

AMENDED AND RESTATED ARTICLES OF INCORPORATION  
OF STRAWBERRY WATER USERS ASSOCIATION

On May 12, 2021, the board of directors approved the following amendments and recommend shareholder approval at the Annual Shareholder Meeting – January 27, 2022.

Pursuant to the Utah Revised Nonprofit Corporation Act, the undersigned Corporation hereby amends and restates its Articles of Incorporation.

ARTICLE I  
NAME OF CORPORATION

The name of the Corporation is STRAWBERRY WATER USERS ASSOCIATION, a non-profit corporation of the State of Utah.

ARTICLE II  
PRINCIPAL OFFICE

The principal office and place of business of the Corporation shall be in South Utah County, State of Utah, as determined by the board of directors.

ARTICLE III  
DURATION OF CORPORATION

The duration of the Corporation shall be perpetual unless terminated sooner in a manner provided by law.

ARTICLE IV  
PURPOSES AND POWERS

The Corporation is organized as a non-profit corporation for the purposes of providing a dependable water supply for beneficial uses by the Corporation and its shareholders and otherwise promoting the general interest and welfare of the shareholders. In furtherance of and in no way in limitation of the powers now or hereinafter conferred upon the Corporation by the laws of the State of Utah, the nature of business of the Corporation and the objects, purposes and powers to be transacted, promoted, exercised, or carried on by the Corporation are as follows:

- (a) To own rights to the use of waters for irrigation, domestic, culinary, livestock, municipal, electrical energy generation, and industrial purposes, and to divert, store, convey and distribute said waters for beneficial use by its shareholders;
- (b) To acquire water, water rights, and water stock, by purchase, lease, contract, appropriation, change, exchange, or otherwise;
- (c) To acquire, lease, hold and sell real and personal property necessary or convenient to carry on the corporate purposes and powers;

- (d) To own water diversion, conveyance, storage, water treatment, electrical energy generation, and water and energy distribution facilities necessary or convenient to carry on the corporate purposes and powers;
- (e) To make, enter into and perform contracts of any kind and description, including contracts with governmental entities for the acquisition of water and water rights, for the use and joint development of sources of water supply, storage, conveyance, and distribution facilities, or for the purpose of attaining or furthering any of the Corporation's objectives;
- (f) To exercise the power of eminent domain;
- (g) To form subsidiary corporations, partnerships, limited partnerships or associations as from time to time the board of directors may deem necessary or advisable;
- (h) To incur liabilities, borrow money, issue notes, bonds, and other obligations, and secure any of its obligations by mortgage or pledge of all or any of its property, franchises or income;
- (i) To levy and collect assessments against the shares of stock in the Corporation in a manner provided by law; and
- (j) To do each and every thing necessary, suitable, or proper for the accomplishment of any of the purposes herein enumerated, or which may at any time appear conducive to or expedient for the protection or benefit of the Corporation and its shareholders.

The foregoing clauses shall be construed both as purposes and powers and are not intended to limit or restrict the general powers of the Corporation, as conferred by the laws of the State of Utah. It is further the intention that the purposes and powers specified in each of the paragraphs of this Article be regarded as independent purposes and powers.

## ARTICLE V MEMBERSHIP

The shareholders shall be the members of the Corporation, and shares of stock shall be issued by the Corporation only as provided in Article VI.

## ARTICLE VI STOCK

There shall be one class of stock. The stock of the Corporation shall be issued only on its books, and certificates evidencing such shares shall not be issued. Shares of Corporation stock may be held only by those persons or entities who have contracts with the United States or the Corporation for rights to use Strawberry Valley Project water, or who are the successors in interest to such persons or entities that contracted with the United States or the Corporation for rights to use Strawberry Valley Project water. The total number of shares of stock that the Corporation shall have the authority to issue shall be 75,000 shares.

The shareholders of the Corporation or their predecessors in interest have respectively entered into agreements with the United States of America or the Corporation for the purchase of water rights for the irrigation of their Strawberry Valley Project lands. All shareholders of the Corporation or their predecessors have by deed conveyed to the Corporation all their right, title, and interest, in and to the Strawberry Valley Project (excepting the Strawberry High Line Canal and the Mapleton and Springville Lateral), together with the right of the Corporation to deliver the Strawberry Valley Project water to which the shareholders are entitled under their contracts with the United States or the Corporation, in full consideration for the issuance of their shares of stock. Additional shares of stock may be issued only to those persons or their successors who entered into agreements with the United States of America or the Corporation for the purchase of water rights and who have not heretofore become members of the Corporation. Such additional shares of stock shall be issued only in consideration for the conveyance by deed to the Corporation of all such persons' right, title, and interest, in and to all assets constituting the Strawberry Valley Project (excepting the Strawberry High Line Canal and Mapleton and Springville Lateral), together with the right of the Corporation to deliver the Strawberry Valley Project water to which the shareholders are entitled under their contracts with the United States or the Corporation, upon payment to the Corporation of such amounts as may be just, according to the conditions then existing, as determined by the board of directors.

Each share and/or fractional share of stock shall be appurtenant to the specific Strawberry Valley Project land for which such share is issued as described in applicable contract with the United States or Corporation. Certain contracts of the United States or the Corporation for Strawberry Valley Project water to be used by cities and irrigation districts do not discuss appurtenancy. Shares of stock may be severed or transferred from such Strawberry Valley Project land for use on other Strawberry Valley Project lands only with the affirmative vote of a majority of the directors in attendance at a duly called directors meeting, and, to the extent then required by applicable law or contract, with the written approval of the Secretary of the Interior or his delegate. Shares of stock may be severed or transferred from Strawberry Valley Project land for use on non-Strawberry Valley Project land only by the affirmative vote of at least two-thirds of the directors in attendance at a duly called directors meeting, and, to the extent then required by applicable law or contract, with the written approval of the Secretary of the Interior or his delegate. Shares of stock shall be transferred with the conveyance of the lands to which such stock is appurtenant, unless severed or transferred prior to such conveyance pursuant to the approvals hereinabove required. Whenever land to which stock is appurtenant is conveyed, the Secretary of the Corporation is empowered and directed to endorse the books and records of the Corporation to show title in the name of the grantee of that portion of the stock that is appurtenant to the conveyed lands. Any attempted severance or transfer of stock without first obtaining the approvals hereinabove required is void.

The waters accruing to the Corporation's shares of stock shall be beneficially used only on Strawberry Valley Project lands and shall not be distributed or delivered for use on non-Strawberry Valley Project lands without first obtaining the approvals hereinabove

required. The owners of stock shall not have the right to change the point of diversion, place or manner of use of the water and water rights owned or held by the Corporation. Any applications required by law to change the point of diversion, place or manner of use of waters and water rights owned or held by the Corporation for use by its shareholders shall be filed in a manner consistent with applicable law and the Bylaws of the Corporation.

ARTICLE VII  
SHAREHOLDERS MEETINGS

The annual meeting of the shareholders for the election of directors and the transaction of such other business as may properly come before such shareholders shall be held in January of each year, unless determined otherwise by the board of directors, at a time and place determined by the board of directors. Special meetings of the shareholders may be called at any time by the President, the Vice-President, a majority of the board of directors, or by one or more shareholders holding at least ten percent of the outstanding stock. Annual and special meetings of the shareholders may be held virtually as determined by the board of directors to be in the best interest of the shareholders.

ARTICLE VIII  
NOTICE OF SHAREHOLDERS MEETINGS

Written notice of annual or special shareholders meetings shall be delivered personally, emailed, or sent by regular mail, or some combination thereof, to each shareholder entitled to vote at least ten days prior to such meeting, or published at least once at least ten days prior to such meeting in a newspaper having general circulation in the areas served with waters of the Corporation, or by some combination of these methods of notice, as determined by the board of directors. In the event such notice is mailed, or emailed, it shall be addressed in a manner consistent with the contact information shown on the records of the Corporation, and if mailed it shall be deposited in the United States mail, postage prepaid, at least ten days prior to such meeting. All such notices shall specify the place, the time, and general nature of the business to be conducted at such meeting. Shareholders are responsible to keep the Corporation informed as to their current contact information.

ARTICLE IX  
VOTING

Each outstanding share of stock is entitled to one vote, and each fractional share is entitled to a corresponding fractional vote on matters that properly come before the shareholders for a vote at a shareholders meeting. The books and records of the Corporation shall determine who is the owner of stock, and therefore, entitled to vote such stock either in person or by written proxy. Shareholders may vote by written proxy on forms approved by the Corporation only if executed by the shareholder or by a duly authorized agent no more than fifteen days before the date of the shareholders meeting

and provided to the secretary of the Corporation at the meeting or in advance of the meeting as directed by the bylaws. A contract purchaser of land with the appurtenant stock, who has the written permission from the seller, shall be considered such an owner for purposes of determining voting rights, and such voting rights will continue in force until and unless revoked in writing by the owner of record; provided, however, written notice of such voting permission, and a copy of the purchase contract or written revocation shall be delivered to the secretary of the Corporation not more than fifteen days before the shareholders meeting and provided to the secretary of the Corporation at the meeting or in advance of the meeting as directed by the bylaws. Thereafter, or until the secretary is notified in writing that such voting rights have been revoked, any notices required to be delivered by these Articles shall be sent to said contract purchaser.

ARTICLE X  
QUORUM OF SHAREHOLDERS

At any annual or special shareholders meeting, the shareholders present in person or represented by written proxy shall constitute a quorum. The vote of a majority of the votes entitled to be cast by such shareholders present in person or represented by written proxy shall be necessary for the adoption of any matter voted on by the shareholders, unless a greater proportion is required by law.

ARTICLE XI  
GOVERNING BOARD – QUALIFICATIONS

All powers of the Corporation shall be exercised by a board of directors. The board of directors may delegate authority as allowed by the bylaws or applicable law.

- (a) Each director shall have the following qualifications:
  - (1) Each director shall be a natural person at least twenty-one years of age.
  - (2) Each director shall own and have the right to vote at least five shares of Corporation stock, and own, or be the contract purchaser of, the lands to which such stock is appurtenant within the voting district to be represented by that director; or
  - (3) Own, or be the contract purchaser of, at least five acres of land within the voting district to be represented by that director that is served SVP water by an irrigation district that holds Corporation stock, and be the duly authorized representative of such irrigation district. Irrigation districts shall be entitled to one such authorized representative who is qualified to serve as a director.
  - (4) Additional requirements for the qualifications of directors may be set by the Bylaws.
- (b) Each director shall serve a term of four years, but may be re-elected for consecutive terms. Terms shall be staggered by the board of directors to minimize the number of directors up for election each year to the greatest extent practicable and material.

- (c) The number of directors shall be nine.
- (d) Each director shall be elected by Corporation shareholders holding shares properly authorized to be used on lands within one of the geographic voting districts designated by the board of directors. The board of directors shall, by Bylaw, assure that no individual share or fraction thereof shall be entitled to be voted in more than one district.
- (e) Geographic voting districts shall to the greatest extent practicable and material be equal in the number of shares represented. On even numbered years, and prior to the annual shareholders meeting, the voting district boundaries shall be reviewed by the board of directors and adjusted if deemed necessary to ensure that the voting districts continue to have as nearly equal voting strength as is practicable and material.
- (f) The geographic areas within each district need not be contiguous if the lack of the same is based upon a rational basis and promotes fair representation as determined by the board of directors.

## ARTICLE XII ELECTION & TERM OF DIRECTORS

Except as otherwise expressly proved by these Articles, each director shall be elected to serve a four-year term, or until such director is no longer able or willing to service. The election of directors shall take place at the annual shareholders meeting. To be elected, the successful candidate must receive the highest number of votes cast by the shareholders within the respective district. If the annual shareholders meeting is not held, or if at such meeting the directors are not elected, then the directors may be elected at a special shareholders meeting called for that purpose and directors shall serve until a successor is selected.

Any vacancy occurring on the board of directors because of death, resignation, removal or otherwise, shall be filled by the board to fill such vacancy until the next election of directors at an annual shareholders meeting or special shareholders meeting called for the purpose.

## ARTICLE XIII QUORUM OF DIRECTORS

A majority of directors at a properly noticed and held meeting shall constitute a quorum for the transaction of the business of the Corporation. Except where a greater number is required by the Bylaws, the actions of a majority of the directors present at a meeting at which a quorum is present shall constitute the act of the governing board.

## ARTICLE XIV OFFICERS

The board of directors shall elect from their members a President and Vice-President, and shall elect a Treasurer and a Secretary who need not be a member of. the board of

directors. The offices of President and Secretary shall not be held by the same person. The offices of Secretary and Treasurer may be held by the same person. Officers shall be, elected for a one-year term, and shall serve until their successors are duly elected. Any officer may be removed, either with or without cause, by a vote of a majority of the directors in attendance at a duly called directors meeting whenever, in their judgment, such removal will best serve the interests of the Corporation and its shareholders. A vacancy in any office by reason of resignation, removal or otherwise may be filled by the affirmative vote of a majority of the directors in attendance at a duly called directors meeting.

ARTICLE XV  
ASSESSMENTS

The shares of stock of the Corporation shall be assessable for the purpose of providing funds reasonably necessary to accomplish the objectives of the Corporation, to ensure the full exercise of any and all the powers conferred upon the Corporation, to recover funds to replace assessments that have not been paid by other shareholders, and to pay any and all lawful obligations of the Corporation. No cash distributions or dividends shall be distributed to the shareholders.

General special assessments shall be levied and collected at such times, and in such amounts as shall be determined by the board of directors. General assessments shall cover costs and expenses incurred for the general purposes by the Corporation for the benefit of the common interests of all shareholders ~~in a particular class~~. The general assessment shall be equal in amount on all outstanding shares ~~within a particular class of stock~~.

Special assessments shall cover costs and expenses incurred by the Corporation (including equitable account charges) that benefit only part of the shareholders ~~within a particular class of stock~~, or where the costs and expenses of providing certain benefits to the shareholders ~~within a particular class of stock~~ are unequal. Special assessments shall be equitable, but may vary in amount among the outstanding shares ~~within a particular class of stock~~. Notice of the order levying an assessment shall be provided as required by applicable law and the Bylaws.

In the event any shareholder shall become delinquent in the payment of any portion of an assessment, the Corporation may immediately refuse to provide any or all benefits associated with such delinquent stock including withholding the delivery of water, in addition to any other remedy provided by law. No transfer of ownership of stock on the books of the Corporation shall be made so long as an unpaid assessment remains delinquent.

ARTICLE XVI  
WATER DELIVERY TO STOCK

The allocation, administration, and distribution of all waters developed by the Strawberry Valley Project and any and all other waters owned and controlled by the Corporation for delivery and beneficial use by the shareholders shall be governed by the board of directors. Each shareholder shall be entitled to a pro rata share of the waters of the Corporation as determined by the board of directors to be available for delivery and beneficial use in the proportion that each shareholder's total number of shares of stock bears to the total number of shares of stock outstanding. The board of directors annually shall determine an equitable percentage charge for any Spanish Fork River natural flow water of the Corporation delivered to any shareholder. The shareholders shall not have individual storage rights and shall not be entitled to hold over any storage water in the Enlarged Strawberry Reservoir allocated for delivery in any given year, unless otherwise provided in the Bylaws of the Corporation.

ARTICLE XVII  
SHAREHOLDER LIABILITY

The private property of the shareholders of the Corporation shall not be liable for any of its debts or obligations.

ARTICLE XVIII  
BYLAWS

The board of directors shall have the power to adopt, amend or repeal such Bylaws, rules and regulations as it may deem proper for the regulation and management of the affairs of the Corporation not inconsistent with law or the Articles of Incorporation. The shareholders may, by a majority vote at a duly called shareholders meeting, adopt, amend or repeal any bylaw, rule or regulation and in the event any such bylaw, rule or regulation shall be enacted by the shareholders, the same shall not be amended or repealed except by a majority vote at a duly called shareholders meeting. No bylaw, rule or regulation repealed by the shareholders shall be re-enacted or implemented by the board of directors.

ARTICLE IXX  
INDEMNIFICATION

The Corporation may indemnify any director or officer or former director or officer of the Corporation against expenses, including attorney's fees, judgments, fines and amounts paid in settlement, actually or reasonably incurred in connection with any action, suit, or proceeding in which such director or officer is made a party by reason of being or having been such director or officer to the fullest extent allowed by law, and may advance such expenses not covered by a policy of liability insurance, to the fullest extent allowed by law, to the extent the board of directors determines that such director, officer, former director or former officer acted in good faith and in a manner reasonably believed to be in the best interests of the Corporation.

REGISTERED AGENT



The name of the registered agent of the Corporation is:

Sterling C. Brown  
745 North 500 East  
Payson, Utah 84651

The designation of a registered agent may be modified by the board of directors.

IN WITNESS WHEREOF, the undersigned directors and/or officers of the corporation sign and verify these Amended and Restated Articles of Incorporation this ~~10~~ 9 day of February, ~~2021~~ 2022.