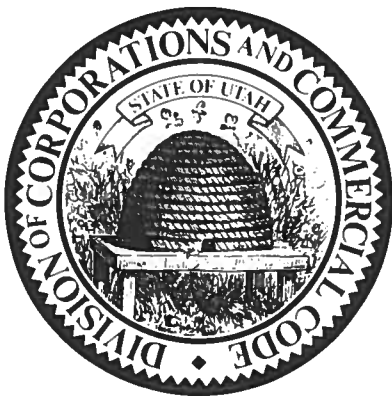




CERTIFICATE OF AMENDMENT
OF
MOUNTAIN CANAL IRRIGATION ASSOCIATION.

The Department of Business Regulation, Division of Corporations and Commercial Code, pursuant to the Utah Non-Profit Corporation Act, hereby issues a Certificate of Amendment to the Articles of Incorporation of MOUNTAIN CANAL IRRIGATION ASSOCIATION

File No. #22824



Dated this 10th day of August A.D. 19 87

Director, Division of Corporations and Commercial Code

APPROVED by the Division of Corporations
and Commercial Code of the Utah State
Department of Business Regulation
on the 10th day of Aug A.D. 1987
Corporate Documents Examiner JMC
Fees paid \$ 10.00

1987 AUG 10 AM 11:52

AMENDMENTS
TO
ARTICLES OF INCORPORATION
OF
MOUNTAIN CANAL IRRIGATION ASSOCIATION

WE, the undersigned, President and Secretary respectively, of MOUNTAIN CANAL IRRIGATION ASSOCIATION, a non-profit corporation governed by the Utah Non-profit Corporation and Co-operative Association Act, hereby certify that the following amends in their entirety the Articles of Amendment Revising the Articles of Incorporation adopted by the members of the corporation on May 1, 1975, in a manner prescribed by the Utah Non-profit Corporation and Co-operative Association Act:

ARTICLE I

The name of the corporation is MOUNTAIN CANAL IRRIGATION ASSOCIATION.

ARTICLE II

The period of its duration is perpetual.

ARTICLE III

The corporation is organized as a non-profit corporation for the purpose of operating a mutual irrigation company in which the income of the corporation shall consist of amounts collected from the members for the sole purpose of meeting operating expenses of the corporation. The corporation shall be

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empowered to do any and all things necessary, suitable, and proper for the accomplishment of its purpose as herein set forth whether herein specified or not, either alone or in connection with other firms, individuals or corporations either in this state or throughout the United States and elsewhere; and to do any other act or acts, thing or things, incidental or appurtenant to or connected with the business herein described or any part or parts thereof if not inconsistent with the laws under which this corporation is governed; to do each and all things herein set forth to the same extent and as fully as natural persons might do or could do in the State of Utah or in any other place; to hold, own, buy, sell, mortgage or hypothecate real estate, water and water rights and personal property and to construct, enlarge, repair, operate, manage and control at Huntsville, Weber County, Utah, or any other place, canals, ditches, reservoirs, headgates, weirs, flumes and to provide water therein for irrigation, culinary and other purposes; to acquire, own, and hold the rights of easement and to do any and all things necessary, convenient, or incidental thereto; to borrow money, incur indebtedness, mortgage, or pledge to the assets of the corporation as security therefor, issue bonds, and to contract with the Weber Basin Water Conservancy District and with other water conservancy districts, water conservancy sub-districts, irrigation districts, individuals, partnerships, water boards, corporations, the State of Utah, the United States, or any other party or governmental agency for con-

struction, replacement and improvement of canals, ditches, pipelines, and other irrigation works, purchase of water and water rights, and for all other purposes.

ARTICLE IV

There shall be two classes of stock which evidence membership in the corporation. The rights to the use of water, voting, and other rights represented by each class of stock are set out below.

(a) Class I Stock.

All of the 589-1/2 shares of fully paid common stock which were originally issued by the corporation and are outstanding as of the date of this amendment, each share of which represents a proportionate equity or ownership interest in the existing property of the corporation, shall constitute Class I stock.

The holder of each share of Class I stock of the corporation shall be entitled to one (1) vote for each share of stock. The stock may be voted by the holder in person or by written proxy.

(b) Class II Stock.

Stock which represents a proportionate share of the corporation's perpetual right to use water to be purchased from the Weber Basin Water Conservancy District or from any other source whatsoever, shall be Class II

stock. Class II stock shall represent the right to one acre-foot of water to be increased or decreased based upon the supply of water in Causey Reservoir. Holders of Class II stock shall have no voting rights. The assessment of Class II stock may vary from time to time as the same shall be issued, based upon:

(1) The additional capital expenditure required for enlargement of canals, ditches, and other works to accommodate the extra water represented thereby,

(2) The capital expenditure needed for creation of new canals, ditches, and other related water works and facilities necessary for the measurement and delivery of water so acquired, and

(3) Such other matters, considerations, and things, as the Board of Trustees may determine will equitably and fairly apportion the capital expenditures of the entire system between the holders of Class I stock and Class II stock.

ARTICLE V.

Nothing herein contained expressly or by implication to the contrary shall prevent the Board of Trustees of the Corporation from initially issuing or granting preemptive rights to holders of Class I stock in the proportion that the number of shares of stock held by each bears to the total number of shares of Class I stock to purchase Class I stock for a consideration to be determined by

the Board of Trustees. Limitations on the granting of such rights shall include:

(1) Up to and including such number of shares as the water which is or which shall be represented thereby shall not over load existing water transmission and handling facilities, and

(2) To the extent that no unfair financial burden shall be shifted to others who shall purchase stock entitling them to Class II memberships at or about the same time, or subsequent thereto.

ARTICLE VI

All certificates of stock issued by the corporation shall be signed by the President or Vice President and the Secretary under the common seal of the corporation. They shall be subject to the payment of such assessments as shall be levied by the Board of Trustees in accordance with these Articles of Incorporation and such Bylaws as may be adopted. All certificates shall be registered in the office of the Secretary. A certificate shall be transferable only upon the approval of a majority of the Board of Trustees and upon the terms and conditions set forth in the bylaws of the Corporation. No stock shall be transferred if any assessment thereon is delinquent. In no event shall Class I stock be transferable for purposes of obtaining a well permit or for other similar purposes which would sever the water right from the real property benefited

thereby and in no event shall Class II stock be transferred so as to permit water rights evidenced thereby to be used outside the water distribution system of the corporation. The form of the certificate, the registration and mode of transfer shall be the Bylaws.

All stock of this corporation shall be assessable in such amounts, at such times, and in such manner, and for such purposes as the Board of Trustees shall from time to time determine. The method and purpose of assessing such stock shall be provided by the bylaws.

ARTICLE VII

The affairs of the corporation shall be managed by a governing Board of five trustees, each of whom shall be holders of Class I stock of the corporation. In the event Class I stock is owned by partnership, corporation, or other legal entity, such partnership, corporation, or other legal entity shall file a written notice with the secretary treasurer of the corporation denoting the individual authorized to vote its Class I stock and thereafter a partner, officer, or other legal representative thereof shall be eligible for election to the Board of Trustees. The trustees shall have the power to propose for ratification by the corporation's members such Bylaws, rules and regulations as they deem proper for the management and disposition of the business and affairs of the corporation and prescribe the duties of the officers, agents, and employees of the corporation, and to take whatever other action is required for the prudent and orderly operation of corporation affairs.

ARTICLE VIII

The address of the initial principal office of the corporation shall be 4267 Porter Avenue, Ogden, Utah 84403, and the initial registered agent at such address shall be Max H. Dalton.

THE FOREGOING AMENDMENTS to the ARTICLES OF INCORPORATION OF MOUNTAIN CANAL IRRIGATION ASSOCIATION were adopted pursuant to the vote of Class I stock of the corporation at a meeting held March 11, 1986, at which a quorum was present. 207 shares of Class I stock were voted in favor of the Amended Articles of Incorporation and zero shares were voted against such Amended Articles of Incorporation.

DATED this 11th day of March, 1986.

MOUNTAIN CANAL IRRIGATION ASSOCIATION

By: Ralph H. Hansen President

By: Max H. Dalton Secretary

STATE OF UTAH)
County of Weber) ss.:

I. Mary M. Summers, a notary public,
do hereby certify that on this 15th day of May,
1987, personally appeared before me RALPH HANSEN and MAX H. DALTON,
who being by me first duly sworn declared that they signed the fore-
going document as President and Secretary of the Corporation, and
that the statements therein contained are true.

IN WITNESS WHEREOF, I hereunder set my hand and seal this
15th day of May, 1987.

My Commission Expires:
3-1-89

Mary M. Summers
Notary Public
Residing at: Ogden, Utah