

OLD MEADOW RANCHOS COMMUNITY AND WATER COMPANY, INC.

BYLAWS

October 21st 2023

(Passed by company vote in the semi annual meeting as well as additional mail in vote)

ARTICLE 1 -NAME AND LOCATION

The name of the corporation is OLD MEADOWS RANCHOS COMMUNITY & WATER COMPANY, a Utah non-profit corporation. The principal address of the OLD MEADOWS RANCHOS COMMUNITY & WATER COMPANY shall be located at 5215 North 2300 West, Cedar City, Utah 84721 and meetings of the Members and Directors may be held at such places within the County of Iron, State of Utah, as may be designated by the Board of Directors.

ARTICLE 2 - DEFINITIONS

When used in these Bylaws, the following terms shall have the meaning indicated:

1. Articles: shall mean and refer to the Articles of Incorporation of OLD MEADOWS RANCHOS COMMUNITY & WATER COMPANY, INC.
2. Corporation: shall mean and refer to the OLD MEADOWS RANCHOS COMMUNITY & WATER COMPANY, INC.
3. Member: shall mean and refer to every person, entity, or group of persons who holds(s) membership in the corporation. To qualify for membership, one must (1) own a real property lot within the area serviced by the corporation; and (2) have shares of water stock in Old Meadow Ranchos Water Company for that real property lot. As to qualifications, there shall only be one vote per member regardless of the name or names of legal owners of that lot or parcel of real estate. The share(s) always remain with the real property lot. The share certificate must be reissued in the name of a new owner and the old certificate surrendered to the Secretary of the corporation upon transfer or sale of the subject property.
 - (a) Eligibility: Only a lot owner, as such owner in good standing, as defined by the Articles of Incorporation, owning a lot or lots within the area known as the Old Meadow Ranchos, in Cedar City, Iron County, Utah, and to whom a certificate of stock shall have been issued, may become a member and hold membership in this corporation; and when a specified lot or lots are owned by more than one individual, or by co-partners or a group forming an association of any kind, co-partners or the said group

shall be entitled to one membership in the aggregate, and may designate from time to time which of said group may have the vote and right of representation thereof.

(b) Transfer of Eligibility and Membership: Whenever a lot has been sold or otherwise disposed of by an appropriate conveyance, or whenever the title to a lot has descended through a probate hearing, the person acquiring the succeeding title shall be entitled to membership, upon a surrender of the outstanding certificate of stock, and in so doing shall be entitled to the issuance of a stock certificate in lieu thereof and then be subject to the terms and provisions of the Articles of Incorporation and these by-laws.

(c) Membership for each certificate of stock held: For the purpose of voting, one vote per certificate of stock in accordance with corporate law in the state of Utah upon any question, or enjoying any benefits as a stockholder and member heretofore provided.

4. Properties: Shall mean and refer to all real property which becomes subject to the articles and bylaws together with such real property as may hereafter be annexed thereto under the provisions herein, including but not limited to water rights of the water shares in OLD MEADOWS RANCHOS COMMUNITY AND WATER COMPANY, INC.

5. Board of Directors or the "Board": shall mean and refer to the Board of Directors of the Corporation.

ARTICLE 3 - MEETINGS WITH VOTING

1. Annual Meeting: The first annual meeting of the Members was held during the month of January 2018, at the date and time set by the Board. The annual and semi-annual meetings shall take place around April and October respectively each year. Meetings may be moved or suspended in specific extenuating circumstances like in the case of the COVID-19 quarantine. The purpose of the annual meeting shall be the election of the directors and transaction of such business as may come before the membership. If the election of the directors is not filled on the day of the annual meeting, the Board shall cause such election to be held at a special meeting of the members as soon thereafter as is convenient. A second semi-annual meeting will be held within six (6) months.

2. Special/Emergency Meetings: A special/emergency meeting of the members for any purpose or purposes may be called by the President, by the Board, or upon written request of members holding one-third (1/3) of all votes.

3. Place of Meeting: The Board of Directors may designate any place within Iron County, Utah and that is within 30 miles of the system as the place for any annual meeting or for any special meeting called by the Board.

4. Notice of Meetings: Written, verbal or printed notice stating the place, day and hour of the meeting and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be given to all members at least five (5) days prior to the meeting date. Such notice shall be deemed to have been properly furnished if mailed, postage paid, within the time period to the person who appears as a member, at the latest address for such person appearing in the records of the Corporation at the time of mailing.

5. Quorum: Except as otherwise provided by the laws of the State of Utah, one third (1/3) of the shareholders in good standing entitled to vote, represented in person or by proxy, shall constitute a quorum at the meeting of the members, either annual or special. If the quorum is present, the affirmative vote of the majority of the shares represented at the meeting and entitled to vote on the subject matter shall be the act of the members, unless the vote of a greater number is required by the corporation statutes of Utah.

6. Proxies: At any meeting of the members, a member may vote by proxy executed in writing by the member or by his duly authorized attorney-in-fact. All proxies shall be notarized and filed with the Secretary of the Corporation or a member of the Board not sooner than five (5) days before or at the time of the meeting and must reference the scope of the proxy and the meeting for which it is given. No proxy shall be valid after the meeting for which it has been filed.

7. Necessary Vote: Except as to the election of Directors and except with respect to those proposals which under the Articles or Bylaws that require a greater portion for adoption, the affirmative vote of a majority of all those members present in person and those which are represented by proxy which are entitled to cast a vote at a meeting shall be sufficient for the adoption of any matter voted on by the members.

ARTICLE 4 - BOARD MEMBERS

1. Number, Tenure and Qualifications: Except for the initial Board of Directors appointed by the Articles of Incorporation, the affairs of the Corporation shall be managed by the Board of Directors composed of five (5) individuals, but which may be as few as three (3). The Directors shall be classified with respect to the time for which they shall severally hold office. At each election, the successor(s) to the office of Director whose term shall expire in that year shall be elected to hold office for a term of two (2) years unless being elected out of sequence (see bottom of section). Any change in the number of

Directors may be made only by amendment of the Articles of Incorporation as required by law. Each Director shall hold office until his/her term expires and until his/her successor (to include themselves if the vote necessitates) has been duly elected and qualified. A Director at large was added to the Board so at that no time a vacancy on the Board could cause a tie.

The board members will be elected on a staggered 2 year cycle which will start in April 2024 where two positions (Position "A" and "B") will be elected for. Every even year, positions "A" and "B" will be elected and every odd year, positions "C","D" and "E" will be elected. If a Director is elected out of sequence of the normal election, they will serve until their position is next required to be elected by the sequence listed in this section.

If elected out of sequence then the elected candidate with the lowest vote will hold the shortest term available. The letter codes of positions do not constitute a specific committee position, these are decided as per Article 4, section 5.

2. Compensation: The Board may provide by resolution that the Directors shall be paid their expenses, if any, by attendance at each meeting of the Board. Directors shall not be paid any salary or other compensation for their services as Directors and shall not receive directly or indirectly any other profit or pecuniary advantage by virtue of their status as Directors.

3. Action Taken Without a Meeting: The Directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the Directors. Any action so taken shall have the same effect as though taken at a meeting of the Directors.

4. Vacancy in Board: In case of death, resignation, or for any other reason, the office of Director shall become vacant, such vacancy for the remainder of the term so vacated shall be filled by the remaining Directors or Director at Large.

5. Officers to be Chosen: At each annual meeting of directors, the Directors shall choose from among themselves in a board meeting, a President, a Vice-President, a Secretary, and a Treasurer, who shall serve for a period of two years or until their successor or successors have been chosen and have qualified.

ARTICLE 5 - BOARD OF DIRECTORS

1. Powers: The Board of Directors shall have the power to:

(a) adopt and publish rules and regulations governing the use of the Water Company and other properties owned by the Corporation, establish penalties for the infractions thereof; and

(b) suspend the voting rights of a member during a period in which such member shall be in default under the Articles or Bylaws of the Corporation. Such rights may also be suspended after notice and hearing for a period not to exceed sixty (60) days for infraction of published rules and regulations; and

(c) exercise for the Corporation the powers, duties and authority vested in or delegated to the Corporation and not reserved to the membership by any other provision of these Bylaws, the Articles of Incorporation; and

(d) declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from two (2) consecutive regular meetings of the Board of Directors without just cause;

(e) employ a manager, an independent contractor, a water master, or such other employees as they deem necessary, and to prescribe their duties; and

(f) elect and appoint officers of the Corporation; and

(g) any action by the Board and the record thereof taken by the assented to in writing shall be as valid and effective in all respects as if passed by the Board in regular or special meeting.

2. Duties: It shall be the duty of the Board of Directors to:

(a) cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the members, or at a special meeting when such statement is requested in writing by one-fourth (1/4) of the members who are entitled to vote; and

(b) supervise all officers, agents and employees of the Corporation, and to see that their duties are properly performed; and

(c) procure and maintain adequate liability, hazard and other insurance on property owned by the Corporation as required by the insurance provisions of any Trust Deed, Uniform Real Estate Contract, Mortgage or as may be required by the parties hereto and depending of revenues; and

(d) cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate; and

(e) the Board of Directors, through its duly authorized agents and employees shall be in exclusive and full control over the entire water system.

ARTICLE 6 - ELECTIONS

1. **Nomination:** Nomination for election to the Board of Directors shall be made from the floor at the annual meeting, and may also be made by a Nominating Committee if such committee is approved and organized by the Board of Directors. The nominating committee shall consist of a chairman who shall be a member of the Board of Directors and two (2) other members of the Corporation. The nominating Committee shall be appointed prior to each annual meeting of the members to serve from the close of such annual meeting until the close of the next annual meeting. Such appointments shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for the election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations shall be from among the members. Two months prior to the annual elections notices will be mailed to all members requesting nominees for election and willingness to serve.
2. **Election:** Elections to the Board of Directors shall be made by secret ballot. At such elections, the members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Articles.

ARTICLE 7 - MEETINGS WITHOUT VOTING

1. **Regular Meetings:** A regular meeting of the Board of Directors shall be held without notice other than this section immediately after, and at the same place as, the annual meeting of the members. The Board of Directors may provide by resolution the time and place within Iron County, Utah for the holding of additional meetings without notice other than such resolution.
2. **Special/Emergency Meetings:** Special/Emergency meetings of the Board of Directors may be called by or at the request of the President or any two (2) Directors. The person or persons calling a special meeting of the Board, may fix any place within Iron County, Utah as the place for holding such meeting.
3. **Notice:** Written, printed or verbal notice stating the place, day and hour of any special meeting of the Board shall be given to all Directors at least three (3) days prior to the meeting date. *(electronic notification)* Such notice shall be deemed to have been properly furnished if mailed, postage paid or telephoned, at least three (3) business days before the meeting date to each Director at his/her address. Attendance of a Director at any meeting shall constitute a waiver of notice of such meeting

unless the director attends for the purpose of objecting to the transaction of any business because the meeting was not properly called or convened. Neither the business to be transacted at nor the purpose of any meeting need be specified in the notice thereof.

4. Quorum: A majority of the Directors then in office shall constitute a quorum for the transaction of business at any meeting of the Board. The act of a majority of the Directors at a meeting at which a quorum is present shall constitute the act of the Board of Directors unless the act of a greater number is required by law.

5. Vacancies: Any vacancy on the Board may be filled by the affirmative vote of a majority of the remaining Directors, even though such remaining Directors constitute less than a quorum. A Director thus selected to fill a vacancy shall serve for the unexpired term of his predecessor in the office.

ARTICLE 8 - BOARD MEMBERS DETAIL

1. Number and Qualifications: The officers of the Corporation shall be a President, a Vice-President, a Secretary and a Treasurer. Any two (2) or more offices, other than the office of the President and Secretary, may be held by the same person. Officers need to be members of the Corporation in good standing.

2. Tenure: The officers of the Corporation shall be elected by the Board of Directors biannually at the first meeting of the Board held after the Annual Meeting of the members. If election of the officers does not occur at said meeting, it shall be held as soon thereafter as is convenient. Each officer shall hold the office until his/her successor (including themselves if the vote necessitates) has been duly elected and qualifies or until he/she is removed. Any officer may be removed whenever in its judgment the best interests of the Corporation would be served thereby.

3. Vacancies: A vacancy in the office resulting from death, resignation, removal or any other cause shall be filled by the Board of Directors for the unexpired portion of the term of the person previously in office.

ARTICLE 9 - WATERMASTER

1. Appointment: If deemed necessary by the Board, they may appoint a Watermaster. The Watermaster shall serve at the pleasure of the Board, at will and for no guaranteed term, except as the

Board may approve in writing. The Watermaster may be removed at any time with or without cause. The duties of the Watermaster shall be to make repairs to the water system, or, when specifically authorized and directed to do so by the President or Board, to cause the same to be done by third persons. The Board shall retain the power to both hire and discharge any employee(s) working under the direction or at the request of the Watermaster. The Watermaster shall report activities of their position, condition of the water system, and make recommendations to the President or Board as required by the Board from time to time, and shall perform other such duties as requested by the President or Board.

- (a) Compensation may be paid for this position as determined by the Board. The Board may also appoint a Watermaster to serve without pay.
- (b) Inspection: The company or its authorized representative will have the right to inspect the water systems and take valid routine or grab samples as required, with access to all properties on our system, and/or within any dwellings or other structures containing inside plumbing, to determine the condition of the same to prevent waste of water through leaking faucets, taps, sprinkling system, and freeze lines, with just cause and/or owner's permission.

ARTICLE 10 - WATER USE, FEES, AND DEVICES

1. Water Use: All water being furnished shall be used in reasonable quantities, not exceeding those amounts set forth each calendar year. Water shall not be permitted to become wasted or used when not reasonably needed in accordance with the laws of Utah.

- (a) 1a. The amount furnished shall be in accordance with all current water rights owned by Old Meadows Ranchos Community and Water Company, an Incorporated Non Profit company in the county of Iron County, as per the quantity allowed by the Division of Water Rights in Iron County.
- (b) 1b. Currently, this allotment is deemed to be 0.77ACFT per ACRE of owned land within the subdivision.
- (c) 1c. The value of ACFT per ACRE in Article 10, Section 1b is allowed to be updated if there is any change to our water right allotment or amount of water as dictated by the Utah Division of Water Rights without the need of a company vote.

2. Termination of Eligibility: The holder of each certificate of stock issued shall have rights only as long as the title to the lot remains in his/her name. All water shares shall remain with the real property and shall not be conveyed separately.

3. Monthly Fees: The Board may establish monthly fees as deemed necessary for the continuation of the Corporation and the repairs and obligations of the system as determined from time to time.

Those fees are to be published and available to the members upon request and at the expense of the member requesting the information.

4. Hook Up Connections: Each lot owner shall have the right to hook up to the Corporation's system provided they own a share of stock in the Corporation and have paid all impact and hookup fees as assessed by the Corporation. The Corporation shall only be responsible to install the connection line to the property line of each lot (hereafter connection point) under the supervision of the Watermaster. The installation and maintenance of the line from the connection point at the property line of each lot to the point of use shall be the responsibility of the lot owner.

(a) Hook-up Charge for Connections: The Board of Directors shall determine what shall be a hook-up charge or charge for the privilege of tapping into the main line, and which charge must be paid before the hook-up privilege is extended to a lot owner.

5. Period of Use: Water will be furnished by the Corporation throughout the year. However, the Corporation will not be liable for the failure of the system due to weather, acts of God and other uncontrollable events.

6. Water Measure Devices: When directed by the Board, any lot owner may be subject to monitoring and measurement for water use. The member is expected to cooperate fully in the monitoring procedures. For each lot, such lot owner or owners may be required, after reasonable notice to do so, to install a meter to measure the inflow of water thereon; such meter to be installed at the expense of the lot owner and of a make and kind approved by the State of Utah.

ARTICLE 11 – AMENDMENTS

1. Amendment of Bylaws: These Bylaws may be amended at any regular or a special meeting of the Board of Directors by a vote of the majority of the shareholders of record.

2. Conflict of Authority: In the case of any conflict between the Articles and these Bylaws shall be appropriately amended to conform one with another as permitted by the Articles, Bylaws and the laws of the State of Utah.

ARTICLE 12 – MISCELLANEOUS

1. Fiscal Year: The fiscal year of the Corporation shall be January 1st to December 31st.
2. Depository: Until the Board of Directors may amend these Bylaws in such respect, the depository and bank in which the accounts and monies of this Corporation shall be the State Bank of Southern Utah, Cedar City Branch.
3. Execution of Documents: All deeds, contracts, mortgages, notices or other documents to be executed by the Corporation shall be signed by the President, or in their absence or inability to act, by the Vice-President, and countersigned by the Secretary.
4. Legal Action and Provisions:
 - A. If any party institutes any legal suit, action, or proceeding arising from or relating to enforcement of any provision of this Agreement, or any document within the Company that has been established as declaration of Company Rules, Articles of Incorporation, By-Laws, etc, the prevailing party shall be entitled, in addition to all other remedies to which the prevailing party may be entitled, to recover the costs and expenses incurred by the prevailing party in conducting or defending the suit, action, or proceeding, including such party's reasonable attorneys' fees and expenses, to the maximum extent permitted by law as determined by the court, or in accordance with standard court guidelines.
 - B. If a party to this Agreement brings any action, including an action for declaratory relief or arbitration, to enforce or interpret any term of this Agreement, the prevailing party will be entitled to reasonable attorneys' fees in addition to any other relief to which that party may be entitled.
5. Property Belonging to the Corporation:
 - A. Wellhouse property (existing at 5215 N 2300 W, Cedar City, UT 84721) is only to be accessed by authorized personnel as directed by the Board of Directors to ensure the safety of the water system and water service. These individuals include any repair personnel or professionals deemed necessary to ensure the continued water service. Any unauthorized access will be considered trespassing.
 - B. Any supplies or assets purchased for the Company and assigned to an individual shall be owned and maintained by the Company and shall not pass to individual ownership, i.e. printers, generators, tools, etc.

ARTICLE 13 – ASSESSMENTS

1. Assessments to be Levied: Whenever in the opinion of the Board of Directors an assessment is necessary and in the best interest of the Corporation and its members, the Board is authorized to levy and collect an assessment upon all of the members of this Corporation, on an equal basis per lot owned, for the purposes more particularly set forth in the Articles of Incorporation. Assessment charges shall be included in the normal billing of the next appropriate cycle.
2. Manner of Levying Assessments and Collections Thereof: Unless otherwise provided in the Articles of Incorporation, or these Bylaws, or Bylaws to be hereafter enacted and/or amended, all assessments and the collection thereof shall be as prescribed by this Corporation Code of Utah pertaining to assessments.
3. Membership in this Corporation: With all the rights and benefits accruing therefrom, shall in addition to any and all statutory penalties for non-payment of assessments, be suspended immediately when payment of an assessment becomes delinquent, and shall not be reinstated until such payment is made, or satisfactory arrangement for payment made with the Board of Directors.

ARTICLE 14 - ROAD MAINTENANCE

1. Committee: There shall be a Road Committee of no less than three individuals, as elected by the Board, consisting of members of the Corporation; these individuals do not need to have been elected as Alternates at the most recent Annual Meeting, but the Alternates which were elected may opt to serve as members on the Road Committee; this does not preclude their duties as Alternates or remove them from their elected Alternate positions.
2. Financial Requests and Responsibilities: All road projects must be detailed and presented to the Board with a request for funding, and all receipts and expenditures must be recorded with the elected Treasurer / Financial Officer. For each project there shall be a discussion and vote amongst the elected Board before funds are dispersed.
3. Source of Funding: All monies requested by the Road Committee for projects with regards to the road maintenance and improvements shall be distributed from the bank account belonging to Old Meadows Ranchos Community and Water Company into which the funds from Infowest (and subsequent owners of Infowest) are deposited, and from no other source or resource belonging to Old Meadows Ranchos Community and Water Company or its members.

4. Road Assessment Fees: Fees collected from Road Assessments, as designated by the Board, shall be deposited into the bank account listed above, with access given to the Road Committee to draw funds from for projects, maintenance, and improvements, following proper procedure for Financial Requests.

ARTICLE 15 - CROSS CONNECT CONTROL POLICY

A policy related to “cross connection control and backflow-prevention control” for the Old Meadows Ranchos Community and Water Company Water System (hereto referred to as the “Water System”).

In addition to this policy the Water system has an ordinance (Control of Backflow and cross connection) adopted from the Division of Drinking water. This ordinance outlines responsibilities, requirements and violations required for a valid Cross Connection Control program. Any changes to this ordinance will require a shareholder vote.

PART I: CROSS CONNECTION CONTROL AND BACKFLOW PREVENTION

(I) It shall be against Water System policy, at any connection supplied with water from the Water System distribution system, to do any of the following:

(a) To install or use any physical connection or arrangement of piping or fixtures, which may allow any fluid or substances unsuitable for human consumption to enter the potable water distribution system, as required by Section 608.1 through 608.5 of the International Plumbing Code.

(b) To install any connection, arrangement, or fixtures without a Backflow Prevention Device or approved Assembly unless arranged otherwise by the Board Member over Water.

(c) To incorrectly install any Backflow Prevention Device or Assembly required by Section 608.6 and 608.1 of the International Plumbing Code as adopted by the state of Utah.

(2) Any person found in violation of this policy shall be subject to reprimand or other appropriate disciplinary action as determined by the Board Members.

(3) Administration of this policy shall be referenced by “Cross Connection Control Program of Utah, April 2016”. A copy of the manual shall be available at the office of the Water System.

<https://documents.deq.utah.gov/drinking-water/field-services/DDW-2017-010179.pdf>

(4) Any water connection found to present a potential danger to the water system due to an unprotected cross connection, or because of an assembly that has not been tested by a certified backflow tester as required by code, shall be subject to immediate termination.

(5) Backflow prevention assemblies required by the policy will be required to be tested at least annually. The Board Member over the water system shall prepare and maintain a Backflow Assembly Information sheet on all such devices and Test results shall be maintained for a period of no less than five (5) years.

PART II:

This policy shall take effect on (date/year) _____.

A copy of the policy shall be placed in the office in the Water Board water system binder and will be reviewed for all new construction projects on a case by case basis.

SIGNATURES

IN WITNESS HEREOF and for the purposes of ratification of prior acts of the necessary Board and Committees, we being the present members of the Board of Directors, adopt and approve the foregoing as the official Bylaws of the OLD MEADOWS RANCHOS COMMUNITY AND WATER COMPANY to stand as written until further modification by official action as set forth herein.

President

Vice President

Treasurer

Secretary