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RC Div. Of Corp. & Comm. Code

**AMENDED AND RESTATED
ARTICLES OF INCORPORATION
OF
BEAR LAKE WATER COMPANY**

THE UNDERSIGNED, pursuant to authority set forth in the Utah Revised Nonprofit Corporation Act, §16-6a-101 *et seq.*, Utah Code Ann., 2000 (the "Act"), hereby adopts the following Second Amended and Restated Articles of Incorporation, as follows:

FIRST: The name of the Association is the BEAR LAKE WATER COMPANY (hereafter the "Company").

SECOND: In conformance with the provisions of §16-6a-1006 of the Act, the text of the Second Amended and Restated Articles of Incorporation, which includes substantive amendments to the Association's original Articles of Incorporation and subsequent amendments thereto, shall hereafter read, in their entirety, as follows:

ARTICLE I

NAME

The name of the Company is BEAR LAKE WATER COMPANY. The Company is a Utah Non-profit Mutual Water Company.

ARTICLE II

REGISTERED OFFICE AND AGENT

The address of the Company's initial registered office is 1879 Rich ^{WAY} Avenue, Salt Lake City, Utah 84152, and the initial registered agent of the Association at such address shall be Mr. Lane Peterson, CPA. The signature of the initial registered agent manifesting acceptance of his appointment is set forth below:



Lane Peterson, CPA, Registered Agent

ARTICLE III

POWERS AND PURPOSES

In furtherance of and in no way in limitation of the powers now or hereinafter conferred upon non-profit corporations under the Act, the nature of business of the Company and the objects,

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purposes and powers to be transacted, promoted, exercised or carried on by it are as follows:

A. To own domestic and culinary water, and to store and distribute this water on a non-profit basis only to the shareholders of the Company for use on lands in Rich County, State of Utah, within the area generally described as the Sweetwater Development and surrounding areas.

B. To acquire water rights by purchase, lease, contract, appropriation, change application or otherwise.

C. To acquire, hold and sell real and personal property useful to the carrying on of the corporate business.

D. To own water diversion, distribution, measurement and storage facilities useful to the distribution of this water supply to its shareholders.

E. To convey its assets as security for loans and make and perform contracts of any kind and description, including, without limitation, contracts with the State of Utah or any agency or department thereof, or the United States of America or any agency or department thereof, for the purpose of borrowing money, acquiring water and water rights, and for the use, joint development of and/or the construction, repair, improvement, modification, repair and replacement of all wells and other water diversion, transportation, distribution, measurement and storage facilities.

F. To engage in any lawful activity for which a nonprofit corporation may be organized under the Act.

ARTICLE IV MEMBERSHIP

Membership in the Company stock shall be evidenced by the issuance of shares of Company stock. Members shall be referred to herein as shareholders.

ARTICLE V SHARES OF STOCK

A. Issuance of Shares. The aggregate number of shares which the Company shall be authorized to issue is 10,000 shares, each having a par value of \$1.00. All shares of stock shall be issued as book-entry shares. No written certificates shall be issued.

B. Classes of Stock. There shall be three classes of stock in the Company, denominated as "Class A", "Class B" and "Class C", as follows:

(1) Class A stock represents entitlement to water for inside culinary use and, subject to the

availability of water, for outside irrigation of maintained landscaping including lawns, trees, gardens and shrubs. There shall be three (3) Class A shareholders. The Class A shareholders and the number of Class A shares to be issued to each shall be as follows:

<u>SHAREHOLDER</u>	<u>SHARES</u>
1. SWEETWATER PARK HOMEOWNERS' ASSOCIATION, INC.	614 Shares
2. SWEETWATER PARK TRAILER AND CAMPER PARK PROPERTY OWNERS' ASSOCIATION, INC.	421 Shares
3. SWEETWATER GOLF COURSE HOMEOWNERS' ASSOCIATION, INC.	931 Shares

(a) The Class A shareholders represent all of the incorporated homeowners' associations organized within the Sweetwater Development. Class A shareholders are hereinafter sometimes referred to individually as an "Association" or collectively as the "Associations".

(b) The number of shares issued to the Sweetwater Park Homeowners' Association, Inc. hereunder is fixed at 614 shares. The number of shares issued to Sweetwater Golf Course Homeowners' Association, Inc. hereunder is fixed at 931 shares. The 421 shares issued to Sweetwater Park Trailer and Camper Park Property Owners' Association, Inc. hereunder represents the number of shares issued as of the date hereof. The total number of shares to be issued to the Sweetwater Park Trailer and Camper Park Property Owners' Association shall increase automatically as new platted lots which are subject to the governance of said association are sold by the developer thereof to the initial owner of each lot.

(c) One share of Company stock held by each Association shall be designated for each individual platted lot which is subject to the governance of such Association.

(d) Although water is to be delivered by the Company directly to the individual lots which are now connected or which shall be connected to the Company's water distribution system, the Associations are the Class A shareholders of the Company. The owners of individual lots are not shareholders in the Company, but, rather, are members in their respective Association. As such, the interest of each individual lot owner within the Sweetwater Development in the business and affairs of the Company is to be represented as provided in these Articles, at all times, solely by such lot owners' respective Association.

(2) Class B stock represents entitlement to water for inside culinary use and, subject to the availability of water, for outside irrigation of maintained landscaping including lawns, trees, gardens and shrubs. Class B shares shall be issued to owners of real property situated within the Sweetwater Development who's property is now connected to or will become connected to the Company's water distribution system, which properties are not governed by any of the Associations holding Class A stock of the Company, including commercial property. Each owner shall be issued one (1) share of Class B stock for the combined total of all properties of such owner served with water from the Company.

(3) Class C stock represents entitlement to water for livestock and irrigation purposes or other similar non-domestic purposes only. Class C shares shall be issued to owners of real property situated outside the Sweetwater Development who's property is now served by the Company and for certain commercial property within the Sweetwater Development. Each owner shall be issued one (1) share of Class C stock for the combined total of all properties of such owner served with water from the Company.

C. Appurtenance of Shares. Shares of Class A, Class B and Class C shares shall be appurtenant to the property upon which the water is used there under as provided in the rules and regulations of the Company.

D. Shares for Recreational Facilities and Common Areas. Any recreational facility owned by a homeowners association shall be required to own a share of stock for each separate facility to cover its water usage. The water usage shall be determined by a separate water meter for each facility. A homeowner association shall be required own 1 (one) share of stock for each one-quarter acre of commonly owned land to be irrigated with water from this system. The water usage for those areas shall be determined by a separate water meter for each land area.

E. Use of Water. Each share of stock shall represent an equal interest in and right to the use of the water available to the Company pursuant to the Company's water rights, without priority of use over any other share, in the quantity determined by the Board of Directors of the Company, subject to these Articles, the Company's by-laws and rules and regulations, and all applicable Utah State drinking water standards.

F. Transfer of Stock. Transfers of stock shall be made only upon the transfer books of the Company, kept at the office of the Company or the office of the respective transfer agent designated

to transfer Company stock. The Board of Directors shall have power and authority to make all such rules and regulations as it may deem expedient concerning the transfer of shares of the stock of the Company, not inconsistent with these articles and state law.

**ARTICLE VI
VOTING RIGHTS**

With respect to all matters required to be submitted to a vote of the shareholders of the Company, the following shall apply:

A. Designation of Voting and Non-voting Shares.

(1) All Class A and Class B shares shall be voting shares, and each Class A share and Class B share shall have equal voting rights with each other and each share shall be entitled to one (1) vote. Class C shares shall be non-voting shares. In other words, based upon the number of shares issued as set forth in Article V B. above, voting rights are currently as follows:

<u>SHAREHOLDER</u>	<u>VOTES</u>
CLASS A SHAREHOLDERS:	
SWEETWATER PARK HOMEOWNERS' ASSOCIATION, INC.	614
SWEETWATER PARK TRAILER AND CAMPER PARK PROPERTY OWNERS' ASSOCIATION, INC.	421
SWEETWATER GOLF COURSE HOMEOWNERS' ASSOCIATION, INC.	931
EACH CLASS B SHAREHOLDER	5
CLASS C SHAREHOLDERS	0

B. Quorum for Shareholders' Meetings. At any meeting of the shareholders, 100% of the outstanding Class A stock, represented by the Associations holding Class A stock as provided Article V of these Articles, shall constitute a quorum for the adoption of any matter submitted to a vote of the members.

C. Shareholder Voting.

(1) With respect to Class A shares, the president of each Association, or, in the event of the president's absence, a person duly authorized to represent the Association by written resolution of

the Board of Directors of such Association, shall vote all of the shares held by such Association as quantified in Article V.B.(1) hereof. With respect to Class B shares, the holders of Class B shares shall vote, in person or by proxy executed in writing by the shareholder or his duly authorized attorney-in-fact, the share held by each Class B shareholder.

(2) Action on any matter requiring shareholder approval is approved if: (i) a quorum is present at the meeting, (ii) 100% of the Class A shares vote in favor of the action, and (iii) the total votes of Class A and Class B shares cast favoring the action exceed the total votes cast opposing the action.

(3) For purposes of shareholder voting, the holders of Class A and Class B shares shall vote and be counted together collectively on all matters and constitute a single voting group.

ARTICLE VII

ASSESSMENT OF SHARES

All shares of stock shall be fully assessable for the purpose of paying their proportionate share of all lawful obligations of the Company, including, without limitation, the acquisition, development, operation, maintenance, repair and replacement of all facilities used to divert, transport, store, measure and distribute water, and for payment of their proportionate share of the general administrative expenses incurred in the management of the business affairs of the Company. Assessments shall be levied and provisions made for the collection of all delinquent assessments as provided in the rules and regulations of the Company and in conformance with State law.

ARTICLE VIII

BOARD OF DIRECTORS

A. Composition of the Board. The powers of the Company shall be exercised and its affairs managed by a governing board of seven (7) directors (the "Board"), to be appointed as follows:

(1) Each Association holding Class A stock in the Company shall appoint the president and one other member of the board of directors of such Association to serve on the Board of the Company; and

(2) The six directors appointed by the Associations, as provided in Section A.(1) of this Article, shall appoint one additional director to serve on the Board of the Company, at large, from among any of the Association's members or Class B or Class C shareholders of the Company.

B. Powers. The Board shall have the power, in addition to all other powers, express and

implied, to promulgate such bylaws and rules and regulations as it deems necessary or desirable for the operation of the Company's water system, including, without limitation, rules and regulations providing for: (i) proration, in times of shortage, of the available water supply of the Company so that each shareholder receives the same quantity of water per share per year as each other shareholder connected to the system; (ii) the assessment of an excess water charge to those who use more water than they are entitled to receive by virtue of their shareholding ownership; and (iii) a requirement of larger connection sizes and meters for multi-family dwelling units.

ARTICLE IX

OFFICERS

The officers of the Company shall consist of a president, vice president, and secretary-treasurer. The president and vice president shall be elected by the Board from among the membership of the Board. The secretary-treasurer shall be appointed by the Board, and need not be a member of the Board. The secretary-treasurer may be a salaried employee of the Company. Officers shall serve for such term of office as the Board, from time-to-time, shall designate.

ARTICLE X

BY-LAWS AND RULES AND REGULATIONS

The Board shall have the power to adopt such bylaws and rules and regulations of the Company, not inconsistent with law or with these Articles of Incorporation, as the Board shall deem necessary and expedient for the management of the business of the Company.

ARTICLE XI

DISSOLUTION

In the event of dissolution, each member of the Company, including former members, shall receive his proportionate share of the Company's property and assets based upon patronage insofar as is practicable, and as their legal interests may appear, after paying or providing for the payment of all debts and obligations of the Company.

THIRD: The foregoing Amendment to the Articles of Incorporation was adopted by the shareholders of the Company at a special meeting of shareholders held on the 26 day of AUGUST, 2006.

Shareholders representing a quorum of Class A shares and Class B shares were present or represented by proxy at the meeting, and the foregoing Amended and Restated Articles of

Incorporation were adopted by vote sufficient for approval of the same in compliance with the requirements of §16-6a-1003(5) and §16-6a-1006(4) Utah Code Ann., 2001, as follows:

Class A and Class B shares issued and outstanding	1971. SW 8/28/06
	1,966
Class A and Class B shares represented at the meeting	1968. SW 8/29/06
Class A and Class B shares voting in favor of the Amendment	1968. SW 8/29/06
Class A and Class B shares voting against the Amendment	0

DATED this 28 day of August, 2006.

BEAR LAKE WATER COMPANY

By: Donna C Severson
President

ATTEST:

George E Merrick
Secretary

STATE OF UTAH)
 Rich : ss.
County of Salt Lake)

Donna C. Severson and George E. Merrick, being first duly sworn upon oath depose and say that they are the President and Secretary of the Bear Lake Water Company, that each have signed the foregoing Amended and Restated Articles of Incorporation on behalf of said Company, and that said Company duly authorized the same.

Donna C Severson
President
George E Merrick
Secretary

SUBSCRIBED AND SWORN to before me this 28th day of August, 2006.

Sharon C. Millard
NOTARY PUBLIC

