

**AMENDED AND RESTATED
ARTICLES OF INCORPORATION
OF
GORGOZA MUTUAL WATER COMPANY**
An Assessable Stock, Non-Profit Corporation

GORGOZA MUTUAL WATER COMPANY, a nonprofit corporation duly organized and existing under the laws of the State of Utah, hereby amends and restates its Articles of Incorporation pursuant to the provisions of the Utah Revised Nonprofit Corporation Act, U.C.A. 16-6a-101 et seq., as follows:

FIRST: The Amended and Restated Articles of Incorporation ("Articles") shall read as follows:

**ARTICLE I
NAME**

The name of the corporation is GORGOZA MUTUAL WATER COMPANY.

**ARTICLE II
DURATION OF CORPORATION**

The corporation shall have perpetual existence.

**ARTICLE III
CORPORATE PURPOSES**

The general purpose and object for which this corporation is organized shall be as follows:

- (a) To own and hold water rights and to distribute said water to shareholders for all uses permitted by the laws of the State of Utah, including domestic, culinary, irrigation, municipal, industrial, and stockwatering or other beneficial uses of water, and for use on lands owned and used by the shareholders.
- (b) To acquire or hold water rights of all types and character, whether by purchase, exchange, lease, appropriation or otherwise.
- (c) To acquire, own, hold, improve, develop, lease, mortgage, operate, maintain, sell, dispose of, and otherwise deal with all real property, personal

property, fixtures, intangible property or other assets as may be necessary or useful in carrying out any purposes of the corporation.

(d) To do each and everything necessary, suitable, or proper for the accomplishment of any of the purposes or the attainment of any one or more of the objects herein enumerated, or which may at any time appear conducive to or expedient for the protection or benefit of this corporation, and to do said acts as fully and to the same extent as natural persons might, or could do, in any part of the world as principals, agents, partners, directors, or otherwise, either alone or in conjunction with any other person, partnership (whether limited or general and whether as limited or general partners), association, joint venture, or corporation.

The foregoing paragraphs shall be construed both as objects and powers and shall not be held to limit or restrict in any manner the general powers of the corporation and the enjoyment and exercise thereof, as conferred by the laws of the State of Utah; and it is intended that the purposes, objects, and powers specified in each of the paragraphs of this ARTICLE III, CORPORATE PURPOSES, of these Articles shall be regarded as independent purposes, objects, and powers.

ARTICLE IV SHARES

The corporation shall be owned by its shareholders. The stock in the corporation shall be divided into five classes: Class A stock (which shall be appurtenant to lands located within the area served by the corporation), Class B stock (which shall be convertible into other classes of stock as hereinafter set forth), Class C stock (which shall be convertible into other classes of stock as hereinafter set forth and which shall be issued to shareholders for the purpose of providing a source of water supply for the benefit of said shareholders as authorized by the Board of Directors of the corporation (the "Board"), including, after the issuance of Class C shares, the Class C Director, and in accordance with the terms of a shareholder agreement as may be entered into from time to time by the corporation and holders of Class C stock) and Class D stock and Class E stock (each of which shall not be convertible to other classes of stock). Shares of stock in the corporation represent and document an ownership interest in the legal rights and facilities owned by the corporation. The number of shares of each class shall not be fixed but the aggregate number of shares which this corporation shall have authority to issue is 5,000 shares.

ARTICLE V
RIGHTS AND LIMITATIONS OF CLASSES OF STOCK

The classes of stock shall have the following rights, preferences, limitations and obligations, and be subject to additional provisions as set forth in the Bylaws of the corporation ("Bylaws"), with respect to said classes of stock:

(a) Class A stock shall be assessable for general operating expenses, and to acquire, operate, maintain and improve any water rights or water system assets owned, used, leased, or operated by the corporation. Owners of Class A stock shall be entitled to use water to be delivered to the property to which the stock is appurtenant by the corporation in an amount set out in the Bylaws. The method of assessment of Class A stock shall be provided in the Bylaws, which may be adopted, or, if not, as provided by Utah law for assessable stock corporations. Shares of Class A stock are voting, with each share of Class A stock being entitled to one vote. The voting rights of Class A stock are not limited. Class A stock shall be appurtenant to the property with which it is owned or used and shall not be transferrable apart from the property to which it is appurtenant except in the absolute discretion of the Board.

(b) Class B shares, which were previously issued to the original developer and its successors, have all been redeemed or converted to shares of Class A stock. New shares Class B stock may be issued in the future, subject to the prior approval of the shareholders as provided in the Bylaws. Shares of Class B stock are non-assessable and non-voting. Owners of Class B stock shall not have the right to use water owned and delivered by the corporation until their Class B stock is converted to Class A stock. One share of Class B stock shall be convertible, at the option of the holder thereof, at any time and from time to time, and without the payment of additional consideration by the holder thereof, into [1.0] fully paid share of Class A stock, with the same rights and preferences of other Class A shares. The conversion right shall require the Class B shareholder to convey to the corporation water rights, source capacity and diversion facilities sufficient for the requirements of the stock to be issued on the basis provided in the Bylaws. The conversion rights and obligations may be more fully specified either in the Bylaws or by agreements approved by the Board.

(c) Shares of Class C stock shall only be issued to shareholders for the purpose of providing a source of water supply for the benefit of said shareholders in accordance with these Articles, the Bylaws and on terms set forth in a shareholder agreement. One share of Class C stock shall be convertible, at the option of the holder thereof, at any time and from time to time, and without the payment of additional consideration by the holder thereof, into [1.0] fully paid

share of Class A stock, with the same rights and preferences of the class of stock into which it is converted. In order to effect a conversion hereunder, a holder shall submit a written election to the corporation that such holder elects to convert Class C stock into Class A stock, and the number of Class C stock elected to be converted into Class A stock. The conversion of such Class C stock into Class A stock shall be deemed effective as of the date of the corporation's receipt of such written election. Shares of Class C stock shall be assessable for expenses incurred by the corporation in delivering water to Class C shareholders. Shares of Class C stock shall not be liened or encumbered in any manner for default in the payment of assessments. The corporation shall have the right to pursue remedies for the non-payment of assessments on the Class C stock as provided in the Bylaws of the corporation. In the event of dissolution of the corporation or in the event of a sale of all or part of the assets of the corporation, the interest of the Class C shareholders in the water system and rights of the corporation shall continue in the assets of the corporation and shall remain in place and may be documented in a form other than shares of Class C stock. Under no circumstances shall the Class C shareholders be involuntarily deprived of the interest in the rights and the water system owned by Gorgoza or its successor in interest as represented by the shares of Class C stock. The underlying ownership interest in the water system and rights of Gorgoza and of the Class C shareholders shall be apportioned, documented and delivered to the Class C shareholders as their interest may appear in the event of dissolution of the corporation or a sale of any or all of the assets of the corporation. Shares of Class C stock are voting, with each share of Class C stock, being entitled to one vote. Article III, Article IV and this subparagraph (c) of this Article V shall not be amended, altered or repealed without the consent of the holders of at least a majority of the issued and outstanding shares of Class C stock consenting or voting (as the case may be) separately as a class.

(d) Class D stock and Class E stock shall be issued only in connection with transactions involving the delivery of corporation water on any basis other than as a public water supply. Class D and Class E stock shall be non-convertible, non-voting shares, and be assessable for expenses incurred by the corporation in delivering water to those shareholders as authorized by the Board in accordance with these Articles, the Bylaws and on terms set forth in one or more shareholder agreements. Owners of Class D and Class E stock shall be entitled to use water in the amounts and at terms set forth in the agreements approved by the Board.

(e) In addition to any other vote required by the Articles, any amendments to these Articles shall require the affirmative vote of a majority of the issued and outstanding shares of Class A stock and Class C stock, voting

together as a single class, represented at any meeting of shareholders called for such purpose or at any annual meeting of the corporation.

(f) Any amendment to provisions of the Bylaws shall require the affirmative vote of a majority of the issued and outstanding shares of Class A stock and Class C stock, voting together as a single class, or such higher or additional threshold or requirement set forth therein.

(g) At any meeting of the shareholders, a majority of the issued and outstanding shares of stock of the corporation entitled to vote and represented at the meeting, whether Class A or Class C stock, shall constitute a quorum for all purposes.

(h) In the event of dissolution, each Class A, Class C, Class D, and Class E shareholder shall receive a proportionate share of the corporation's property and assets relating to the individual classes of stock, including gains from the sale of appreciated assets, in proportion to the amount of business done with the corporation during the period the assets were owned by the corporation, insofar as practicable, except as may be otherwise provided in the shareholder agreements governing the Class D stock and the Class E stock.

ARTICLE VI PREEMPTIVE RIGHTS AND NONCUMULATIVE VOTING

Shareholders shall not have preemptive rights to acquire unissued shares of the stock of this corporation.

At each election of Directors, shareholders entitled to vote at such election shall have no right to accumulate their votes; rather, each shareholder shall have as many votes as the number of such shareholder's shares. Except as provided at Article V above, all Class A and Class C shares issued and outstanding shall have the same voting rights.

ARTICLE VII DIRECTORS' CONTRACTS

No contracts or other transactions between the corporation and any other trust, organization or corporation shall in any way be affected or invalidated by the fact that any of the Directors of the corporation are pecuniary or otherwise interested in, or are directors, Directors or officers of, such other trust, organization, or corporation.

Any Director individually, or any trust, organization, or corporation with which any Director may be associated, may be a party to or may be pecuniarily or otherwise

interested in any contracts or transactions of the corporation; provided that the fact that such Director or such trust, organization or corporation so interested shall be disclosed or shall have been known to the Board or a majority thereof.

Any Director of the Company who is also a trustee, director or officer of such other trust, organization or corporation or who is so interested, may be counted in determining the existence of a quorum at any meeting of the Board of the corporation which shall authorize any such contracts or transactions with like force and effect as if such Director were not a trustee, director or officer of such other trust, organization, or corporation, or not so interested.

ARTICLE VIII LIMITATION OF PERSONAL LIABILITY OF DIRECTORS

Directors of the corporation shall have no personal liability whatsoever to the corporation or its shareholders for monetary damages for breach of fiduciary duty, except liability:

- (a) for any breach of the Director's duty of loyalty to the corporation or its shareholders;
- (b) for acts or omissions by the Director not in good faith or which involve intentional misconduct or a knowing violation of the law;
- (c) for actions under Utah Code Ann. 16-10a-842 (1953, as amended) or its successor provisions; or
- (d) for any transaction from which the Director derived an improper personal benefit.

ARTICLE IX DIRECTORS

The number of Directors of the corporation shall not be less than three (3) nor more than nine (9) in number, with the number to be determined by the shareholders as provided in the Bylaws. Class C shareholders, exclusively and as a separate class, shall be entitled to elect one Director of the Board as designated by the Class C shareholders (the "Class C Director"). All remaining Directors, other than the Class C Director, shall be elected by vote of the Class A shareholders.

ARTICLE X
REGISTERED AGENT AND OFFICE

The name of the registered agent and the address of the registered office of the corporation are as follows:

Name: Scott D. Schofield

Address: 7950 Pinebrook Road
Park City, Utah 84098

ARTICLE XI
NONPROFIT

The corporation shall be a nonprofit corporation.

ARTICLE XII
REVISED AND RESTATED ARTICLES

These Amended and Restated Articles of Incorporation supersede the original Articles of Incorporation of the corporation and all amendments thereof.

SECOND. The shareholders adopted the foregoing Amended and Restated Articles on August 20, 2019 at a general meeting of the shareholders of the corporation.

THIRD. The total number of shares of stock of the corporation represented at the meeting of the shareholders by attendance and by proxy was 71 Class A shares. The number of shares voted in favor of the Amendment was 71. The number of shares voted against the Amendment was 0. A quorum was represented by attendance and by proxy at the meeting of the shareholders and in excess of a two-thirds majority of the resident shareholders represented at the meeting voted in favor of the Amendment.

FOURTH. The Amendment provides for reclassification of the shares of stock in the corporation. Upon issuance of Class D or Class E shares, or upon conversion of additional Class B shares into Class A shares, an equal number of Class B shares shall be canceled.

FIFTH. The Amendment does not effect a change in stated capital of the corporation.

