

SECTION IV - LEGAL.

The Horseshoe Irrigation Company is a legal entity incorporated under the laws of the state of Utah for the purposes of managing and delivering water to shareholders of the Company in compliance with state water law. Copies of the Company's Articles of Incorporation, Bylaws, and Policies are available for review on their website: <http://www.horseshoeirrigation.org>.

The Company currently retains Shawn Draney from the law firm of Snow, Christensen & Martineau as legal counsel. Currently, the Company has no outstanding legal issues. The Company does, however, consult with legal counsel from time to time for advice.

The Company has two insurance policies in place. The first is a liability policy for the Company's operations. The second is a liability policy covering the Board of Directors and its officers while they are performing their duties. The Company also purchases a bond yearly for the Company treasurer covering his/her fiduciary responsibilities.