

ARTICLES OF INCORPORATION

OF

OURAY PARK IRRIGATION COMPANY, INC.

A NON-PROFIT CORPORATION

ARTICLE I

Name Of Corporation

The name of the Corporation is Ouray Park Irrigation Company, Inc.

ARTICLE II

Period Of Corporate Existence

The Corporation shall continue in existence perpetually unless sooner dissolved according to law.

ARTICLE III

Purpose Of Corporation

The Corporation is organized for the purpose of acting as a mutual irrigation company. More than eighty-five (85%) percent of the income of the Corporation shall consist of amounts collected from member Stockholders for the sole purpose of meeting losses and expenses of the company.

For the accomplishment of these purposes, the Corporation shall have the following powers:

To acquire by purchase, appropriation, subscription, donation, condemnation or otherwise, land or interests in land, water, water rights, and other property both real and personal, of every kind

and nature necessary, useful or incidental to the object, pursuit, and business of the Corporation.

To distribute water to Stockholders and to sell, exchange and otherwise dispose of water and water rights.

To own, operate, maintain, construct, reconstruct, dams, reservoirs, canals, pumping plants and other facilities and structures, and to own, utilize and improve lands, easements, water systems, buildings or interest therein.

To borrow money, incur indebtedness, mortgage or pledge the assets of the Corporation for security therefor, issue bonds, and to contract with political subdivisions and municipalities, individuals, partnerships, corporations, the United States, the State of Utah, or other parties to carry out the business of the Corporation.

To sell any or all of the assets of the Corporation not needed for the business conducted by the Corporation and to acquire, own, sell, or otherwise dispose of or exchange its own stock or stock of other corporations.

To do everything necessary and proper for the accomplishment of any of the purposes or the attaining of the objective of the Corporation.

The foregoing paragraphs shall be construed as enumerating both objectives and purposes of the Corporation and it is hereby

expressly provided that the foregoing enumeration of specific purposes shall not be held to limit or restrict in any manner the purposes of the corporation otherwise permitted by law.

ARTICLE IV

Principal Place Of Business

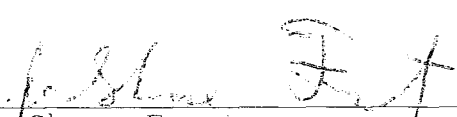
The principal office of the Corporation shall be at 14500 East 5000 South, Randlett, Utah, 84063, and the mailing address shall be P. O. Box 395, Roosevelt, Utah 84066 until changed by the governing board.

ARTICLE V

Incorporator

The name and address of the incorporator of the corporation is:

J. Shane Frost
P.O. Box 395
Roosevelt, Utah 84066



J. Shane Frost

ARTICLE VI

Registered Office and Agent

The initial registered office of the Corporation is 14500 East 5000 South, Randlett, Utah, 84063, the mailing address is P.O. Box 395, Roosevelt, Utah 84066, and the name of the initial registered agent is J. Shane Frost.

I accept appointment as the initial registered agent of the Corporation.



J. Shane Frost

ARTICLE VII

Stock Authorized

The stock of this Corporation shall consist of 20,000 shares of Common Stock. All stock shall be considered voting stock and those holding the stock shall be considered voting members and shall be issued for a cash consideration determined by the governing board. Stock shall be issued in no less than one-half of a share.

ARTICLE VIII

Governing Board

The governing board of this Corporation shall consist of five (5) Directors elected by the stockholders of the Corporation at the annual meeting. In order to be eligible for the office of Director, a person must be the owner of at least one (1) share, or part thereof, of the Corporation's stock.

ARTICLE IX

Terms Of Office

Each of the Directors shall be elected to serve a three (3) year term with two (2) of the five (5) Directors being elected one

year and two (2) of the five (5) Directors being elected the following year and one (1) Director being elected the year after that.

ARTICLE X

Director/Officers' Liability

Pursuant to Utah Code Annotated §16-6-107(1), a Director or Officer of a non-profit corporation is not personally liable to the corporation or its members for civil claims arising from acts or omissions made in the performance of his duties as a Director or officer, unless the acts or omissions are the result of his intentional misconduct.

ARTICLE XI

Assessments Of Stock

All of the stock of the Corporation shall be assessable to the extent necessary to pay for the proper control, management and operation of the property and business of the Corporation and for paying the necessary and proper expenses of the Corporation as determined by the governing board.

ARTICLE XII

Amendments

The Corporation reserves the right to amend, revise, repeal or change any provision contained in these Articles of Incorporation. Amendments shall be adopted by a majority vote of the stock

represented at the meeting called for that purpose. Any Article, or portion of an Article, of the Articles of Incorporation, or any By-Laws, in conflict herewith is hereby repealed and amended.

ARTICLE XIII

By-Laws

By-Laws for the Corporation shall be adopted, repealed or amended by a majority vote of the stock represented at a meeting called for that purpose.

ARTICLE XIV

Dissolution Of The Company

In the event of dissolution of the company each Stockholder shall receive their proportionate share of the company and assets based upon patronage, insofar as is practicable, after paying or providing for payment of all debts of the company.

DATED this 12 day of January, 2005.

J. Shane Frost
J. Shane Frost, Incorporator

OURAY PARK IRRIGATION COMPANY, INC.

BY-LAWS

ARTICLE I

Corporate Name

The name of this Corporation is OURAY PARK IRRIGATION COMPANY, INC.

ARTICLE II

Annual Stockholder's Meeting

The annual meeting of stockholders for the election of Trustees and the transaction of such other business as may properly come before said meeting, shall be held at Avalon, Utah, annually at the time and place decided upon by the Trustees, which time and place has traditionally been on the last Saturday in February at a location determined by the Board of Trustees. The election of Trustees shall be by secret ballot.

The order of business at the annual meeting of the stockholders shall follow a format similar to that listed below:

1. Call of meeting to order.
2. Proof of due notice of meeting submitted.
3. Report on number of shares of stock present, in person or by proxy, to establish the existence of a quorum.
4. Reading and disposal of any unapproved minutes.
5. Unfinished business.
6. Reports of Officers.
7. Report of Accountant.
8. New business.
9. Election of Trustees.
10. Adjournment.

ARTICLE III

Special Stockholder's Meeting

Special meetings of the stockholders may be called by the Board of Trustees or by the holders of at least 25% of the stock of the Company. Said request shall be filed in writing with the Secretary of the Company. Upon receipt of such request, the Secretary shall notify the Trustees and make notice to the stockholders within five (5) days after the filing of such a request.

ARTICLE IV

Notice Of Stockholder's Meeting

Notice of all stockholder's meetings stating the date, the time, the place and the objectives for which such meetings are called shall be given by the Secretary or any officer of the Corporation so designated, by mail, not less than ten (10) nor more than sixty (60) days prior to the date of the meeting, to each stockholder of record at his or her address as it appears on the books of the Corporation unless he or she shall have filed with the Secretary of the Corporation a written request that notice intended for him or her be mailed to some other address, or notice for said meeting shall be given by publication in two (2) consecutive issues of a newspaper in Uintah County, with the ten (10) day notice period beginning on the day of the last publication.

ARTICLE V

Quorum Of Stockholders

At any meeting for the election of Trustees, a minimum of fifty percent (50%) of the stockholders representing the total amount of stock issued shall be present, in person or by proxy, and shall constitute a quorum for the purpose of such meeting.

When a quorum is present at a meeting, a majority in interest of the stock represented thereat shall decide any question brought before such meeting, unless the question is one upon which by express provision of law or provision of the Articles Of Incorporation or of these Bylaws a larger or different vote is required, in which case such express provision shall govern and control the decision of such question.

ARTICLE VI

Voting

Each stockholder shall be entitled to vote each share of stock, or part thereof, held. Voting by proxy will be allowed. When more than one person is listed as an owner on a particular certificate of stock, and one of such persons is present at the meeting held for electing Trustees, the person present shall be allowed to vote the shares of stock, or part thereof, represented

by the certificate. Only stock on which all assessments have been paid may be voted.

ARTICLE VII

Board Of Trustees

A Board Of Trustees shall be chosen by secret ballot at the annual meeting of the stockholders. The number of Trustees of this Corporation shall be five (5). All Trustees must be owners of at least one (1) share of stock, or part thereof.

Each Trustee shall serve his or her term and shall continue to serve his or her term until a successor is duly elected and qualified. Each Trustee shall be elected to serve a three (3) year term with two (2) of the five (5) Trustees to be elected one year and two (2) of the five (5) Trustees to be elected the following year and one (1) to be elected the year after that.

The Board Of Trustees, in its discretion, may elect a chairman of the Board Of Trustees, who when present shall preside at all meetings of the Board Of Trustees and who shall have such other powers as the Board prescribes.

If a duly elected Trustee, during his or her term of office, ceases to qualify for the office, as stated herein, such Trustee shall be disqualified as a Trustee of this Corporation. A replacement shall be selected as set forth in Article XIX.

ARTICLE VIII

Powers Of Trustees

The Board Of Trustees shall have the entire management of the business of the Corporation. In the management and control of the property, business and affairs of the Corporation, the Board Of Trustees is hereby vested with all the powers possessed by the Corporation itself, in so far as its delegation of authority is not inconsistent with the laws of the State of Utah, with the Articles Of Incorporation, or with these Bylaws. Provided, however, that the Trustees shall submit to the stockholders and obtain a vote of a majority of the stock before committing the Company to contracts resulting in Company obligations that exceed beyond those annual upkeep and maintenance expenses of the system.

ARTICLE IX

Compensation For Trustees

Trustees may be paid for each meeting of the Corporation for which they are in attendance.

ARTICLE X

Meetings Of Trustees

Regular monthly meetings of the Board of Trustees shall be held at such places and at such times as the board by vote may determine, and if so determined, no notice thereof need be given. Traditionally monthly meetings are held on the second Thursday of

each month. Special meetings of the Board of Trustees may be held at any time or place whenever called by the President or two (2) Trustees, notice thereof being given to each Trustee by the Trustee(s) calling the meeting, or at any time without formal notice provided all the Trustees are present or those not present shall at any time waive or have waived notice thereof. The Board of Trustees meeting may be conducted through the use of any means of communication by which all Trustees participate and may hear each other during the meeting. A Trustee participating in a meeting by this means is considered to be present in person at the meeting.

ARTICLE XI

Quorum Of Trustees

Three of the members of the Board Of Trustees shall constitute a quorum for the transaction of business.

ARTICLE XII

Officers

The Officers of this Corporation shall be a President, a Vice-President and a Secretary. The President and Vice-President shall be members of the Board of Trustees, but the Secretary need not be a member of the Board of Trustees or a stockholder. The Officers of the Corporation shall be elected annually by the Board Of Trustees after its annual meeting. A meeting without notice may be

held for this purpose immediately after the annual meeting of the stockholders, and at the same place.

ARTICLE XIII

Additional Officers And Agents

The Board Of Trustees, at its discretion, may appoint such other Officers or Agents as it may deem advisable, and prescribe the duties thereof.

ARTICLE XIV

Officers To Be Bonded

Each Officer or Trustee, who handles money, shall give a good and sufficient fidelity bond. The amount of said bond shall be set annually by the Trustees.

ARTICLE XV

President

The President shall be the chief executive officer of the Corporation. The President or a Vice-President, unless some other person is specifically authorized by vote of the Board Of Trustees, shall sign all certificates of stock, bonds, deeds, mortgages, extension agreements, leases, checks and contracts of the Corporation. He shall perform such other duties incident to this office and shall perform such other duties as the Board Of Trustees shall designate. However, the President is not required to follow the direction of the Board Of Trustees on matters which have not

properly been decided as required herein. On any such matters, the President may request an authorizing vote from the stockholders.

ARTICLE XVI

Vice-President

The Vice-President shall assist the President and shall perform such other duties and have such other powers as the Board Of Trustees shall designate. In the absence of the President, or in the event of his inability or refusal to act, the Vice-President shall have all the powers of and be subject to all the restrictions place upon the President.

ARTICLE XVII

Secretary

The Secretary shall issue notice for all meetings, keep accurate minutes of all meetings of the stockholders and the Board Of Trustees, shall have charge of the seal and corporate books of the Company, shall perform all the duties incident to his or her position, and shall perform such other duties and have such other powers as the Board Of Trustees shall designate. The Secretary shall have the power, together with the President or Vice-President, to sign certificates of stock of the Corporation and all other instruments requiring the Secretary's signature.

ARTICLE XVIII

Employment Of A Watermaster

The Board Of Trustees may employ one or more Watermasters whose duties shall be as hereinafter provided.

The Watermaster(s) shall be directly responsible to the President of the Company.

The Watermaster's wage shall be set by the Board Of Trustees at the time of employment and shall be reviewed annually.

The Watermaster is responsible for the regulation and delivery of all water in and through the Company's canals, and as such shall have absolute control of all headgates, weirs, and measuring devices used in the delivery of water. The Watermaster shall act as the supervisor over any Company employees involved in the maintenance and operation of the Company's canals, ditches and headworks, unless otherwise determined by the Board of Trustees.

As water is to be delivered on call, the Watermaster shall order water needed for the Main Canal from the River Commissioner and shall have the authority to regulate delivery of water from the reservoirs.

The Watermaster shall keep adequate records to insure equitable delivery of water to the stockholders on the basis of shares owned.

Article XIX

Resignation, Removals And Vacancies

Any Officer or Trustee of the Corporation may resign at any time by giving written notice to the Corporation through the President or the Board Of Trustees. Any such resignation shall take effect at the time specified therein, or if the time be not specified therein, upon its acceptance by the Board Of Trustees. Upon resignation, a Trustee shall continue to serve until a successor is duly elected and qualified.

Any employee hired by the Corporation may resign at any time by giving two weeks written notice to the Corporation through the President or the Board of Trustees.

The Board Of Trustees, by not less than a majority vote of the entire board, may remove from office any Officer elected or appointed by it after having given the Officer a hearing. The accused Officer shall have ten (10) days written notice of such hearing. Said notice shall specify the charges against said Officer, as well as the time and place of the hearing.

The Board Of Trustees, by not less than a majority vote of the entire board, may choose to terminate an employee or an agent hired by the Corporation.

A majority vote of the stockholders may remove from office any Trustee elected by it at a special meeting called for that purpose.

If the office of any Officer becomes vacant by reason of death, resignation, removal or otherwise, the Trustees may by a majority vote choose a successor, or successors, who shall hold that office for the unexpired term. Vacancies in the Board Of Trustees may be filled for the unexpired term by the majority vote of the remaining Trustees.

ARTICLE XX

Stock Certificates

Every stockholder shall be entitled to a certificate or certificates of the stock of the Corporation in such form as may be prescribed by the Board Of Trustees, duly numbered and setting forth the number of shares. Such certificates shall be signed by the President or Vice-President, and by the Secretary.

A record of each Certificate issued shall be kept on the stub thereof, and also in the stock book kept for that purpose.

ARTICLE XXI

Transfer Of Stock

Upon Trustee approval, shares of stock may be transferred by delivery of the certificate accompanied either by an assignment in writing on the back of the certificate or by a written power of attorney to sell, assign and transfer the same on the books of the Corporation. The assignment shall be signed, before a Notary, by the person appearing on the certificate to be the owner of the

shares represented thereby, and shall be transferable on the books of the Corporation upon surrender of the certificate once assigned or endorsed.

Transfer of stock shall not be made for any stock showing an unpaid assessment.

ARTICLE XXII

Loss Of Certificates

In case of the loss, mutilation or destruction of a certificate of stock, a duplicate certificate may be issued upon the receipt of a Lost Stock Certificate that has been signed before a Notary. Record shall be made on the stub of the certificate, so issued, of such Certificate and such Certificate shall be attached to the stub thereof.

ARTICLE XXIII

Closing Of The Stock Books

The stock books for the Company shall be closed prior to the levying of the annual assessment and shall remain closed until notification of said levy has been made to the stockholders of the Company.

ARTICLE XXIV

Determining Assessments

Annually, not later than October 31st, the Trustees shall apportion the cost of maintenance and operation of the canals

together with all other costs of operating the Company and its properties, to each share of stock outstanding. The Secretary shall mail to each stockholder a statement of the amount of cost per share and the due date, determined by the Board of Trustees.

All financial needs of the Company shall be provided by assessments to the stockholders proportionate to their ownership.

ARTICLE XXV

Delinquent Assessments

All assessments become delinquent if not paid by the due date. Delinquent assessments shall be advertised in two weekly issues of a paper having general circulation in Uintah County, Utah. The cost of such advertisement shall be added to and become a part of the amount delinquent.

Enough of the delinquent stock shall be sold at public auction to pay said assessment and cost of sale. A record of the amount of such stock sold shall be made on the stub of the delinquent certificate, and on the stock books of the Company, and a record shall be made in the minutes of the next meeting of the Board Of Trustees.

ARTICLE XXVI

Water Distribution

Any canals owned by the Corporation shall be maintained by the Corporation.

No additional stock shall be sold and irrigation water delivered therefore for any lands within the Moffat District, and no stock shall be sold or water delivered to lands within the Ashley and Upper Ouray Canal Districts.

ARTICLE XXVII

Water Management and Control

Water management and control shall be the responsibility of the stockholder after diversion out of the company canal. Any screens or other structures used as part of the diversion shall be maintained at the expense of the stockholder.

ARTICLE XXVIII

Water Transfers

No stockholder shall be allowed to transfer the delivery of water represented by his or her shares of stock from one storage reservoir to another without the approval of two-thirds of those stockholders affected by the move.

ARTICLE XXIX

Joint Board of Control

There exist canals that are jointly owned by Ouray Park Irrigation and Whiterocks Irrigation Company. A Joint Board of Control, made up of representatives from the two irrigation companies, meets periodically to discuss the management and control

of all matters which effect, jointly, the two irrigation companies with respect to these canals. The Board of Trustees shall designate representatives to attend these meetings.

ARTICLE XXX

Associated Water Users

Annually, the Trustees shall nominate a person to represent Ouray Park Irrigation Company on the advisory board of the Associated Water Users of the Uintah and Lakefork Rivers.

ARTICLE XXXI

Miscellaneous Business

All claims for reimbursement for services performed for the Company, shall be filed with the Secretary to be acted upon and approved by the Board Of Trustees.

All warrants issued, shall bear the date of issuance, in whose favor drawn, and for what purpose drawn. When such warrants are paid, the word "PAID" shall be stamped across the face of the invoice along with a notation stating the date of payment and the name of the paying Officer(s). All warrants, orders or receipts issued shall be numbered consecutively and each of such warrants, orders, or receipts shall be properly accounted for.

Stock, filings, storage rights and lands owned by the Ouray Park Irrigation Company (including those lands covered by the purchase agreement with Uintah County) cannot be sold, exchanged or

otherwise disposed of without the approval of the stockholders. Any Company lands sold, must be advertised and sold to the highest bidder at any Board Of Trustee's meeting properly called for that purpose.

ARTICLE XXXII

Audit

An Auditor, or an auditing committee, shall be appointed by the Board Of Trustees at least thirty (30) days prior to the annual meeting of the stockholders to audit the financial books of the Company. The Auditor, or auditing committee, shall submit their report, in writing, to the stockholders at their annual meeting.

ARTICLE XXXIII

Emergency Decisions

The Board Of Trustees may make decisions to cover emergency situations wherein direction is not specifically covered by these By-Laws. However, said decisions shall be made by unanimous decision and shall conform with the Article of Incorporation and the laws of the State Of Utah.

ARTICLE XXIV

Amendments

The by-laws of the Corporation may be amended, added to or repealed by a vote of the holders of not less than two-thirds of

the stock of this Corporation represented at a meeting called for that purpose.

ARTICLE XXXIII

By-Laws

These By-Laws shall replace and supplant any and all by-laws previously in force.

Adopted by resolution this 27 day of Feb., 199~~8~~⁹.