periodically inspect all equipment used to take water from the Company's distribution system, inform any users of any excess use or waste, and report the condition to the Managers as often as required;

(5) To read and periodically inspect all meters used to measure water delivered to Company and its users to ensure accurate measurement of water, to monitor water use by the Company and the users, and maintain records of all water use by the Company and each user;

(6) To notify users and inform them of restrictions on flows available and when a user has used his allocation of water; and

(7) Be subject to the directives of the Managers in all things and at all times and perform such other and further duties as from time to time may be properly required by the Managers.

Section 4.02 Tariffs.

(a) The Managers shall have authority to levy and collect tariffs on those to whom the Company delivers water as authorized by and for the purposes described in the herein. All tariffs shall be due and payable as billed by the Company and in accordance with this Operating Agreement, Utah statutes and any rules and regulations adopted by the Managers. Any delinquent tariffs may be collected by such means as allowed by Utah law. The Managers may set by resolution a policy for terminating water service to those delinquent in the payment of the tariff.

(b) The Company shall keep records of all funds expended and to be expended for the repair, maintenance, and cost of supervising distribution of water from each of the Company's various canals, ditches, wells, springs, water tanks, pipelines, capital improvements, and extensions of these facilities

Section 4.03 Water Distribution.

(a) Rules. The Managers shall have authority to adopt rules, regulations, and policies regarding the delivery of water by the Company to users in the service area.

(b) Collection of Fines. The Company may enforce the levy and collection of assessments, fines, charges and penalties relating to the delivery of water to users and the users' failure to pay for water service and/or the use or misuse of water within the Company's water system.

(c) Water Usage. The Company intends to supply culinary water to the service area. Irrigation water will not be provided.

(d) Acquisition of Additional Waters. The Managers may pursue the acquisition of additional water upon conditions favorable to the Company.

(e) Company Service Area. The area in which the Company shall deliver water is set forth in Exhibit A attached hereto and incorporated herein. The service area may be expanded by resolution of the Managers, subject to approval of the Public Service Commission. The Managers reserve the right to restrict the area served in order to preserve the level of service and integrity of the system.

(f) New Connections. No person shall take water for any purpose from the Company's distribution system or any of its laterals without first being approved for water service by the Managers.

Section 4.04 Beneficial Use.

(a) Intent. The preservation and maintenance of the beneficial uses associated with the Company's water rights is of utmost importance to the Company and those to whom the Company delivers water.

(b) Maintenance of Beneficial Use Maps; Map Amendments. The Company may periodically monitor the current status of beneficial uses within the Company by preparing and maintaining maps of its service area with designations of which users of the water supplied by the company are putting the water to beneficial use. If a user is failing to put the water to beneficial use or is delinquent in payments to the Company, the Company may terminate water service to such user.

Article V. : FINANCE

Section 5.01 Contributions.

(a) Additional Members. A Person admitted as a Member in connection with the acquisition of a Membership Interest directly from the Company after the Effective Date will make the Contributions specified in the agreement pursuant to which the Person is admitted as a Member.

(b) Additional Contributions. The Company may authorize additional Contributions at such times and on such terms and conditions as it determines to be in its best interest. Absent the Company's authorization, no Member is permitted to make additional Contributions. Additional Contributions shall dilute existing Members proportionately.

(c) Contributions Not Interest Bearing. A Member is not entitled to interest or other compensation with respect to any cash or property the Member contributes to the Company.

(d) No Return of Contribution. A Member is not entitled to the return of any Contribution prior to the Company's dissolution and winding up.

(e) Membership Interest for Services. If a Member receives a Membership Interest that exceeds the ratio of the Member's Capital Account to the aggregate Capital Account of all Members, such excess will be deemed to be an interest in the Company's Profit received in exchange for services rendered or to be rendered to the Company (a "Profits Interest"). A Member who holds a Profits Interest has all of the rights of a Member under this Agreement and the Act, except that the Member is not be entitled to share in any Distribution from the aggregate Capital Account of all Members determined as of the date the Member receives the Profits Interest. For all purposes of this Article, the Members' Capital Accounts will be as adjusted in accordance with the provisions of the Capital Account Adjustments.

Section 5.02 Allocation of Profit and Loss.

(a) General Allocation. The Company's Profit or Loss for a Taxable Year, including the Taxable Year in which the Company is dissolved, will be allocated among the Members in proportion to their Membership Interests.

(b) Special Allocations.

(i) If a Member unexpectedly receives an adjustment, allocation, or distribution described in sections 1.704-1(b)(2)(ii)(d)(4), (5) or (6) of the Regulations that creates or increases a deficit in the Member's Capital Account as of the end of a Taxable Year, a pro rata portion of each item of the Company's income, including gross income and gain for the Taxable Year and, if necessary, for subsequent years will be allocated to the Member in an amount and manner sufficient to eliminate the deficit in the Member's Capital Account as quickly as possible.

(ii) If a Member would have a deficit in his or her Capital Account at the end of a Taxable Year that exceeds the sum of (i) the amount the Member is required to pay the Company pursuant to an obligation described in section 1.704-1(b)(2)(ii)(c) of the Regulations and (ii) the Member's share of Minimum Gain, a pro rata portion of each item of the Company's income, including gross income and gain, for the Taxable Year will be allocated to the Member in an amount and manner sufficient to eliminate the deficit in the Member's Capital Account as quickly as possible.

(iii) If there is a net decrease in the Company's Minimum Gain during a Taxable Year, the items of the Company's income, including gross income and gain, for the Taxable Year and, if necessary, for subsequent Taxable Years will be allocated to the Members in proportion to their shares of the net decrease in Minimum Gain. If the allocation made by this paragraph would cause a distortion in the economic arrangement among the Members and it is expected that the Company will not have sufficient income to correct that distortion, the Company may seek to have the Internal Revenue Service waive the requirement for the allocation in accordance with section 1.704-2(f)(4) of the Regulations.

(iv) Items of the Company's loss, deductions and expenditures described in section 705(a)(2)(B) of the Code that are characterized as "partner nonrecourse deductions" under Section 1.704-2(i) of the Regulations will be allocated to the Members according to the ratio in which the Members bear the economic risk of loss with respect to the nonrecourse liabilities to which such items are attributable.

(v) Items of income, gain, loss and deduction with respect to property contributed to the Company's capital will be allocated between the Members so as to take into account any variation between book value and basis, to the extent and in the manner prescribed by section 704(c) of the Code and related Regulations.

(vi) If the special allocations required by this Section 5.02(b) result in Capital Account balances that are different from the Capital Account balances the Members would have had if the special allocations were not required, the Company will allocate other items of income, gain, loss and deduction in any manner it considers appropriate to offset the effects of the special allocations on the Members' Capital Account balances. Any offsetting allocation required by this paragraph is subject to and must be consistent with the special allocations.

(c) Effect of Transfers During Year. The Company will prorate items attributable to a Membership Interest that is the subject of a Transfer during a Taxable Year

between the transferor and the Transferee based on the portion of the Taxable Year that elapsed prior to the Transfer.

Section 5.03 Tax Allocations. For federal income tax purposes, unless the Code or Regulations otherwise requires, each item of the Company's income, gain, loss or deduction will be allocated to the Members in proportion to their allocations of the Company's Profit or Loss.

Section 5.04 Distributions.

(a) Minimum Distribution to Pay Tax. Within 90 days after the close of each Taxable Year, the Company will distribute to each Member an amount equal to the product of the Tax Percentage and the Profit allocated to the Member for the Taxable Year.

(b) Remaining Available Funds. The Company may distribute to the Members any Available Funds remaining after providing for the Distribution required by the preceding paragraph.

(c) Allocation. Except as provided in Section 5.04(a), the Company will make all Distributions to the Members in proportion to their Membership Interests.

(d) Prohibited Distributions. The Company may not make a Distribution if, after giving effect to the Distribution, (1) the Company would not be able to pay its debts as they become due in the usual and regular course of its business or (2) the fair market value of the Company's total assets would be less than the sum of its total liabilities. The Company's determination of its capacity to make a Distribution under this Section 5.04(d) will be made as of the date and in accordance with a method authorized by the Act.

(e) Negation of Right to Distribution in Kind. Except as provided in Section 8.02, a Member has no right to demand and receive a Distribution in a form other than cash.

(f) Obligation to Return Wrongful Distribution. If for any reason a Member receives a Distribution to which the Member is not legally entitled, the Member will return the Distribution to the Company within 30 days after receiving notice of the wrongful Distribution.

(g) Waiver of Obligation to Return Rightful Distribution. Except to the extent required by the Act, a Member has no liability to return to the Company a Distribution to which the Member is legally entitled, regardless of the Company's inability to discharge its obligations to its Creditors.

Section 5.05 Capital Accounts.

(a) General Maintenance. The Company will establish and maintain a Capital Account for each Member. A Member's Capital Account will be:

(i) increased by: (i) the amount of any money the Member contributes to the Company's capital; (ii) the fair market value of any property the Member contributes to the Company's capital, net of any liabilities the Company assumes or to which the property is subject; and (iii) the Member's share of Profits; and

(ii) decreased by: (i) the amount of any money the Company distributes to the Member; (ii) the fair market value of any property the Company distributes to

the Member, net of any liabilities the Member assumes or to which the property is subject; and (iii) the Member's share of Losses.

(b) Adjustments.

(i) Distributions in Kind. If at any time the Company distributes property in kind, it will adjust the Members' Capital Accounts to account for their shares of any Profit or Loss the Company would have realized had it sold the property at fair market value and distributed the sale proceeds.

(ii) Acquisitions and Redemptions. If at any time a Person acquires a Membership Interest from the Company or the Company redeems a Membership Interest, the Company will adjust the Members' Capital Accounts to account for their shares of any Profit or Loss the Company would have realized had it sold all of its assets at fair market value on the date of the acquisition or redemption.

(c) Transfer of Capital Account. A Transferee of a Membership Interest succeeds to the portion of the transferor's Capital Account that corresponds to the portion of the Membership Interest that is the subject of the Transfer.

(d) Compliance with Code. The requirements of this Section 5.05 are intended and will be construed to ensure that the allocations of the Company's income, gain, losses, deductions and credits have substantial economic effect under the Regulations promulgated under section 704(b) of the Code.

Article VI. : MANAGEMENT

Section 6.01 Representative Management. The Company will be managed by Managers. The Members from time to time may establish and change the number of Managers. The names and business addresses of the Company's Managers are:

Stephen D Neeleman
303 East Pheasant Ridge Drive
Alpine, Utah 84004

Kevin J. McLaws
1382 South 325 West
Hurricane, Utah 84737

Section 6.02 Powers and Authority. Except for matters on which the Members' approval is required by this Agreement, the Managers have full power, authority and discretion to manage and direct the Company's business, affairs and properties, including, without limitation, the specific powers conferred by the Act.

Section 6.03 Successor Manager. Each Member shall have the right to appoint one Manager. Should such appointed Manager cease to act, such Member shall appoint a successor Manager.

Section 6.04 Manner of Acting.

(a) General. The Managers may act with respect to any matter within the scope of their authority at a meeting of Managers or pursuant to formal or informal procedures adopted at a meeting of Managers. Procedures that may be adopted at a meeting of Managers include, without limitation, the establishment of dates and times for regular meetings, procedures pursuant to which the Managers may approve a matter without a meeting and, subject to the provisions of Section 6.06, the delegation of duties and responsibilities with respect to which the delegate may act without approval or ratification by the other Managers.

(b) Without limiting the general powers of the Managers to exercise control of the Company, the Managers may, among other things: (1) buy, sell, exchange, dispose of, or encumber the real and personal property of the Company as may be deemed necessary; (2) regulate the transfer of Company interests; (3) prescribe the duties of its officers, agents, and employees, and fill all vacancies in the Manager roles caused by death, resignation or otherwise; (4) locate and construct water tanks and pipelines to provide for the storage and delivery of water to those entitled to water from the Company; (5) set water rates and establish tariffs, subject to Public Service Commission approval, and collect these assessments; (6) employ engineers, attorneys, superintendents, and other subordinate officers, agents and laborers as in their judgment the business of the Company may require, prescribe their duties, and provide for their compensation; (7) approve, reject or approve with conditions all applications to be filed with the Utah State Engineer based on water represented by stock issued by the Company; and (8) monitor the Company's water rights.

(c) Written Consent. The Managers may act without a meeting by written consent describing the action and signed by Managers whose voting power is at least equal to the minimum that would be necessary to take the action at a meeting at which all Managers were present. The Company will give written notice of any action approved by written consent to each Manager who does not join in the written consent. The notice must contain or be accompanied by a description of the action approved by the written consent and be delivered to the Manager at least five days before consummation of the action approved by the written consent.

(d) Required Approval. Unanimous Manager approval controls with respect to any matter arising within the scope of their authority. A Manager may be absolved from personal liability with respect to the matter by registering dissent from the decision in the Company's records within 30 days after receiving notice of the decision. A dissenting Manager will nevertheless act with the other Managers in any way necessary or appropriate to effectuate the decision of the majority. Each material contract or agreement shall be signed by both Managers unless the Managers agree otherwise in advance.

(e) Participation by Non-Member Managers. The fact that a Manager is not also a Member in no way limits the Manager's right to vote on any matter properly within the scope of the Managers' authority under this Agreement.

Section 6.05 Agency Power and Authority. A Manager apparently acting for the Company in the usual course of its business has the power to bind the Company and no person has an obligation to inquire into the Manager's actual authority to act on the Company's behalf. However, if a Manager acts outside the scope of the Manager's actual authority or in contravention of a decision of the Managers, the Manager will indemnify the Company for any costs or damages it incurs as a result of the unauthorized act.

Section 6.06 Delegation of Authority. A Manager at any time may delegate to any other Manager, in whole or in part, the delegating Manager's authority and powers to manage the Company's business, affairs and properties. Any such delegation must be effected by a written instrument that (a) specifies the scope and duration of the delegation, (b) reserves to the delegating Manager the power to revoke the delegation at any time and for any or no reason, (c) prohibits substitution without the delegating Manager's written consent and (d) is signed by the delegating Manager and delivered to the delegate. While a delegation is in effect, the delegate may exercise the delegated authority and powers with the same force and effect as if the delegating Manager had personally joined in the exercise of the delegated authority and powers. However, the delegating Manager will not be liable for any action so taken. Delegation of a Manager's authority and powers pursuant to this Section 6.06 will not cause the delegating Manager to cease to be a Manager.

Section 6.07 Fiduciary Duties.

(a) Standard of Care.

(i) Exculpation. A Manager will not be liable to the Company or any Member for an act or omission done in good faith to promote the Company's best interests, unless the act or omission constitutes gross negligence, willful misconduct or a knowing violation of law.

(ii) Justifiable Reliance. A Manager may rely on the Company's records maintained in good faith and on information, opinions, reports or statements received from any Person pertaining to matters the Manager reasonably believes to be within the Person's expertise or competence.

(b) Competing Activities. A Manager may participate in any business or activity without accounting to the Company or the Members. A Manager may not, however, accept a business opportunity for the Manager's own account that the Manager believes or has reason to believe the Company would accept if brought to its attention. A Manager must disclose to the Company any such business opportunity of which the Manager becomes aware. If the Company declines to accept the opportunity, the Manager may pursue it for the Manager's own account. If the Manager fails to disclose the opportunity, the Manager will account to the Company for any income the Manager derives from the opportunity and will indemnify the Company for any loss the Company incurs as a result of the failure to disclose.

(c) Self-Dealing. A Manager may enter into a business transaction with the Company if the terms of the transaction are no less favorable to the Company than those of a similar transaction with an independent third party. Approval or ratification by Members having no interest in the transaction constitutes conclusive evidence that the terms satisfy the foregoing condition.

Section 6.08 Indemnification and Advancement of Costs.

(a) Indemnification.

(i) Mandatory. The Company will indemnify a Manager for all expenses, losses, liabilities and damages the Manager actually and reasonably incurs in connection with the Manager's successful defense of any claim, action or proceeding arising out of or relating to the Manager's conduct of the Company's activities.

(ii) Permissive. The Company may, but is not required to, indemnify a Manager for all expenses, losses, liabilities and damages the Manager actually and reasonably incurs in connection with the Manager's unsuccessful defense of any claim, action or proceeding arising out of or relating to the Manager's conduct of the Company's activities, but only if (i) the Manager's conduct was in good faith, (ii) the Manager reasonably believed that the Manager's conduct was in, or not opposed to, the Company's best interests, (iii) in the case of a criminal proceeding, the Manager had no reason to believe the Manager's conduct was unlawful, (iv) in the case of a proceeding by or in the right of the Company, the Manager was not adjudged liable to the Company and (v) in the case of any other proceeding, the Manager was not adjudged liable to any Person on the basis that the Manager derived an improper personal benefit.

(b) Advancement of Costs. The Company may, but is not required to, pay for or reimburse the expenses a Manager actually and reasonably incurs in connection with a proceeding arising out of or relating to the Manager's conduct of the Company's activities in advance of final disposition of the proceeding, but only if (1) the Manager furnishes to the Company a written affirmation of the Manager's good faith belief that the Manager has met the applicable standards of conduct described in Section 6.08(a)(ii), (2) the Manager furnishes to the Company a written, signed undertaking to repay the advance if it is ultimately determined that the Manager did not meet such standards of conduct and (3) the Company determines that the facts then known by it would not preclude indemnification under this Section 6.08.

Section 6.09 Compensation. The Company will compensate a Manager for services rendered to or on behalf of the Company. The amount of the compensation will be commensurate to the value of the services and may be determined with or without regard to Profit or other indicators of the results of operations. Compensation paid to a Manager will be treated as an expense for purposes of determining Profit. The Company will also reimburse each Manager for reasonable expenses properly incurred on the Company's behalf.

Section 6.10 Tenure.

(a) Term. A Manager will serve until the earlier of: (1) the Manager's resignation; (2) the Manager's removal; (3) the Manager's Bankruptcy; (4) as to a Manager who is a natural person, the Manager's Incapacity or death; and (5) as to a Manager that is an Entity, the Manager's dissolution.

(b) Resignation. A Manager at any time may resign by written notice delivered to the Members at least 30 days prior to the effective date of the resignation.

(c) Removal. The Members may remove a Manager only for gross negligence, intentional misconduct or a knowing violation of law.

(d) Vacancy. If the Company is managed by a single Manager and that Manager for any reason ceases to act, the Members will promptly elect a successor, to serve until a successor is elected and qualified.

Article VII. : RECORDS AND ACCOUNTING

Section 7.01 Maintenance of Records.

(a) Required Records. The Company will maintain at its Principal Office such books, records and other materials as are reasonably necessary to document and account for its activities, including, without limitation:

- (i) a current list, in alphabetical order, of the full name and last-known business, residence or mailing address of each Member and each Manager;
- (ii) a copy of the Certificate;
- (iii) copies of any signed powers of attorney pursuant to which the Certificate were signed;
- (iv) a copy of the writing required of the Company's organizer pursuant to the Act;
- (v) copies of the Company's federal, state and local income tax returns and reports for the three most recent Taxable Years;
- (vi) copies of the Company's financial statements for the three most recent Taxable Years;
- (vii) a copy of this Agreement, including any amendments; and
- (viii) copies of any minutes of each meeting of the Members and of any written consents of the Members.

(b) Authorized Access.

(i) Each current or former Member or Manager is entitled to inspect and copy, during regular business hours at the Company's Principal Office, any of the records described in Section 7.01(a) after first giving the Company written notice at least five business days before the inspection and copying is to occur. However, a former Member or Manager is entitled to inspect and copy only those records that pertain to the period of the former Member's or Manager's tenure as a Member or Manager or are reasonably necessary to enable the former Member or Manager to establish a claim or defense in a controversy with the Company, any Member or Manager or any other Person.

(ii) An authorized agent or attorney of a current or former Member or Manager has the same rights of inspection and copying as such current or former Member or Manager.

(iii) Any costs associated with the production or reproduction of the Company's records will be borne and paid in advance by the requesting current or former Member or Manager.

(c) Confidentiality. No current or former Member or Manager will disclose any information relating to the Company or its activities to any unauthorized person or use any such information for his or her or any other Person's personal gain or for any other improper purpose.

Section 7.02 Financial Accounting.

(a) Accounting Method. The Company will account for its financial transactions using a method of accounting determined by the Managers in compliance with sections 446 and 448 of the Code.

(b) Taxable Year. The Company's Taxable Year is the Company's annual accounting period, as determined by the Managers in compliance with sections 441, 444 and 706 of the Code.

Section 7.03 Reports.

(a) Members. As soon as practicable after the close of each Taxable Year, the Company will prepare and send to the Members such reports and information as are reasonably necessary to (1) inform the Members of the results of the Company's operations for the Taxable Year and (2) enable the Members to completely and accurately reflect their distributive shares of the Company's income, gains, deductions, losses and credits in their federal, state and local income tax returns for the appropriate year.

(b) Periodic Reports. The Company will complete and file any periodic reports required by the Act or the law of any other jurisdiction in which the Company is qualified to do business.

Section 7.04 Tax Compliance.

(a) Withholding. If the Company is required by law or regulation to withhold and pay over to a governmental agency any part or all of a Distribution or allocation of Profit to a Member:

(i) the amount withheld will be considered a Distribution to the Member; and

(ii) if the withholding requirement pertains to a Distribution in kind or an allocation of Profit, the Company will pay the amount required to be withheld to the governmental agency and promptly take such action as it considers necessary or appropriate to recover a like amount from the Member, including offset against any Distributions to which the Member would otherwise be entitled.

(b) Partnership Representative.

(i) With respect to tax returns filed for taxable years beginning after December 31, 2017 that are governed by the provisions of IRC § 6221 et seq. (the "Audit Rules"), the manager (or if he or she fails or ceases to serve then a person appointed by Members whose Membership Interests in the aggregate exceed fifty percent (50%)) shall be the Company's "partnership representative" (as such term is defined in Code Section 6223(a) and in any other similar capacity under applicable state or local tax law) (the "Partnership Representative"). If the Partnership Representative so determines with the consent of all

Members, the Partnership Representative may cause the Company to make an election out of the Audit Rules pursuant to Section 6221(b) or to elect under Section 6226(a) of the Code to have any underpayment taken into account at the Member level, provided that the Company is eligible to make such elections.

(ii) Each Member shall provide to the Partnership Representative such information (or, if applicable, certify as to filing of initial or amended tax returns) as is reasonably requested by the Partnership Representative to enable the Company (A) to reduce any Company level assessment under Code Section 6225 as set forth in the Audit Rules, (B) to attribute under section 6226(a) to the Members and former Members their shares of the adjustment to income, gain, loss, deduction, or credit, (C) to determine the apportionment responsibility of any Company level assessment among the Members (such allocation, the “Apportionment”), as reasonably determined by the Partnership Representative, (D) to elect out of the Audit Rules or (E) to comply with or be eligible to invoke any aspect of the Audit Rules in any other respect.

(iii) Any payment by the Company of a liability arising as a result of the Audit Rules (a “Company Audit Payment”) shall be treated as a deemed distribution to the Members in the same ratios as the Apportionment of such liability is made, and any deduction for book Capital Account purposes (the “Audit Liability Book Deduction”) will be a reduction to the applicable Members’ Capital Account balances (with no double counting of the reduction to Capital Accounts being intended). Alternatively, and notwithstanding anything herein to the contrary, Members whose Membership Interests in the aggregate exceed fifty percent (50%) shall have authority to call additional capital from each of the Members and former Members to pay (or to require former Members to indemnify the Company for) any liability imposed by the Audit Rules, in an amount not to exceed each such Member’s or former Member’s respective shares (if any), of such Company liability, and any such contribution shall not be treated as a Capital Contribution (i) except for purposes of maintaining Capital Accounts and only to the extent of such Member’s share of Audit Liability Book Deduction, and (ii) except for purposes of applying the distribution provisions of this Operating Agreement to the extent the Company Audit Payment is treated as a distribution to such Member in the first sentence of this subsection (iii).

(iv) The obligations of each Member (or former Member) under this Section shall survive the transfer by such Member of its interests in the Company or the dissolution of the Company. In the event a Member transfers an interest in the Company, the transferee and transferor shall be jointly and severally liable for any liability with respect to the obligations of the transferor Member under this Section.

Article VIII. : DISSOLUTION

Section 8.01 Events of Dissolution.

(a) Enumeration. The Company will dissolve upon the first to occur of:

- (i) the vote of the Members to dissolve the Company, unless the dissolution is revoked in accordance with the provisions of the Act;
 - (ii) any event that makes the Company ineligible to conduct its activities as a limited liability company under the Act;
 - (iii) the Company's administrative dissolution under the Act, unless the Company is reinstated within the time prescribed by the Act;
 - (iv) entry of a decree of judicial dissolution pursuant to the Act; or
 - (v) any event or circumstance that makes it unlawful or impossible for the Company to carry on its business, unless the Company's incapacity to carry on its business is cured within 90 days after such event or circumstance.
- (b) Exclusivity of Events. Unless specifically referred to in this Section 8.01, no event will result in the Company's dissolution.

Section 8.02 Effect of Dissolution.

(a) Appointment of Liquidator. Upon the Company's dissolution, the Managers will appoint a liquidator, who may but need not be a Member. The liquidator will wind up and liquidate the Company in an orderly, prudent and expeditious manner in accordance with the following provisions of this Section 8.02.

(b) Final Accounting. The liquidator will make proper accountings (1) to the end of the month in which the event of dissolution occurred and (2) to the date on which the Company is finally and completely liquidated.

(c) Duties and Authority of Liquidator. The liquidator will make adequate provision for the discharge of all of the Company's debts, obligations and liabilities. The liquidator may sell, encumber or retain for distribution in kind any of the Company's assets. Any gain or loss recognized on the sale of assets will be allocated to the Members' Capital Accounts in accordance with the provisions of Section 5.02. With respect to any asset the liquidator determines to retain for distribution in kind, the liquidator will allocate to the Members' Capital Accounts the amount of gain or loss that would have been recognized had the asset been sold at its fair market value.

(d) Final Distribution. The liquidator will distribute any assets remaining after the discharge or accommodation of the Company's debts, obligations and liabilities to the Members in proportion to their Capital Accounts. The liquidator will distribute any assets distributable in kind to the Members in undivided interests as tenants in common. A Member whose Capital Account is negative will have no liability to the Company, the Company's creditors or any other Member with respect to the negative balance.

(e) Required Filings. The liquidator will file articles of dissolution with the Division and take such other actions as are reasonably necessary or appropriate to effectuate and confirm the cessation of the Company's existence.

Article IX. : GENERAL PROVISIONS

Section 9.01 Amendments.

(a) Required Amendments. The Company, the Managers and the Members will execute and file with the Division a certificate of amendment of the Certificate when (1) there is a change in the Company's name, (2) there is a change in the character of the Company's business, as specified in the Certificate, (3) there is a false or erroneous statement in the Certificate, (4) there is a change in the Company's period of duration, (5) there is a change in the Company's management structure or (6) there is a change in the identity of any Manager. If any such amendment results in inconsistencies between the Certificate and this Agreement, this Agreement will be considered to have been amended in the specifics necessary to eliminate the inconsistencies.

(b) Other Amendments. Any Manager or any Member may propose for consideration and action an amendment to this Agreement or to the Certificate. A proposed amendment will become effective at such time as it is approved by the Managers and all Members.

Section 9.02 Power of Attorney. Each Member appoints each Manager, with full power of substitution, as the Member's attorney-in-fact, to act in the Member's name to execute and file (a) all certificates, applications, reports and other instruments necessary to qualify or maintain the Company as a limited liability company in the states and foreign countries where the Company conducts its activities, (b) all instruments that effect or confirm changes or modifications of the Company or its status, including, without limitation, certificates of amendment to the Certificate and (c) all instruments of transfer necessary to effect the Company's dissolution and termination. The power of attorney granted by this Section 9.02 is irrevocable and coupled with an interest.

Section 9.03 Nominee. Title to the Company's assets may be held in the name of the Company or any nominee (including any Manager or any Member so acting), as the Company determines. The Company's agreement with any nominee may contain provisions indemnifying the nominee for costs or damages incurred as a result of the nominee's service to the Company.

Section 9.04 Investment Representation. Each Member represents to the Company and the other Members that (a) the Member is acquiring a Membership Interest in the Company for investment and for the Member's own account and not with a view to its sale or distribution and (b) neither the Company nor any Member or Manager has made any guaranty or representation upon which the Member has relied concerning the possibility or probability of profit or loss resulting from the Member's investment in the Company.

Section 9.05 Resolution of Disputes.

(a) Mediation. The parties will endeavor in good faith to resolve all disputes arising under or related to this Agreement by mediation according to the then prevailing rules and procedures of the American Arbitration Association.

(b) Arbitration. If the parties fail in their attempt to resolve a dispute by mediation, they will submit the dispute to arbitration according to the then prevailing rules and procedures of the American Arbitration Association. Utah law will govern the rights and obligations of the parties with respect to the matters in controversy. The arbitrator will allocate all costs and fees attributable to the arbitration between the parties equally. The arbitrator's

award will be final and binding and judgment may be entered in any court of competent jurisdiction.

Section 9.06 Notices. Any notice contemplated by this Agreement may be sent by any commercially reasonable means, including hand delivery, first class mail, facsimile, e-mail or private courier. The notice must be prepaid and addressed as set forth in the Company's records. The notice will be effective on the date of receipt or, in the case of notice sent by first class mail, the fifth day after mailing. If notice is required to be given to a Member or Manager, a written waiver signed by the Member or Manager and delivered to the Company, whether before or after the time the notice is required to be given, is the equivalent of timely notice.

Section 9.07 Resolution of Inconsistencies. If there are inconsistencies between this Agreement and the Certificate, the Certificate will control. If there are inconsistencies between this Agreement and the Act, this Agreement will control, except to the extent the inconsistencies relate to provisions of the Act that the Members cannot alter by agreement. Without limiting the generality of the foregoing, unless the language or context clearly indicates a different intent, the provisions of this Agreement pertaining to the Company's governance and financial affairs and the rights of the Members upon withdrawal and dissolution will supersede the provisions of the Act relating to the same matters.

Section 9.08 Provisions Applicable to Transferees. As the context requires and subject to the restrictions and limitations imposed by this Agreement, the provisions of this Agreement pertaining to the rights and obligations of a Member also govern the rights and obligations of the Member's Transferee.

Section 9.09 Additional Instruments. Each Member will execute and deliver any document or statement necessary to give effect to the terms of this Agreement or to comply with any law, rule or regulation governing the Company's formation and activities.

Section 9.10 Computation of Time. In computing any period of time under this Agreement, the day of the act or event from which the specified period begins to run is not included. The last day of the period is included, unless it is a Saturday, Sunday or legal holiday, in which case the period will run until the end of the next day that is not a Saturday, Sunday or legal holiday.

Section 9.11 Entire Agreement. This Agreement and the Certificate comprise the entire agreement among the parties with respect to the Company. This Agreement and the Certificate supersede any prior agreements or understandings with respect to the Company. No representation, statement or condition not contained in this Agreement or the Certificate has any force or effect.

Section 9.12 Waiver. No right under this Agreement may be waived, except by an instrument in writing signed by the party sought to be charged with the waiver.

Section 9.13 Formalities. Failure of the Company to maintain records, to hold meetings, or to observe any formalities or requirements imposed by law or by this operating agreement is not grounds for imposing personal liability on any member, manager or employee for any debt, obligation or liability of the Company.

Section 9.14 General Construction Principles. Words in any gender are deemed to include the other genders. The singular is deemed to include the plural and vice versa. The headings and

underlined paragraph titles are for guidance only and have no significance in the interpretation of this Agreement.

Section 9.15 Binding Effect. Subject to the provisions of this Agreement relating to the transferability of Membership Interests and the rights of Transferees, this Agreement is binding on and will inure to the benefit of the Company, the Members and their respective distributees, successors and assigns.

Section 9.16 Governing Law. Utah law governs the construction and application of the terms of this Agreement.

Section 9.17 Counterparts. This Agreement may be executed in counterparts, each of which will be considered an original.

Signed on the respective dates set forth below, to be effective as of the Effective Date.

MEMBERS:

DS Zion Holdings, LC, a Utah limited liability company

Stephen Neeleman

By: Stephen Neeleman, manager

Date: 2022-06-22

Zion Mountain Land Holdings, LLC, a Utah limited liability company

Kevin McLaws

By: Kevin McLaws, manager

Date: 2022-06-28

The undersigned, as the Company's designated Managers, accept the office of manager and agree to be bound by all of the terms and conditions of this Agreement.

Signed on the date set forth below, to be effective as of the Effective Date.

MANAGERS:

Stephen Neeleman

Stephen D Neeleman

Date: 2022-06-22



Kevin McClaws

Kevin J. McLaws

Date: 2022-06-28

Signature Certificate

Reference number: UWZRE-FQBGV-RC4LI-GMAZ5

Signer	Timestamp	Signature
Stephen Neeleman Email: sneeleman@healthequity.com Sent: 22 Jun 2022 16:31:19 UTC Viewed: 22 Jun 2022 16:32:31 UTC Signed: 22 Jun 2022 16:48:49 UTC		
Recipient Verification: ✓Email verified	22 Jun 2022 16:32:31 UTC	IP address: 8.36.82.124 Location: New York, United States
Kevin McClaws Email: kevin@mclaws.org Shared via link Sent: 22 Jun 2022 16:31:19 UTC Viewed: 23 Jun 2022 11:55:41 UTC Signed: 28 Jun 2022 20:15:34 UTC		
		IP address: 72.12.245.178 Location: Las Vegas, United States

Document completed by all parties on:
28 Jun 2022 20:15:34 UTC

Page 1 of 1



Signed with PandaDoc

PandaDoc is a document workflow and certified eSignature solution trusted by 30,000+ companies worldwide.

