Provo Bench Canal & Irrigation Company
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October 22, 2025

Dear Shareholders:

On September 27, 2025, a majority of the Provo Bench Canal and Irrigation Company Shareholders voted to dissolve the company At that meeting, the Board committed to provide follow-up information to assist shareholders with next steps. That information is attached.

In addition, The Board will hold an informational meeting to answer shareholder questions about the dissolution. The informational meeting will be held on November 1, 2025, at 10:00 a.m., at Central Utah Water Conservancy District, 1426 East 750 North, Orem, Utah 84097.

The adopted plan states that each shareholder's election whether to retain or sell the natural flow and storage components of their Company shares must be submitted to the Company **Secretary by November 11, 2025.** Please use the secure online link provided in the enclosed information packet or at provobenchcanal.com to make that election.

If you are unable to complete it online, you may complete the enclosed paper ballot instead.

Sincerely,

Provo Bench Canal and Irrigation Company

Provo Bench Canal and Irrigation Company

Information to help determine whether to keep or sell Company stock

Approved by the PBC&IC Board on October 21, 2025

Company Background

The Provo Bench Canal Company was formed on March 26, 1872 to complete construction of the canal and to convey water to irrigate, reclaim and improve thousands of acres in the Provo Bench Irrigating District. It was renamed Provo Bench Canal and Irrigation Company (PBC&IC, or Company) on January 29, 1876. On September 27, 2025, a majority of its shareholders voted to dissolve the company.

Provo River Water Right and Prover River Water Users Association Shares Summary

On May 2, 1921, Judge C. W. Morse issued a ruling governing water use and ownership for the Provo River system. The decree allocated flow from the Provo River to the Provo Bench Canal & Irrigation Company. Currently, the Company has a right to use up to 97.55 cfs from the river for the irrigation of 5,446.35 acres. This water right is often referred to as “natural flow” of the Provo River.

In February, 1942, PBC&IC obtained 2,000 shares in the Provo River Water Users Association (PRWUA) which manages the water in Deer Creek Reservoir on behalf of its shareholders. One share in the PRWUA is equal to one acre foot of water if Deer Creek has a full allocation. These shares are for what is often referred to as “storage water.”

With these two sources of water, shares in the PBC&IC are composed of both natural flow and storage water. Natural flow rights are owned by the PBC&IC and delivered to its shareholders. Storage rights are owned by and managed by the PRWUA and delivered to PRWUA shareholders, including PBC&IC. The Provo River Commissioner allocates natural flow to all users of Provo River water during the irrigation season according to available flow. In years when the river’s flow is low, the Commissioner will cut the natural flow available to users. The storage component of the PRWUA shares can help make up the difference after these cuts. Shareholders should understand both components of their water shares as they consider their options as the company moves toward dissolution.

Explanation of the “Natural Flow” Component of Company Shares:

PBC&IC has 1,956.864 shares that are owned by over 100 individuals and organizations. The natural flow water right of 97.55 cfs for the irrigation of 5,446.35 acres or municipal uses is divided proportionally to the shares. A shareholder with 1.0 share of natural flow could have received approximately 0.05 cfs for the irrigation of approximately 2.78 acres when 100% of the natural flow was available. The Company’s water master and Provo River Commissioner worked closely in the past to ensure shareholders receive the portion of natural flow they were entitled to.

Explanation of the “Storage” Component of Company Shares

PBC&IC owns 2,000 shares of PRWUA for up to 2,000 acre feet of storage water in Deer Creek Reservoir. Each shareholder is entitled to a proportional share of this asset compared to the total number of shares in the PBC&IC. This works out to a ratio of 1.000:1.022. This means if a shareholder owns 1.000 share of PBC&IC, they would be entitled to 1.022 shares in the PRWUA.

However, PRWUA only issues shares in whole numbers. Because of the uneven ratio, no shareholder in the PBC&IC has a whole number of shares in the PRWUA. This means that shareholders that want to retain their PRWUA shares will need to either sell or purchase a fractional share in order to have the required whole number of shares. Any shareholder who elects to keep their PRWUA share entitlement must arrange access to the PRWUA system to use the water.

If a shareholder decides to keep their shares in the PRWUA, they will become a PRWUA shareholder and will be responsible to pay annual PRWUA assessments and abide by PRWUA's rules and bylaws. The annual assessments pay for the costs to manage the PRWUA including the operation, maintenance, and capital improvements to the reservoir and associated appurtenances. Assessments have gone from $25.24 per share in 2018 to $47.37 in 2025. Annual assessments paid by PBC&IC shareholders in the past included a portion to the PRWUA.

The Plan of Dissolution approved by the shareholders on Saturday, September 27, 2025 gives shareholders until November 11, 2025 to elect whether to keep their natural flow entitlement and/or their storage water entitlement or sell them. If they elect to have the Company sell them, the shares will be sold according to the board-approved method for disposal of PBC&IC shares, and the shareholder will receive their portion of the sale price based on their shares. If no election is made by that date, the company will sell a shareholder's PBC&IC shares on their behalf. They will receive payment after the sale is complete and payment of assessments from previous years has been verified.

The process outlined below will walk you through the decision-making process and help you determine what is best for you. An informational meeting has been scheduled for Saturday, November 1, 2025 at 10:00 am at the Central Utah Water Conservancy District to explain these options. The Board will be available to answer questions.

Are you going to have the Company sell all, part of, or will you keep both components of your PBC&IC shares?

- Yes, I would like to have the Company sell both the Provo River entitlement (natural flow) and the PRWUA components (storage) of my shares for me.
  - Your PBC&IC shares will be combined with other shares and sold according to the board-approved method for disposal of PBC&IC shares. When the sale is complete, and payments for assessments from previous years have been verified, you will receive payment for your portion of the sale proceeds.
- Yes, but I want to keep the Provo River entitlement component (natural flow) and have the Company sell the PRWUA component (storage) of my shares for me.
  - By selecting this option, you will receive a deed conveying your proportionate share of the PBC&IC Provo River water right to you. You will own a water right in the Provo River. As a water right holder, you will have the obligation to comply with Utah law including

beneficial use requirements and river commissioner assessments. There may be costs associated with this transaction which you will be responsible for.

  - Your storage portion will be sold according to the board-approved method for disposal of PBC&IC shares. When the sale is complete, and payments for assessments from previous years have been verified, you will receive payment for the value of your shares.

- Yes, but I want to keep the PRWUA component (storage) in whole-share increments and have the Company sell the Provo River entitlement component (natural flow) of my shares for me.
  - The natural flow portion of your PBC&IC shares will be combined with other shares and sold according to the board-approved method for disposal of PBC&IC shares. When the sale is complete, and payments for assessments from previous years have been verified, you will receive payment for your portion of the sale proceeds.
  - You will also become a shareholder in the PRWUA and will be responsible to pay annual assessments for your shares and abide by their rules and bylaws, including any costs associated with the transaction.
  - One of these PRWUA rules is a requirement that its shareholders have a whole number of shares. No fractional shares are allowed. You will be required to either sell the fractional portion of your PRWUA share or purchase a fractional portion in order to have the required whole number of shares. It is anticipated there will be a pool of shares from other shareholders who choose to sell. Shareholders in this situation will be given priority to purchase the fractional shares needed from the pool to get them to the next whole number of shares in the PRWUA.
  - If there is an inadequate number of PRWUA shares available for purchase by shareholders that desire to purchase shares to get to a whole number, you will have to sell your fractional share.
    - For example, if a shareholder's PBC&IC shares entitle them to 2.75 shares in the PRWUA, they can purchase PBC&IC shares equal to 0.25 PRWUA shares from the pool to obtain 3.00 PRWUA shares. This will be done according to the board-approved method of disposing PBC&IC shares. This is the process approved by the Board.
    - Alternatively, if a shareholder's PBC&IC shares entitle them to 2.75 shares in the PRWUA, and they do not want to purchase shares, they will have to sell 0.75 shares in the PRWUA and obtain a total of 2.00 PRWUA shares. If a shareholder elects to do this, their fractional share will be combined in the pool of PRWUA shares and sold according to the board-approved method of disposing PBC&IC shares. When the sale is complete, and payment for assessments from previous years has been verified, the shareholder will receive payment for the value of their shares.
  - **Will you have the Company sell or purchase a fractional share to get to a whole number for you?**
    - I will have the Company sell my fractional share to get to a whole number for me.

                - The Company will sell your fractional share in the PRWUA for you so you will have a whole number of shares.
                - You will receive payment for your fractional share after the sale is complete and payment for assessments from previous years has been verified. This amount is based on your deposited entitlement's percentage of the whole pool.
            - I will purchase a fractional share to get to a whole number.
                - The Company will coordinate purchasing fractional shares from the pool of PRWUA shares according to the board-approved method for disposal of PBC&IC shares. Priority will be given to shareholders who need a fractional share to get to a whole number of shares.
                - If there is an inadequate number of PRWUA shares available for purchase by shareholders that desire to purchase shares to get to a whole number, they will have to sell a fractional share to get a whole number. You will be contacted to let you know if this occurs.
- No, I will keep both the Provo River entitlement (natural flow) and the PRWUA (storage) components of my Company shares.
    - By selecting this option, you will receive a deed conveying your proportionate share of the PBC&IC Provo River water right to you. You will own a water right in the Provo River. As a water right holder, you must comply with Utah law including beneficial use requirements and pay annual River Commissioner assessments. There may be costs associated with this transaction which you will be responsible for.
    - You will also become a shareholder in the PRWUA (if you are not one already) and will be responsible to pay annual assessments for your shares and abide by their rules and bylaws including any costs associated with the transaction.
    - One of these PRWUA rules is a requirement that its shareholders have a whole number of shares. No fractional shares are allowed. You will be required to either sell the fractional portion of your PRWUA share or purchase a fractional portion in order to have the required whole number of shares. It is anticipated there will be a pool of shares from other shareholders who choose to sell. Shareholders in this situation will be given priority to purchase the fractional shares needed from the pool to get them to the next whole number of shares in the PRWUA.
    - If there is an inadequate number of PRWUA shares available for purchase by shareholders that desire to purchase shares to get to a whole number, you will have to sell your fractional share.
        - For example, if a shareholder's PBC&IC shares entitle them to 2.75 shares in the PRWUA, they can purchase PBC&IC shares equal to 0.25 PRWUA shares from the pool to obtain 3.00 PRWUA shares. This will be done according to the board-approved method of disposing PBC&IC shares.
        - Alternatively, if a shareholder's PBC&IC shares entitle them to 2.75 shares in the PRWUA, and they do not want to purchase shares, they will have to sell the 0.75 shares in the PRWUA and obtain a total of 2.00 PRWUA shares. If a shareholder

elects to do this, their fractional share will be combined in the pool of PRWUA shares and sold according to the board-approved method of disposing PBC&IC shares. When the sale is complete, and payment for assessments from previous years has been verified, the shareholder will receive payment for the value of their shares.

- **Will you have the Company sell or purchase a fractional share to get to a whole number for you?**
    - I will have the Company sell my fractional share to get to a whole number for me.
        - The Company will sell your fractional share in the PRWUA for you so you will have a whole number of shares.
        - You will receive payment for your fractional share after the sale is complete and payment for assessments from previous years has been verified. This amount is based on your deposited entitlement's percentage of the whole pool.
    - I will purchase a fractional share to get to a whole number.
        - The Company will coordinate purchasing fractional shares from the pool of PRWUA shares according to the board-approved method for disposal of PBC&IC shares. Priority will be given to shareholders who need a fractional share to get to a whole number of shares.
        - If there is an inadequate number of PRWUA shares available for purchase by shareholders that desire to purchase shares to get to a whole number, they will have to sell a fractional share to get a whole number. You will be contacted to let you know if this occurs.

Shareholders should consider any tax implications as they consider their options. The Company will not speculate on or give any advice on what these may be.

A decision tree was created to help visualize the process which can be accessed at this link or by scanning the QR code below.

An online tool was created to help you to see what you could receive based on your elections. It also shows the Board's best estimation of the current market for Company shares, which may be updated if the Board receives new information. You will need the number of shares you own and answers to the questions discussed above. This is the Board's current best calculation and may change in the final calculation. You can access the tool at this link or by scanning the QR code below.

The adopted plan states written notification of your election needs to be provided to the Company Secretary by November 11. However, an additional online reporting option is also available. It will walk you through the decision-making process. You can access it at this link or by scanning the QR code below. A valid email address is required as you will receive confirmation your submission was received. If you do not receive the confirmation email, contact the Company Secretary immediately.

Canal and Lateral Ownership

The Company owns the main canal and its accompanying easements. It does not own the laterals. In the dissolution process, Company will transfer its easement for the main canal to Orem City for those segments that Orem uses for storm water and will abandon all easements to the remainder of its main canal. The abandonment process is outlined in the Utah Code and requires the Company to file notice of its intent to abandon the easement. Once the Company has met all of the statutory requirements to abandon the canal, its obligations to the canal end and homeowners may utilize the abandoned segments of the canal not encumbered by an Orem City storm water easement.

Additional information

For most shareholders of the Provo Bench Canal and Irrigation Company, water from Orem City's culinary system may be the best alternative water source when the canal is unable to supply water to its users. Connecting to the City's water system brings different challenges including costs to connect to the City's culinary system, costs of a new irrigation system, and the long-term, ongoing cost of water. The information below proposes solutions irrigators can consider as they face the difficult challenges resulting from the canal's closure. This is informational only. The Company will not make arrangements to effectuate these options.

System Design & Installation

One challenge irrigators face, who have been flood irrigating for many years, is determining how much water is required for a particular agricultural need using a different irrigation method, and how to design a system to meet that need.

The Utah State University Extension (USUE) has a vast amount of information specific to this area of Utah that can be helpful to irrigators. Information can be found online at http://extension.usu.edu or by phone at (385) 268-6530. Additionally, water conservation technicians at the Central Utah Water Conservancy District (CUWCD) can offer assistance to evaluate a property owner's needs, and suggest ideas for efficient designs of a watering system. They can be contacted by email at astrack@cuwcd.gov or by phone at (801) 226-7180.

Another challenge when changing from flood irrigation to pressurized is the design and installation of a system that adequately provides the amount of water needed. The resources available at USUE and CUWCD can provide information to assist with this as well.

Depending on the amount of water needed, it may be possible to use the existing water meter on a shareholder's property. A determination would need to be made during the design of the new irrigation system whether the existing meter can supply the volume of water required for their needs. If it is determined by the property owner that the existing culinary water meter and associated water supply would meet their irrigation needs, then that may be the most cost-effective solution because no additional costs would be required to add a new meter. It is strongly recommended that an irrigation professional be consulted to do this.

Connection Costs

If the existing meter is unable to provide adequate flow and a new connection to the City's water system is required, or if a large property plans to hook onto the City's system, users would be charged the fees shown in the table to the right. These are charged to all new connections and cover direct costs incurred by the City and the impact on the system. They do not include additional costs such as system design, installation, and water consumption costs which will vary widely based on the need.

Meter Size	Connection Fees
¾ in	$5,084
1 in	$8,186
1½ in	$15,831
2 in	$24,895

Ongoing Costs of Water

Customers would be charged the same tiered and base rates as all other accounts in the City based on the meter's size. The base rates the City charges for meters between ¾" and 2" as well as the volumes allowed and cost per unit for each tier in FY26 are listed in the tables below. The information can be used to estimate the monthly and annual cost of water and should be considered when making decisions.

Meter Size	Base Rate/ Month
¾"	$25.47
1"	$48.09
1½"	$130.08
2"	$213.09

Flow Allotment by Meter Size per Month

Units are 1,000 gallons

Meter Size	Tier 1		Tier 2		Tier 3		Tier 4
	>	≤	>	≤	>	≤	>
¾"	0	11	11	34	34	65	65
1"	0	18	18	57	57	109	109
1½"	0	37	37	113	113	216	216
2"	0	59	59	181	181	346	346

Tier Rates

Cost/1,000 gal

Tier 1	$0.91
Tier 2	$1.13
Tier 3	$1.35
Tier 4	$1.60

Assisting Irrigators

There are a variety of options for company shareholders to take as they seek solutions to their irrigation needs.

Options for larger properties

CUWCD owns groundwater rights in the area. Presently, it has a program where it will accept your PBC&IC shares in exchange for a portion of its groundwater rights. With the groundwater rights, you could seek State Engineer permission to drill a well to serve your property. This would be negotiated between CUWCD and the shareholder on a case-by-case basis. Gary Brimley is the CUWCD representative for this program and can be contacted at gbrimley@cuwcd.gov and (801) 557-0241.

Options for all irrigators

A variety of options are currently available to shareholders seeking ways to finance the costs associated with any improvements which are described below:

- Sell their water shares in the company through the dissolution process or directly to water districts or purveyors to pay for the improvements and ongoing costs that best suit their needs.
- Orem City can offer a no-interest loan for the City water right impact and other City connection fees. This does not include any costs beyond the meter. These City fees would be included on the customer's utility bill and paid back over the course of five years. The shareholder would need to allow the City to place a lien on their property until the full amount is paid back.
- CUWCD has general water-saving programs at https://www.utahwatersavers.com/ that offer guidance and financial assistance to property owners who meet qualifying conditions. Landscape Design, Waterwise Gardening, Waterwise Irrigation, Waterwise Plant Databases, Rebate Programs, Home Water Use, Classes, Current Water Data are all examples of these available resources.

Provo Bench Canal and Irrigation Company

Plan for Liquidating Assets

Approved by the PBC&IC Board on October 21, 2025

This document details the process to be followed by the Provo Bench Canal and Irrigation Company (PBC&IC, or Company) as it liquidates its assets due to the company's dissolution.

Water Shares:

Shareholders must inform the Company of their desire to either retain or sell one or both portions of their PBC&IC share by November 11, 2025. The pool of shares as described in the "Provo Bench Canal and Irrigation Company" information document, will be separated into their respective parts: Provo River rights (natural flow) and Provo River Water Users Association (PRWUA) shares (storage), and sold according to this document.

Process for Liquidating the PBC&IC Share Pool

The Board has approved a plan enabling company shareholders first priority to acquire water rights in the Provo River or shares in the PRWUA from the pool of shares, as detailed below.

Two separate pools, one for natural flow rights in the Provo River and another for PRWUA storage water rights, will be created as a result of combining all shares from the shareholders who opted to sell their natural flow and/or storage components of Company shares. Using the established market price, each pool of shares will be sold. Market analysis indicates that PBC&IC shares are currently valued at $70,000 per share. Of this amount, the Board believes the natural flow portion is worth $56,000 and $14,000 for storage (80/20). The market will continue to be monitored and the value of shares may be adjusted to match. Shareholders who do not believe this is fair compensation are encouraged to convert their shares into a water right in the Provo River and/or storage shares in the PRWUA, or sell on the open market.

Because of the requirement to have whole shares in the PRWUA, those shareholders who elect to be part of the PRWUA will have priority to purchase the minimum fractional share from the pool so as to have a whole PRWUA share. In the event that there are an inadequate number of PRWUA shares available for purchase by all shareholders that desire to purchase shares to get to a whole number, priority will be given in order of percentage of shares owned in the company. If there are not enough shares available, shareholders will have to sell their fractional shares to get to a whole number.

After all shareholders who have or will have shares in the PRWUA have a whole number of shares, the balance of PRWUA shares, as well as the natural flow rights in the Provo River, will be made available for purchase to all shareholders that elected to retain either or both portions (natural flow and/or storage) of their proportionate PBC&IC share. These shareholders will be eligible to purchase a number of shares based on their proportionate share of PBC&IC shares when compared to the other PBC&IC shareholders who elected to keep their shares.

The details of how this will be done will be explained in a separate meeting for shareholders interested in purchasing additional shares from the pools of natural flow rights and storage shares in the PRWUA. You must indicate your desire to do this when you make your election. Afterwhich, you will be contacted with the details.

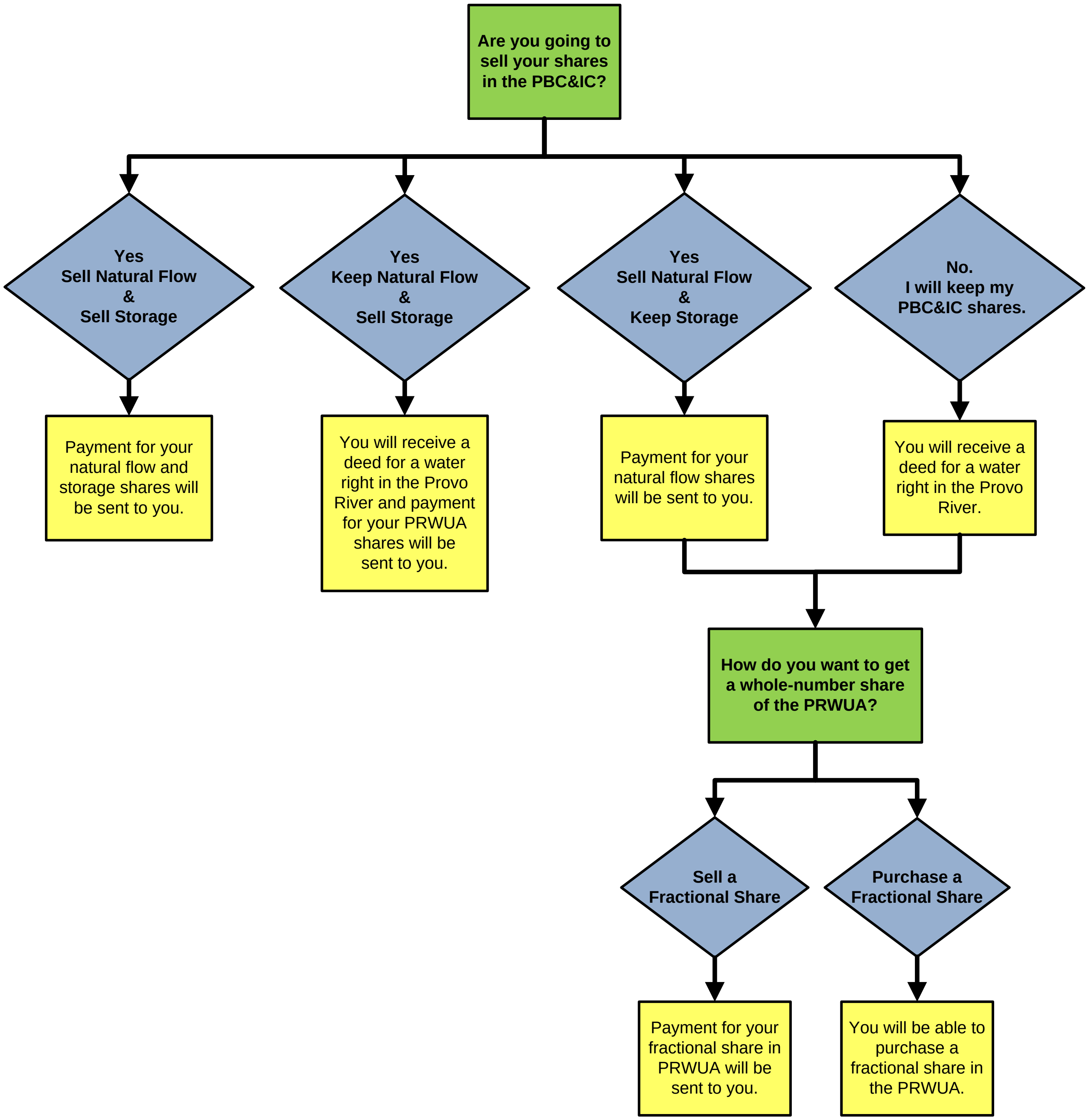
Property:

The Board does not believe the PBC&IC owns any property. In the event that it is discovered that it owns property, it will dispose of it in the best interest of the Company.

Cash:

After all PBC&IC expenses have been paid and funding set aside according to the Dissolution Plan, any remaining balance will be distributed as soon as reasonably possible to the final shareholder of record on November 11, 2025 based on their proportionate share in the company.

Decision Tree for Disposing of Provo Bench Canal and Irrigation Company Shares



Provo Bench Canal & Irrigation Company

Shareholder Election Ballot - Return by: November 11, 2025

Instructions: Complete Sections A through F. Sign and return by the November 11, 2025 deadline. Use this paper ballot only if you do not vote electronically by links at provobenchcanal.com and included in the informational packet.

A. Shareholder Information

Name of Shareholder: ____
Mailing Address: ____
City, State ZIP: ____
Phone: ______________________ Email: _________________________________
Certificate No(s).: ______________________ Total Shares: ________________

B. Your Election for Company Shares (Select one)

☐ 1. Have the Company sell both components of my PBC&IC shares
Natural flow and PRWUA storage will be sold according to the Board method. I will receive my portion of sale proceeds after verification of any past assessments due.

☐ 2. Keep Natural Flow and have the Company sell PRWUA Storage
I will receive a deed to my proportionate Provo River natural flow water right and I will be responsible for compliance with Utah law and any related costs. Storage will be sold according to the Board method. Proceeds will be paid after verification of any past assessments due.

☐ 3. Keep PRWUA Storage in whole share increments and have the Company sell Natural Flow
I will become or remain a PRWUA shareholder and will be responsible for PRWUA assessments, rules, and any transaction costs. Natural flow will be sold according to the Board method. Proceeds will be paid after verification of any past assessments due.

☐ 4. Keep both components
I will receive a deed to my proportionate Provo River natural flow water right and will be responsible for compliance with Utah law, including beneficial use and River Commissioner assessments, and pay any related costs. I will also hold PRWUA storage and be responsible for PRWUA assessments and rules.

C. PRWUA Whole Share Requirement (If you selected Option 3 or 4, choose one)

☐ C-1. Sell a fractional storage share so that I hold a whole number of PRWUA shares.
Payment for my fractional share will be paid after the sale process and verification of any past assessments due.

☐ C-2. Purchase a fractional storage share from the pool to reach a whole number of PRWUA shares.
I understand priority is given to shareholders needing a fractional amount to reach a whole share and that if there are not enough shares available I will need to sell the fractional amount instead.
If known, indicate your current PRWUA entitlement based on the 1.000 to 1.022 ratio:
My estimated PRWUA entitlement: __________ shares (whole number target: __________).

D. Optional Interest in Additional Purchases from the Share Pools

☐ I wish to be contacted about purchasing additional Natural Flow rights and/or PRWUA storage from the post-election pools, based on my proportionate eligibility and Board process.

E. Acknowledgments (Please initial each line)

_____ I understand payments will occur after sales are completed and after verification of any assessments due from previous years.

_____ I understand PRWUA issues whole shares only and that I must sell or purchase a fractional amount to reach a whole number if I retain storage.

_____ I understand that if I keep Natural Flow I will receive a deed to a proportionate Provo River water right and will comply with Utah law, including beneficial use and River Commissioner assessments, and pay any related costs.

_____ I understand that tax consequences may apply and that the Company does not provide tax advice.

F. Signature

By signing, I certify the selections above and authorize the Company to act accordingly.

Shareholder Signature: ___________________________________ Date: ____________

Print Name: ____