

Amended Restrictive Covenants Page 1 of 41  
Russell Shirts Washington County Recorder  
09/15/2017 03:43:10 PM Fee \$90.00 By  
DURHAM, JONES & PINEGAR - ST. GEORGE

AMENDED AND RESTATED  
DECLARATION OF PROTECTIVE COVENANTS OF  
HOMESPUN VILLAGE

THIS AMENDED AND RESTATED DECLARATION OF PROTECTIVE COVENANTS OF HOMESPUN VILLAGE (the "**Declaration**") is made and executed this 7<sup>th</sup> day of September, 2017, by the property owners of the Homespun Village. This Amendment and Restatements amends and restates, in its entirety, the Declaration of Protective Covenants of Homespun Village recorded February 3, 1997, as Entry No. 556339, in Book 1072, at Pages 864 et seq. which affects the property described in Exhibit A attached hereto (the "**Property**").

DECLARATION

All of the Property shall be held, sold, conveyed and occupied subject to the following covenants, conditions, restrictions, easements, assessments, charges and liens, and to the Plat for Homespun Village Amended on file with the Washington County recorder, and any amendment thereto. This Declaration and the Plat shall be construed as covenants of equitable servitude; shall run with the Property and be binding on all parties having any right, title, or interest in the Property or any part thereof, their heirs, successors and assigns; and shall inure to the benefit of each owner thereof.

1. Definitions and Concepts. The following definitions and concepts shall control in this Declaration. Any terms used in this Declaration that are not defined shall have their plain and ordinary meaning.

1.1. "**Articles**" means and refers to the Articles of Incorporation of Homespun Village Water Company (the "**Water Company**"). The purpose of the Articles is to establish the Water Company as a non-profit corporation under Utah law.

1.2. "**Bylaws**" means and refers to the Bylaws of Homespun Village Water Company. The purpose of the Bylaws is to govern the Water Company's internal affairs, such as (for purposes of example but not limitation) voting, elections, and meetings. A copy of the Bylaws is attached hereto as Exhibit "B".

1.3. "**Directors**", "**Board of Directors**", or "**Board**" means the governing body of the Water Company. When any action is contemplated or taken by the Water Company, it shall be done through the Water Company Board of Directors.

1.4. "**Governing Documents**" means, collectively, this Declaration, the Articles, the Bylaws, the Plat, and any amendments or supplements thereto, and

include any rules, regulations, and resolutions established pursuant to the authority of the Declaration, Articles, or Bylaws.

1.5. **"Lot"** means a separately described parcel of real property as shown on the Plat for Homespun Village Amended and any replacements, restatements, or amendments thereto.

1.6. **"Member"** means and is synonymous with the terms **"Owner"** and is used herein and in the Bylaws and Articles as a means to identify the Owners as Members of the Water Company.

1.7. **"Owner"** means the entity, person, or group of persons owning fee simple title to any Lot which is within the Property. Regardless of the number of parties participating in ownership of each Lot, the group of those parties shall be treated as one "Owner." The term "Owner" includes contract purchasers but does not include persons who hold an interest merely as security for the performance of an obligation unless and until title is acquired by foreclosure or similar proceedings. Membership is appurtenant to and may not be separated from Lot ownership.

1.8. **"Plat"** means the subdivision Plat for Homespun Village Amended, and any amendments or replacements thereof, or additions thereto. No person shall further subdivide any lot other than as shown on the recorded Plat.

1.9. **"Property"** means that certain real property hereinbefore described, and such annexations and additions thereto as may hereafter be subjected to this Declaration, and, where the context requires, includes any improvements thereon.

1.10 **"Water Company"** means the Homespun Village Water Company, which is the provider of water service for the Property.

2. **Duration.** The covenants, conditions, restrictions, and easements of this Declaration shall run with and bind the Property, and shall inure to the benefit of and be enforceable by the Association, or the owner of any lot subject to this Declaration, their respective legal representatives, heirs, successors, and assigns for a term of 20 years from the date this Declaration is recorded, after which time said covenants shall be automatically extended for successive periods of 10 years

3. **Water Service.** The Property receives water service from the Homespun Village Water Company (the **"Water Company"**) through issuance of shares of stock. Shares of stock cannot be separated from a lot in Homespun Village to which such stock is appurtenant and shall not be transferrable for use on any lot other than the lot to which

it is appurtenant, without the express written approval of the Board of Directors of the Water Company, which approval shall be within the sole discretion of its Board of Directors. The Water Company will maintain books containing the names of its Members and a record of the Member's shares, which books shall be the Water Company's official record. Because Washington County, Utah, does not notify the Water Company of changes in property ownership, it is the responsibility of a new property owner to inform the Water Company of any change in ownership so the Water Company's records can be kept current. If a lot within Homespun Village is conveyed to a new owner and the seller refuses to transfer the water share to the new owner, the Water Company may, at the election of its Board of Directors, cancel the selling owners share and issue the share to the new owner. Until such time as the Water Company is properly notified of a change in ownership, a transfer of membership shares on the books of the Water Company shall be made only on the request of the owner of record of the lot serviced, or the owner's legal representative, who shall furnish proper evidence of authority to transfer such shares and pay all assessments, charges and fees to bring the account current. The internal affairs of the Water Company are governed by Bylaws. A copy of the Water Company's Amended and Restated Bylaws are attached hereto as Exhibit B.

4. Withdrawal of Lot from Homespun Village Subdivision. In the event the owner of a lot in the Homespun Village subdivision withdraws their lot from the subdivision, the withdrawing party will lose all rights to use of water, and forfeit all rights to membership in the Water Company, and the water share associated with that lot will be deemed surrendered to the Water Company.

5. Water Source Protection Zone. The Utah Department of Environmental Quality, the Division of Drinking Water, has adopted certain regulations and restrictions to protect and enhance the quality and purity of culinary water sources which regulations have been incorporated into a water source protection zone affecting lots 5, 15, 16, 17, 24 and 25 of Homespun Village Subdivision as shown on the subdivision plat. Owners of those lots are restricted from using their property located within the water source protection zone for any purpose whatever that creates a concentrated source of pollution, including, without limitation, the keeping of horses, cattle, sheep, swine, fowl, and any other livestock; and the corrals, pens, barns, and other outbuildings necessary for the keeping of either recreational, commercial, agricultural, or family food production, and the dumping, storing, disposing, of any toxic materials within the water source protection zone described on the subdivision plat. The owners of the specified lots within the water source protection zone are further restricted from the use or installation of any septic tank, drain field, garbage dump, pit privies, drain lines, leach lines, sewer lines, latrines, or slit trenches, in any way, at any time within the water source protection zone described on the subdivision plat. The owners of the affected lots are further required prior to the

issuance of any building permit of any kind for any use and prior to the construction of any structure, sewer, or water system within the water source protection zone described on the subdivision plat, to submit all plans and specifications for the construction, including the construction of any sewer or water systems to the Board of Directors for its review and approval. The owners of the subject lots must receive written certification from the Board that all applicable health requirements and regulations and construction specifications have been satisfied and the proposed construction will not create a concentrated source of pollution or damage the natural watershed, or otherwise pollute the culinary water well located on lot 5.

6. Waste Water Leach System. All lots shall be limited to the use of subsurface leach fields. When leach fields have been installed, an owner is required to provide landscape in a manner which will supplement natural vegetation. No fencing or structures are permitted in these areas. No leach fields are to be constructed in areas designated as a water source protection zone.

7. No Water Drilling by Owners. In order to preserve the integrity of the Water Company water and water system, and to protect the Water Company's water rights from impairment or intrusion, no water drilling or water development operations of any kind shall be permitted upon or in any Lot, part or portion of the Property, nor shall any water well, tank, or shaft be permitted upon or in any such Lot or portion of the Property.

8. Easements.

a. Owner Easements. All lot owners shall furnish their own easements for installation, maintenance and service of utilities. Drainage facilities and ingress and egress are reserved as shown on the recorded Plat. Within the recorded easements no structure of planting shall damage or interfere with the installation and maintenance of channels in the easements which may impede ingress or egress. The easement area of each lot and all improvements in it shall be maintained continuously by the owner of the lot, except for those improvements for which a public authority or utility company is responsible.

b. Maintenance by Water Company. An easement is hereby granted to the Water Company, its officers, agents, employees and to any maintenance company selected by the Water Company to enter in or to access easements on the Property and any lot, to read and perform maintenance on water meters and perform the duties of maintenance and repair of the water system and facilities.

c. Easements of Record. The easements provided for in this Article shall in no way affect any other recorded easement.

9. Amendment. This Declaration may be amended, modified, extended, or revoked, in whole or in part, by the owners of 67% of all of the lots in Homespun Village Subdivision. Unless a later effective date is specified in the amendment, any amendment shall be immediately effective upon recording in the office of the Washington County

10. Enforcement. The provisions contained in this Declaration shall bind and inure to the benefit of and be enforceable by the owner of any portion of the Property, their legal representatives, heirs, successors, and assigns, and failure to enforce any of said restrictions, covenants, or reservations shall in no event be deemed a waiver of the right to do so thereafter. In the event of contamination of the Well Protection Zone, the Water Company has the right to enforce the terms of this Declaration and the other Governing Documents. The prevailing party in any action to enforce this Declaration or other Governing Documents shall be entitled to an award of reasonable attorney fees and costs incurred in such action.

11. Rules and Regulations for Water Company. The Board of Directors of the Water Company has the power to adopt and establish by resolution such rules and regulations as it may deem necessary for the maintenance, operation, management and control of the property, equipment, facilities, and utility systems of the Water Company. The Board of Directors may alter from time to time such rules and regulations. The Members shall at all times obey such regulations and use their best efforts to see that they are faithfully observed by the persons with whom they reside, their family, guests, tenants, invitees and others over whom they may exercise control or supervision.

*[consents and signature pages follow]*

CONSENT

The undersigned, as the owner(s) of Lot 2, Homespun Village subdivision, hereby consent to the following actions without a meeting:

1. Amendment and Restatement of the Articles of Incorporation of the Water Company;
2. Amendment and Restatement of the Bylaws of the Water Company;
3. The recording of the foregoing Amended and Restated Declaration of Protective Covenants of Homespun Village.

Dated this 8 day of September, 2017

  
Sharon L. Drake

STATE OF UTAH )  
 ) ss.  
COUNTY OF WASHINGTON )

The foregoing instrument was acknowledged before me this 8 day of September, 2017, by Sharon L. Drake.

  
NOTARY PUBLIC



CONSENT

The undersigned, as the owner(s) of Lot 3, Homespun Village subdivision, hereby consent to the following actions without a meeting:

1. Amendment and Restatement of the Articles of Incorporation of the Water Company;
2. Amendment and Restatement of the Bylaws of the Water Company;
3. The recording of the foregoing Amended and Restated Declaration of Protective Covenants of Homespun Village.

Dated this 7 day of September, 2017.

The Barton and Georgia Tanner Revocable Trust, dated October 14, 2013.

By: Barton Wayne Tanner  
Barton Wayne Tanner, Trustee

By: Georgia Ann Tanner  
Georgia Ann Tanner, Trustee

STATE OF UTAH )  
) ss.  
COUNTY OF WASHINGTON )

The foregoing instrument was acknowledged before me this 7 day of September, 2017, by Barton Wayne Tanner and Georgia Ann Tanner, as Trustees of the Barton and Georgia Tanner Revocable Trust, dated October 14, 2013..

Deborah Caleyory  
NOTARY PUBLIC







CONSENT

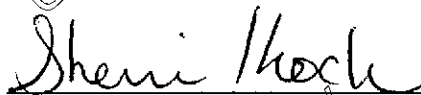
The undersigned, as the owner(s) of Lot 5, Homespun Village subdivision, hereby consent to the following actions without a meeting:

1. Amendment and Restatement of the Articles of Incorporation of the Water Company;
2. Amendment and Restatement of the Bylaws of the Water Company;
3. The recording of the foregoing Amended and Restated Declaration of Protective Covenants of Homespun Village.

Dated this 9 day of September, 2017



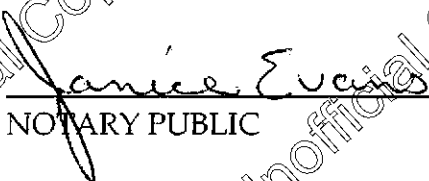
Shaun Koch



Sherri Koch

STATE OF UTAH )  
) ss.  
COUNTY OF WASHINGTON )

The foregoing instrument was acknowledged before me this 9 day of September, 2017, by Shaun Koch and Sherri Koch.

  
NOTARY PUBLIC



CONSENT

The undersigned, as the owner(s) of Lot 6, Homespun Village subdivision, hereby consent to the following actions without a meeting:

1. Amendment and Restatement of the Articles of Incorporation of the Water Company;
2. Amendment and Restatement of the Bylaws of the Water Company;
3. The recording of the foregoing Amended and Restated Declaration of Protective Covenants of Homespun Village.

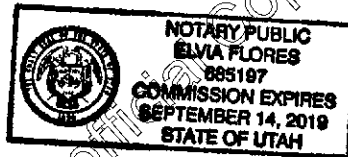
Dated this 7 day of September, 2017

Joye Gulbransen  
Joye Gulbransen

STATE OF UTAH )  
) ss.  
COUNTY OF WASHINGTON )

The foregoing instrument was acknowledged before me this 7 day of September, 2017, by Joye Gulbransen.

Elvia Flores  
NOTARY PUBLIC



CONSENT

The undersigned, as the owner(s) of Lots 8 and 10, Homespun Village subdivision, hereby consent to the following actions without a meeting:

1. Amendment and Restatement of the Articles of Incorporation of the Water Company;
2. Amendment and Restatement of the Bylaws of the Water Company;
3. The recording of the foregoing Amended and Restated Declaration of Protective Covenants of Homespun Village.

Dated this 8 day of September, 2017.

**The Gail M. Winegar Living Trust dated September 27, 2007**

**The Dee A. Winegar Living Trust dated September 27, 2007**

By: [Signature] Trustee  
Dee A. Winegar, Trustee

By: [Signature] Trustee  
Gail M. Winegar, Trustee

STATE OF UTAH )  
) ss.  
COUNTY OF WASHINGTON )

The foregoing instrument was acknowledged before me this 8<sup>th</sup> day of September, 2017, by Dee A. Winegar and Gail M. Winegar, as Trustees of (1) The Gail M. Winegar Living Trust dated September 27, 2007, and (2) The Dee A. Winegar Living Trust dated September 27, 2007.

[Signature]  
NOTARY PUBLIC



CONSENT

The undersigned, as the owner(s) of Lot 9, Homespun Village subdivision, hereby consent to the following actions without a meeting:

1. Amendment and Restatement of the Articles of Incorporation of the Water Company;
2. Amendment and Restatement of the Bylaws of the Water Company;
3. The recording of the foregoing Amended and Restated Declaration of Protective Covenants of Homespun Village.

Dated this 29 day of AUGUST, 2017

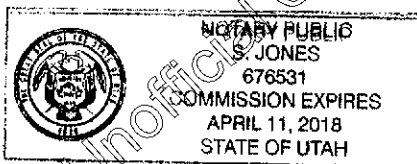
*Eric Wankier*

Eric Wankier

*Roberta Wankier*

Roberta Wankier

STATE OF UTAH )  
) SS.  
COUNTY OF WASHINGTON )



The foregoing instrument was acknowledged before me this 29 day of AUGUST, 2017, by Eric Wankier and Roberta Wankier.

*[Signature]*  
NOTARY PUBLIC

CONSENT

The undersigned, as the owner(s) of Lots 13 and 14, Homespun Village subdivision, hereby consent to the following actions without a meeting:

1. Amendment and Restatement of the Articles of Incorporation of the Water Company;
2. Amendment and Restatement of the Bylaws of the Water Company;
3. The recording of the foregoing Amended and Restated Declaration of Protective Covenants of Homespun Village.

Dated this 7 day of September, 2017.

**The Elvin and Ellen Hensley Family Trust, under agreement dated May 1, 2007**

By: Elvin Wayne Hensley, Trustee By: Ellen Reeves Hensley, Trustee  
 Elvin Wayne Hensley, Trustee Ellen Reeves Hensley, Trustee

STATE OF UTAH )  
 ) ss.  
 COUNTY OF WASHINGTON )

The foregoing instrument was acknowledged before me this 7 day of September, 2017, by Elvin Wayne Hensley and Ellen Reeves Hensley, as Trustees of The Elvin and Ellen Hensley Family Trust, under agreement dated May 1, 2007.

Deborah Category  
 NOTARY PUBLIC



CONSENT

The undersigned, as the owner(s) of Lot 15, Homespun Village subdivision, hereby consent to the following actions without a meeting:

1. Amendment and Restatement of the Articles of Incorporation of the Water Company;
2. Amendment and Restatement of the Bylaws of the Water Company;
3. The recording of the foregoing Amended and Restated Declaration of Protective Covenants of Homespun Village.

Dated this 7 day of September, 2017.

The A & E Winn Family Trust dated August 14, 1996

By: *Allen S. Winn*  
Allen S. Winn, Trustee

By: *Ellen S. Winn*  
Ellen S. Winn, Trustee

STATE OF UTAH )  
) ss.  
COUNTY OF WASHINGTON )

The foregoing instrument was acknowledged before me this 7 day of September, 2017, by Allen S. Winn and Ellen S. Winn, as Trustees of The A & E Winn Family Trust, dated August 14, 1996.

*Deborah Category*  
NOTARY PUBLIC



CONSENT

The undersigned, as the owner(s) of Lot 16, Homespun Village subdivision, hereby consent to the following actions without a meeting:

1. Amendment and Restatement of the Articles of Incorporation of the Water Company;
2. Amendment and Restatement of the Bylaws of the Water Company;
3. The recording of the foregoing Amended and Restated Declaration of Protective Covenants of Homespun Village.

Dated this 29 day of August, 2017

The John and Ilene Barrus Family Trust, dated May 4, 2016.

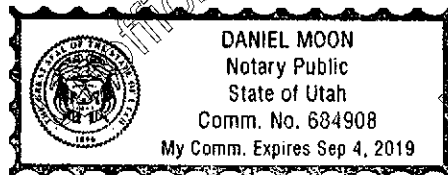
By: John R. Barrus  
John R. Barrus, Trustee

By: Ilene T. Barrus  
Ilene T. Barrus, Trustee

STATE OF UTAH )  
) ss.  
COUNTY OF WASHINGTON )

The foregoing instrument was acknowledged before me this 29 day of August, 2017, by John R. Barrus and Ilene T. Barrus, as Trustees of The John and Ilene Barrus Family Trust dated May 4, 2016.

[Signature]  
NOTARY PUBLIC



CONSENT

The undersigned, as the owner(s) of Lot 17, Homespun Village subdivision, hereby consent to the following actions without a meeting:

1. Amendment and Restatement of the Articles of Incorporation of the Water Company;
2. Amendment and Restatement of the Bylaws of the Water Company;
3. The recording of the foregoing Amended and Restated Declaration of Protective Covenants of Homespun Village.

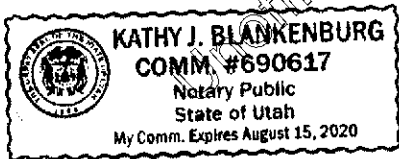
Dated this 5 day of Sept., 2017.

Mary G Wood  
Mary G. Wood

STATE OF UTAH )  
) ss.  
COUNTY OF WASHINGTON )

The foregoing instrument was acknowledged before me this 5th day of September, 2017, by Mary G. Wood.

Kathy J. Blankenburg  
NOTARY PUBLIC



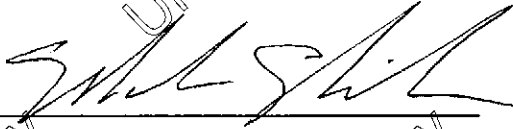


CONSENT

The undersigned, as the owner(s) of Lots 18 and 22, Homespun Village subdivision, hereby consent to the following actions without a meeting:

1. Amendment and Restatement of the Articles of Incorporation of the Water Company;
2. Amendment and Restatement of the Bylaws of the Water Company;
3. The recording of the foregoing Amended and Restated Declaration of Protective Covenants of Homespun Village.

Dated this 8 day of SEPTEMBER, 2017

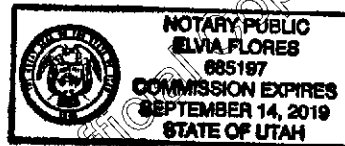


Mark Nielson

STATE OF UTAH )  
 ) ss.  
COUNTY OF WASHINGTON )

The foregoing instrument was acknowledged before me this 8 day of September, 2017, by Mark Nielson.

Elvia Flores  
NOTARY PUBLIC



CONSENT

The undersigned, as the owner(s) of Lot 19, Homespun Village subdivision, hereby consent to the following actions without a meeting:

1. Amendment and Restatement of the Articles of Incorporation of the Water Company;
2. Amendment and Restatement of the Bylaws of the Water Company;
3. The recording of the foregoing Amended and Restated Declaration of Protective Covenants of Homespun Village.

Dated this 7 day of September, 2017.

Nabor Lopez  
Nabor Lopez

Tina Marie Lopez  
Tina Marie Lopez

STATE OF UTAH )  
) ss.  
COUNTY OF WASHINGTON )

The foregoing instrument was acknowledged before me this 7 day of September, 2017, by Nabor Lopez and Tina Marie Lopez.

Deborah Caegory  
NOTARY PUBLIC







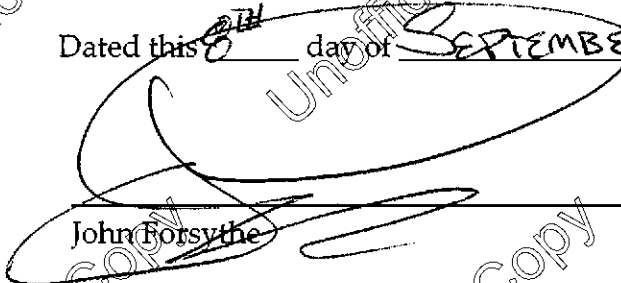


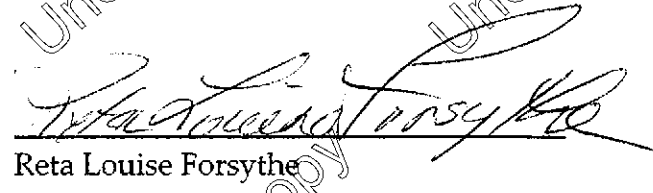
CONSENT

The undersigned, as the owner(s) of Lot 24, Homespun Village subdivision, hereby consent to the following actions without a meeting:

1. Amendment and Restatement of the Articles of Incorporation of the Water Company;
2. Amendment and Restatement of the Bylaws of the Water Company;
3. The recording of the foregoing Amended and Restated Declaration of Protective Covenants of Homespun Village.

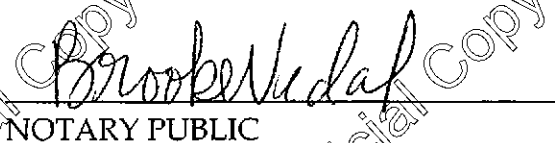
Dated this 8<sup>TH</sup> day of SEPTEMBER, 2017

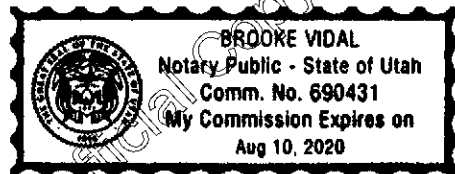
  
 \_\_\_\_\_  
 John Forsythe

  
 \_\_\_\_\_  
 Reta Louise Forsythe

STATE OF UTAH )  
 ) ss.  
 COUNTY OF WASHINGTON )

The foregoing instrument was acknowledged before me this 8<sup>TH</sup> day of SEPTEMBER, 2017, by John Forsythe and Reta Louise Forsythe.

  
 \_\_\_\_\_  
 NOTARY PUBLIC





**EXHIBIT A**

[Property – Legal Description]

All of Lots 2-25 of Homespun Village Amended, according to the official plat thereof on file in the Office of the Washington County Recorder, Utah.



**EXHIBIT B**

[Bylaws of Homespun Village Water Company]

**AMENDED AND RESTATED BYLAWS  
OF  
HOMESPUN VILLAGE WATER COMPANY**

**ARTICLE 1  
OFFICES AND REGISTERED AGENT**

1.1. Principal Office. The principal office of Homespun Village Water Company, hereinafter referred to as the "Water Company" shall be located in Washington County, Utah, at such place as the Board of Directors shall designate. The location of the principal office may be changed by resolution of the Board of Directors.

1.2. Registered Office and Agent. The registered office and agent of the Water Company, as required by the Utah Revised Nonprofit Corporation Act, Utah Code §§ 16-6a-101 et seq. (1953) as amended) (hereinafter the "Act"), may be changed from time to time as provided in the Act.

**ARTICLE 2  
DEFINITIONS**

Except as otherwise provided herein, the definitions set forth in the Amended and Restated Declaration of Protective Covenants of Homespun Village (the "*Declaration*"), and any applicable amendments and supplements thereto or restatements thereof shall control in these Bylaws.

**ARTICLE 3  
MEMBERSHIP AND VOTING RIGHTS**

3.1. Membership. Membership is appurtenant to and may not be separated from ownership of a lot within Homespun Village Subdivision. An owner of a lot within Homespun Village Subdivision is automatically a Member of the Water Company, and remains a Member until such time as the ownership of the lot ceases for any reason, at which time membership in the Water Company shall automatically cease. At the present time there is one water connection that is used outside of the Homespun Village subdivision which is subject to the Water Company Governing Documents. No other water connections will be allowed outside of the subdivision at any time. In the event

this outside water connection is disconnected from the water system due to a violation of the Governing Documents, or non-payment of assessment and other water charges, the outside connection is no longer eligible for reconnection to the water system.

3.2. Voting Rights. Each share of stock shall have voting rights equal with each other, and each share shall be entitled to one vote. If a lot is owned by more than one person or entity, as joint tenants, tenants by the entirety, or as tenants in common, or in partnership, the persons or entities owning such group shall reach agreement as to the matter voted upon and cast their vote for their lot. A vote cast by any of such co-owners, whether in person, by proxy, or by written consent, shall be conclusively presumed to be the vote attributable to the lot concerned unless written objection is made prior to the meeting or taking of a vote and verbal objection is made at said meeting by another co-owner of the same lot. In the event such an objection is made, the vote involved shall not be counted for any purpose whatsoever other than to determine whether a quorum exists.

3.3 Evidence of Membership. No person, persons, entity or entities shall exercise the rights of membership until satisfactory proof has been furnished to the Secretary of the Water Company of qualification as an owner of a lot in Homespun Village Subdivision pursuant to the terms of the Articles of Incorporation and these Bylaws. Such proof may consist of a copy of a duly executed and acknowledged warranty deed or title insurance policy showing said person, persons, entity or entities, or the person nominating him or her qualified in accordance therewith, in which event said deed or title insurance policy shall be deemed conclusive evidence in the absence of a conflicting claim based upon a later deed or title insurance policy.

3.4. Suspension of Membership. The rights of membership are subject to the payment of assessments and other charges levied by the Water Company. If a Member fails to make payment of any assessment or other charge levied by the Water Company within 30 days after the same becomes due and payable the voting rights of such Member may be suspended by the Board of Directors until such assessment or charge has been paid. Rights of a Member may also be suspended for violation of any of the use restrictions and for infraction of any rules and regulations established by the Board of Directors governing the use of the water and facilities, services, or equipment of the Water Company.

#### ARTICLE 4 SHARES OF STOCK

4.1. Membership Shares. Inasmuch as all water rights held by the Water Company are owned by the Water Company and not by individual shareholders, such

share does not represent an ownership right in any water or the right to a specific amount of water, but represents only a membership interest in the Water Company. The number of shares shall not be fixed, the aggregate number of shares which the Water Company has authority to issue is 25.

4.2. Issuance. The Water Company is authorized to issue shares of stock, in book entry form, evidencing the Member's ownership interest in the legal rights and facilities owned by the Water Company, and the right to use water pursuant to the water rights held in the name of the Water Company on behalf of its shareholders. Each share of stock shall entitle the holder to one connection to the Water Company water distribution system and the delivery of water of the Water Company subject to the provisions of these Bylaws, the Articles of Incorporation, or any rules and regulations adopted by the Board.

4.3. Quantity. The amount of water distributed per share shall be subject to annual adjustment by the Board during the course of any given year depending upon the available water supply.

4.4. Record of Stock. Stock, when issued, shall become an appurtenance to the lot upon which it is to be used. Each share of stock is freely transferable with the lot to which it is appurtenant, and must be transferred with the lot. Shares of stock shall not be separated from the lot to which such stock is appurtenant and shall not be transferrable for use on any lot other than the lot to which it is appurtenant without the express written approval of the Board of Directors of the Water Company, which approval shall be within the sole discretion of the Board. The ownership of a lot serviced by the Water Company shall be determined by the owner of record listed on the tax parcel identification number of the property as recorded in the records of Washington County, Utah. The owner of record shall be entitled to one share in the Water Company and the tax parcel number, together with the name of the owner, and the date of issuance, shall be entered on the records of the Water Company. Once there has been a change of ownership recorded in the County records, the new owner becomes the new shareholder without further action, and the former shareholder's interest is automatically terminated as of the date such property was transferred. However, before the new owner may vote as a Member or receive water service, all assessments, charges and fees must be paid to bring the account current. .

4.5. Transfer of Shares. The Water Company will maintain books containing the names of Members and a record of the Member's shares, which books shall be the Water Company official record of shareholders. Because Washington County, Utah, does not notify the Water Company of changes in land ownership, it is the responsibility of a

new lot owner to inform the Water Company of such change in ownership so the Water Company's records can be kept current. If a lot is sold and the selling party refuses to transfer the water share to the new owner, the Water Company may, at the election of the Board of Directors, cancel the seller's share and issue the share to the new owner. Until such time as the Water Company is properly notified of a change in ownership, a transfer of membership shares on the books of the Water Company shall be made only on the request of the owners of record of the lot serviced, or the owner's legal representative, who shall furnish proper evidence of authority to transfer such shares and pay all assessments, charges and fees to bring the account current.

4.6. Cancellation of Certificates. Any certificates previously issued by the Water Company are hereby cancelled. Proof of membership requires a qualified lot owner to present to the Water Company a valid tax parcel identification number in the name of the lot owner, recorded in the records of Washington County, Utah

#### ARTICLE 5 MAINTENANCE OF SYSTEM; DISTRIBUTION OF WATER

5.1. Maintenance. The Water Company shall maintain, operate, own, and control the main distribution pipeline or lines and laterals, all cut-off valves, and all meters and service lines from the main line to the property line of a Member, from which point the Members shall, at their own expense, install and maintain the service line to the Member's property, and shall have the right to enter thereon for the purposes related to the meter. Before connection with the main line, the Member must first pay a connection fee as established by the Board of Directors.

5.2. Water Use; Restrictions. Water provided by the Water Company is to be used for residential purposes only. No commercial use of the Water Company system or water is allowed. No water shall be transported or transferred from the lot which has water meter service. The Water Company currently owns 22.44 acre feet of water and holds the right to irrigate 1.87 acres of water and serve the domestic needs of 25 families. Each share entitles the holders thereof to a single family residential equivalent unit of not more than .45 acre feet of water plus .4476 acre feet of water for the landscape purposes of no more than .0746 acres (3250 square feet) of irrigated lawn and garden, to be paid in accordance with the rate schedule currently in effect, and as amended from time to time by the Board of Directors. Members are encouraged to install and utilize dry-climate vegetation or xeriscaping techniques to help conserve water and yet maintain the aesthetics of the Homespun Village Subdivision.

5.3. Water Shortage. In the event the water supply is insufficient to supply all of the service connections, the Water Company shall supply the domestic needs of all connections before any water is delivered for livestock or garden purposes, and shall supply the domestic and livestock needs of all connections before any water is delivered for garden purposes. The violation of this Article shall subject the Member to discontinuance of water for any purpose, and any additional penalties, monetary or otherwise, as may be established by the Board.

5.4. No Water Drilling by Owners. In order to preserve the integrity of the Water Company water and water system, and to protect the Water Company's water rights from impairment or intrusion, no water drilling or water development operations of any kind shall be permitted upon or in any Lot, part or portion of the Property, nor shall any water well, tank, or shaft be permitted upon or in any such Lot or portion of the Property.

#### ARTICLE 6 WATER COMPANY MEETINGS

6.1. Annual Meetings. Annual meetings shall be set by the Board of Directors. If the day of the Water Company annual meeting is a legal holiday, the meeting will be held at the same hour of the first day following which is not a legal holiday. At the annual meeting the Members shall elect members to any open seats on the Board of Directors, in accordance with the procedures set forth in these Bylaws.

6.2. Special Meetings. Special meetings of the Water Company may be called at any time by the President or by the Board of Directors, or upon written request of the Members holding at least 51% of the total votes entitled to be cast.

6.3. Notice of Meetings. Written notice of each meeting of the Water Company shall be given by, or at the direction of, the Secretary or person authorized to call the meeting, by mailing a copy of such notice at least 14 days before such meeting to each Member entitled to vote on the matter for which the meeting was called. Such notice may be given via Electronic Transmission, or by U.S. mail addressed to the lot owner's address last appearing on the books of the Water Company. Such notice shall specify the place, date and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting.

6.4. Waiver of Notice. The notice provided for hereinabove is not indispensable and any meeting of the Water Company shall be deemed validly called for all purposes if all Members are represented thereat in person or by proxy, or if a quorum is present.

and waivers of notice of time, place and purpose of such meeting shall be duly executed in writing either before or after said meeting by those Members not so represented or not given such notice. The attendance of any Member at a meeting in person or by proxy, without protesting prior to the conclusion of the meeting the lack of notice of such meeting, shall constitute a waiver of notice by that Member.

6.5. Quorum. Except as hereafter provided, and as otherwise provided in the Articles, the presence at the meeting of Members entitled to cast, or of proxies entitled to cast 20% of all the votes shall constitute a quorum for any action. If, however, such quorum shall not be present or represented at any meeting, the Members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, at such adjourned meeting a quorum will be present with the participation of any number of owners present in person or by proxy. Members whose voting rights have been suspended shall not be included.

6.6. Proxies. At all meetings of the Water Company, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary prior to the vote being taken at meeting for which the proxy is valid. Every proxy shall be revocable and shall automatically cease when the membership of the Member voting by proxy has ceased.

6.7. Voting. If a quorum is present, the affirmative vote of Members present at the meeting holding a majority of the votes represented at such meeting shall be the act of all the Members, unless the act of a greater number is expressly required by law, by the Declaration, by the Articles, or elsewhere in these Bylaws. Upon direction of the presiding officer, the vote upon any business at a meeting shall be by ballot, but otherwise any such vote need not be by ballot.

6.8. Action by Written Ballot in Lieu of Meeting. Any action authorized to be taken at any annual, regular, or special meeting may be taken by written ballot in lieu of such meeting if the ballot is delivered by or at the direction of the Secretary to each Member entitled to vote on the matter, which ballot shall (a) set forth in detail the proposed action; (b) provide an opportunity to vote for or against the proposed action; (c) state the date when such ballot must be returned in order to be counted, which date shall not be less than 30 days after delivery of the ballot; (d) state by what means it shall be returned and where; and (e) shall be accompanied by any written information, which has been approved by a majority of the Board of Directors, sufficient to permit each Member casting the ballot to reach an informed decision on the matter. Each ballot shall contain a means of identification for each Member entitled to vote. The number of votes

cast by written ballot pursuant to this section shall constitute a quorum for action on the matter.

6.9. Consent in Lieu of Meeting. In any case in which the Articles of Incorporation or these Bylaws require, for the authorization of any action, the assent or affirmative vote of a stated percentage of votes present or represented at a meeting, such requirement may be fully satisfied by obtaining, with or without a meeting, consents in writing to such action from Members entitled to cast at least the stated percentage of votes necessary to authorize the action. Such consents may be obtained in the manner provided for in the Act for action taken without a meeting.

6.10. Acceptance of Votes. If the name signed on any consent, written ballot, vote, waiver, proxy appointment, or proxy appointment revocation, corresponds to the name of a Member, the Water Company, acting in good faith, may accept and give effect to the same as the act of the Member, notwithstanding that the signature may not be technically correct. For example, if a lot is owned by a trust, thereby making the trust the Member, and the individual fails to sign as "trustee," it shall not invalidate the signature or vote of the Member.

6.11. Procedure; Parliamentary Rules. The order of business and all other matters of procedure at every meeting of Members shall be determined by the presiding officer. Except as may be modified by resolution of the Board of Directors, *Robert's Rules of Order* (current edition) shall govern the conduct of Water Company proceedings when not in conflict with Utah law or the Articles of Incorporation or these Bylaws.

6.12. Place of Meetings. The Board of Directors may designate the place of any annual or special meeting of the Members by stating or fixing such place pursuant to resolution, provided, however, that such place must be within Washington County, State of Utah. If the Board of Directors makes no designation, annual and regular meetings shall be held at the Water Company's principal office.

## ARTICLE 7 BOARD OF DIRECTORS

7.1. Board of Directors. The governing board of the Water Company shall be known as the "Board of Directors." The Board of Directors shall conduct the affairs of the Water Company.

7.2. Qualifications. A member of the Board of Directors must be a natural person of at least 18 years of age or older, and must own a lot in Homespun Village



subdivision. In the event that a Member is not a natural person, a natural person who holds an ownership interest in the entity which is the Member may serve as a member of the Board of Directors if duly appointed or elected as provided for herein.

7.3. Number. The affairs of this Water Company shall be managed by a Board of Directors consisting of at least three qualified persons. The number of Directors may range from a minimum of three to a maximum of seven Directors. The number of persons constituting the whole Board of Directors may be fixed from time to time within this range by resolution of the Board of Directors.

7.4. Term of Office. Members of the Board of Directors shall be elected for four year terms; provided however, that despite the expiration of a Board of Directors member's term, such Board of Directors member shall continue to serve until his or her successor is elected, appointed, or designated and qualifies. Nothing shall prevent any person from serving as a Director for successive terms or more than one term if duly elected by the Members.

7.5. Removal. Any Director may be removed from the Board of Directors with cause, by Members holding a majority of the votes entitled to be cast. Any Director who shall be unexcused from three consecutive Board of Directors meetings shall be automatically removed from the Board of Directors unless otherwise determined by the Board of Directors. In the event of death, resignation, or removal of a Director, a temporary successor shall be selected by the remaining Directors and shall serve for the unexpired term of his or her predecessor or until special election of a successor.

7.7. Fidelity Bonds. The Board of Directors shall require that all officers and employees of the Water Company handling or responsible for Water Company funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be paid by the Water Company as Common Expenses.

7.7. Compensation. No Director shall receive compensation for any service he or she may render to the Water Company. However, any Director may be reimbursed for actual expenses incurred in the performance of his or her duties as a Director.

#### ARTICLE 8 NOMINATION AND ELECTION OF BOARD OF DIRECTORS

8.1. Nomination. Nominations for election to the Board of Directors may be made from the floor at the annual meeting of Members. In addition, the Board of Directors may establish a nominating committee to nominate qualified Members for

election to the Board of Directors. If established, the nominating committee shall consist of a chairman, who shall be a member of the Board of Directors, and two or more Members. The nominating committee shall be appointed by the Board of Directors at least 60 days prior to each annual meeting of the Water Company, to serve through such annual meeting. The nominating committee shall make as many nominations for 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.

8.2. Election Voting; Consent. Election to the Board of Directors shall be by secret written ballot, or by the unanimous written consent of all Members. At such election 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 and these Bylaws. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

8.3. Voting by Mail. Election of Directors may be handled by mail voting in the following manner, which may be, at the determination of the Board of Directors, the sole method of voting or used in conjunction with in-person voting. Ballots shall be sent to each Member by the Secretary not more than 60 days and not fewer than 30 days before the date set for election. Ballots shall instruct Members to seal their ballot in a ballot envelope and then place the sealed envelope into a larger envelope along with a signed paper, provided by the Secretary, identifying the Member whose vote is contained in the inner envelope. Ballots may be delivered to the Secretary in person or by mail; provided, however, that ballots must be received by the Secretary prior the election. Upon receiving the ballots, the Secretary shall open the outer envelope, remove the identification paper, and record which Members have voted. The identification paper and outer envelope shall then be separated from the ballot envelope. The ballot envelope shall be retained by the Secretary until opened on the election date.

## ARTICLE 9 MEETINGS OF BOARD OF DIRECTORS

9.1. Regular Meetings. The first meeting of the Board of Directors will follow the annual meeting of the Members at which a Board of Directors is first elected by the Members. Thereafter, regular meetings of the Board of Directors shall be held at such date, time and place as may be determined from time to time by resolution of the Board of Directors. Written notification of each regular Board of Directors meeting shall be delivered via Electronic Transmission, or mailed to all Directors at least seven days prior to any regular Board of Directors meeting. Meetings of the Board of Directors shall be

open to all Members, unless litigation or potential litigation, contract negotiation or employment or personnel matters are being discussed.

9.2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the President of the Water Company or by a majority of Directors, after not less than two days' notice to each Director.

9.3. Quorum. A majority of the number of Directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the Directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board of Directors, unless a greater number is required by law, the Articles or these Bylaws.

9.4. Action Without a Meeting. Whenever the Directors are required or permitted to take any action by vote, such action may be taken without a meeting or written consent, setting forth the action so taken, signed by all Directors.

9.5. Place of Meetings. Regular or special meetings of the Board of Directors during the Declarant Control Period may be held in or out of the State of Utah. Regular or special meetings of the Board of Directors who are elected by the Members shall be held in Washington County, Utah.

9.6. Attendance at Meetings. The Board of Directors may allow any Director to participate in a regular or special meeting by, or conduct the meeting through the use of, any means of communication by which all Directors participating in the meeting may hear each other during the meeting. A Director participating in a meeting through means permitted under this section shall be considered to be present in person at the meeting.

## ARTICLE 10

### POWERS AND DUTIES OF THE BOARD OF DIRECTORS

10.1. Powers. All corporate powers shall be exercised by or under the authority of, and the business and affairs of the Water Company managed under the direction of, the Board of Directors, subject to any powers or limitations set forth in the Act, or the Articles.

10.2. Duties. It shall be the duty of the Board of Directors to manage the affairs of the Water Company in accordance with the terms of the Act, the Articles, these Bylaws, and the rules and regulations of the Water Company.

ARTICLE 11  
OFFICERS AND THEIR DUTIES

11.1. Enumeration of Offices. The officers of this Water Company shall be a President and Vice-President, who shall at all times be members of the Board of Directors, a Secretary and a Treasurer, who need not be members of the Board of Directors nor of the Water Company, and such other officers as the Board of Directors may from time to time create by resolution.

11.2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the Members.

11.3. Term. The Board of Directors shall elect the officers of the Water Company and each shall hold office for four years, unless the officer shall sooner resign, or be removed, or otherwise be disqualified to serve, or until a qualified successor is elected, appointed, or designated.

11.4. Special Appointments. The Board of Directors may elect such other officers as the affairs of the Water Company may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board of Directors may, from time to time, determine.

11.5. Resignation and Removal. The Board of Directors may remove any officer from office with or without cause. Any officer may resign at any time by giving notice to the Board of Directors, or any officer of the Board of Directors. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise necessary to make it effective.

11.6. Vacancies. A vacancy in any office may be filled by appointment by the Board of Directors. The officer appointed to such vacancy shall serve for the remainder of the term of the officer being replaced.

11.7. Multiple Offices. The same person may hold more than one office in the Water Company.

11.8. Duties. The officers and their duties are as follows:

(a) President. The President shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board of Directors are carried

out; shall sign all leases, mortgages, deeds and other written instruments, and shall co-sign all checks and promissory notes.

(b) Vice President. The Vice-President shall act in the place and stead of the President in the event of absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required by the Board of Directors.

(c) Secretary. The Secretary shall maintain the records of the Water Company, including having general charge of the stock transfer books, and shall record the votes and keep the minutes of all meetings and proceedings of the Board of Directors and the Water Company, and shall perform such other duties as required by the Board of Directors.

(d) Treasurer. The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Water Company and disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Water Company that have been duly authorized and approved by the Board of Directors; shall maintain a roster of all Members, assessments and payments; shall keep proper books of account; issue certificates of payment of assessments; shall notify the Board of Directors of Members who are delinquent in paying assessments; and shall prepare an annual budget and statement of income and expenditures to be delivered and presented to the Members at the annual meeting; and shall deliver a copy of the budget and statement to the Members at said meeting.

119. Compensation. Officers serving the function of Treasurer may be compensated in a reasonable amount as determined by the Board, from time to time, by Resolution. No salary or other compensation for services shall be paid to other officers of the Water Company for services rendered by such officer, but this shall not preclude an officer of the Water Company from performing any other service for the Water Company as an employee or on a contract basis and receiving compensation therefor.

## ARTICLE 12 COMMITTEES

The Board of Directors may create such committees as it deems necessary and appropriate to perform such tasks as the Board of Directors may designate by resolution. The Board of Directors shall have the authority to appoint members of each committee it creates. Each committee shall operate in accordance with the terms of such resolution.

**ARTICLE 13**  
**FINANCIAL MATTERS**

13.1. Depositories. The Board of Directors shall select such depositories as it considers proper for the funds of the Water Company. All checks and drafts against such deposited funds shall be signed and countersigned by persons authorized by these Bylaws or by Board of Directors resolution to sign such checks and drafts.

13.2. Contracts; Management Contract. The Board of Directors may authorize any officer or officers, agent or agents, in addition to those specified in these Bylaws, to enter into any contract or execute and deliver any instrument in the name of or on behalf of the Water Company, and such authority may be general or confined to specific instances. Unless so authorized by the Board of Directors, no officer, agent or employee shall have any power or authority to bind the Water Company by any contract or engagement or to pledge its credit or render it liable for any purpose or for any amount.

13.3. Fiscal Year. The fiscal year of the Water Company shall be determined by the Board of Directors.

13.4. Annual Report. The Board of Directors shall present at the annual meeting of the Members the report of the Treasurer, giving the annual budget and a statement of income and expenses, and a report of other affairs of the Water Company during the preceding year. The Board of Directors shall provide all Members, at the expense of the Water Company, copies of said annual budget and statement of income and expense.

**ARTICLE 14**  
**BOOKS AND RECORDS**

14.1. Water Company Records. The Water Company shall keep and maintain those records required by the Declaration, the Act, and these Bylaws. Such records shall be maintained in written form or in another form capable of conversion into written form within a reasonable time.

14.2. Inspection of Books and Records. The books, records, and papers of the Water Company shall at all times, during reasonable business hours, be subject to inspection by any Member. The Articles and these Bylaws shall be available for inspection by any Member at the principal office of the Water Company, where copies may be purchased at reasonable cost.

**ARTICLE 15**  
**RULES AND REGULATIONS**

The Board of Directors shall have the power to adopt and establish by resolution such rules and regulations as it may deem necessary for the maintenance, operation, management and control of the property, equipment, facilities and utility systems of the Water Company. The Board of Directors may alter from time to time such rules and regulations. The Members shall at all times obey such regulations and use their best efforts to see that they are faithfully observed by the persons with whom they reside, their family, guests, tenants, invitees and others over whom they may exercise control or supervision.

**ARTICLE 16**  
**INDEMNIFICATION**

Each member of the Board of Directors and officer of the Water Company now or hereafter serving as such shall be indemnified by the Water Company against any and all claims and liabilities to which any Director or officer has or becomes subject by reason of serving as a Director or officer, or by reason of any action alleged to have been taken, omitted, or neglected by him or her. The Water Company shall reimburse each such person for all legal expenses reasonably incurred in connection with any such claim or liability, provided, however, that no such person shall be indemnified against, or be reimbursed for any expense incurred in connection with any claim or liability arising out of his or her own willful misconduct or gross negligence. The right of indemnification hereinabove provided for shall not be exclusive of any rights to which any Director or officer of the Water Company may otherwise be entitled by law.

**ARTICLE 17**  
**AMENDMENT**

17.1. By the Board of Directors. These Bylaws may be altered, amended or repealed, in whole or in part, by a majority vote of the Board of Directors at any regular Board of Directors meeting or at a special Board of Directors meeting called for that purpose, unless it would result in a change of the rights, privileges, preferences, restrictions, or conditions of a membership class as to voting, dissolution, redemption, or transfer, or unless otherwise prohibited by the Act.

17.2. By the Members. These Bylaws and any amendments thereto may be altered, amended or repealed, in whole or in part, by Members holding at least 67% the

total votes entitled to be cast at any annual meeting of the Members or at any special meeting of the Members called for that purpose.

17.3. Validity. Any procedural challenge to an amendment must be made within six months of the effective date of the amendment or such amendment shall be presumed to have been validly adopted. In no event shall a change of conditions or circumstances operate to amend any provisions of these Bylaws.

17.4. Effective Date. Any amendment to these Bylaws shall be effective upon the date such amendment is duly adopted as provided for herein, and recorded, which date the Secretary shall certify on the amendment and file with the Water Company's records. The Board of Directors shall provide notice to Members of any amendment to these Bylaws, however, the receipt of such notice shall not be a prerequisite to the validity of the amendment.

#### ARTICLE 18 GENERAL PROVISIONS

18.1. Notices; Electronic Notice. The Board of Directors may, by resolution, allow for electronic notice in lieu of written notice to Members where any provision of these Bylaws or other Governing Documents require written notice be given to the Members. In addition, the Board of Directors may require that Members maintain a current e-mail address with the Board of Directors for such purpose. In the event the Board of Directors adopts such a resolution, service by electronic transmission is deemed complete upon transmission.

18.2. Dates and Times. In computing any period of time prescribed or allowed by these Bylaws, the day of the act, event, or default from which the designated period of time begins to run shall not be included. The last day of the period so computed shall be included, unless it is a Saturday, a Sunday, or a legal holiday (either federal or Utah state), in which event the period runs until the end of the next day that is not a Saturday, a Sunday, or a legal holiday. The deadline of the last day of the period so computed shall be 5:00 P.M., Mountain Time.

18.3. Waivers. No provision contained in these Bylaws shall be deemed to have been waived by reason of any failure to enforce or follow it, irrespective of the number of violations which may occur.

18.4. Construction and Interpretation. These Bylaws shall be construed wherever possible as consistent with the Declaration and the Act. Conflicts between documents shall be resolved as set forth in the Declaration.



