



State of Utah  
 DEPARTMENT OF COMMERCE  
 Division of Corporations & Commercial Code  
 Articles of Amendment to Articles of Incorporation (Non-Profit)

AMENDMENT

File Number: 559658-0140

Non-Refundable Processing Fee: \$17.00

This form must be type written or computer generated.

Pursuant to UCA §16-6a part 10, the individual named below causes this Amendment to the Articles of Incorporation to be delivered to the Utah Division of Corporations for filing, and states as follows:

- The name of the corporation is: NEPHI IRRIGATION COMPANY
- The date the following amendment(s) was adopted: December 7, 2009
- If changing the corporation name, the new name of the corporation is:  
\_\_\_\_\_
- The text of each amendment adopted (include attachment if additional space needed):  
Copy attached.

5. Indicate the manner in which the amendment(s) was adopted (mark only one):

- The amendment was adopted by the board of directors or incorporators without member action and member action was not required.
- The amendment was adopted by the members AND the number of votes cast for the amendment by each voting group entitled to vote separately on the amendment was sufficient for approval by that voting group.

6. Delayed effective date (if not to be effective upon filing) \_\_\_\_\_ (not to exceed 90 days)

Under penalties of perjury, I declare that this Amendment of Articles of Incorporation has been examined by me and is, to the best of my knowledge and belief, true, correct and complete.

By: James Stephenson Title: Secretary  
 Dated this 21 day of July, 2010

Under GRAMA {63-2-201}, all registration information maintained by the Division is classified as public record. For confidentiality purposes, you may use the business entity physical address rather than the residential or private address of any individual affiliated with the entity.

Mailing/Faxing Information: [www.corporations.utah.gov/contactus.html](http://www.corporations.utah.gov/contactus.html) Division's Website: [www.corporations.utah.gov](http://www.corporations.utah.gov)

07-26-10 P 12:01 RCVD

State of Utah  
 Department of Commerce  
 Division of Corporations and Commercial Code  
 I hereby certified that the foregoing has been filed  
 and approved on this 26 day of July 2010  
 in this office of this Division and hereby issued  
 This Certificate thereof.

Examiner: Swanson Date 7-27-10



Kathy Berg  
 Kathy Berg  
 Division Director

Date: 07/26/2010  
 Receipt Number: 3267079  
 Amount Paid: \$17.00



**ARTICLES OF AMENDMENT  
TO THE  
ARTICLES OF INCORPORATION  
OF  
NEPHI IRRIGATION COMPANY**

The Articles of Incorporation of Nephi Irrigation Company as originally adopted by the incorporators of Nephi Irrigation Company on August 26 1937 and duly filed with the County Clerk of Juab County Utah on August 27 1937 as subsequently amended by

(i) those certain Amendments of Articles of Incorporation of Nephi Irrigation Company duly approved by vote of the stockholders at a special meeting of said stockholders held on December 8 1945 and duly filed with the County Clerk of Juab County Utah on December 18 1945

(ii) those certain Amendments of Articles of Incorporation of Nephi Irrigation Company duly approved by vote of the stockholders at a special meeting of said stockholders held on January 12 1946 and duly filed with the County Clerk of Juab County Utah on January 21 1946

(iii) those certain Amendments of Articles of Incorporation of Nephi Irrigation Company duly approved by vote of the stockholders at a special meeting of said stockholders held on April 22 1949 and duly filed with the County Clerk of Juab County Utah on April 23 1949

(iv) that certain Amendment of Articles of Incorporation of Nephi Irrigation Company duly approved by vote of the stockholders at a special meeting of said stockholders held on June 17 1955 and duly filed with the County Clerk of Juab County Utah on June 29 1955

(v) those certain Amendments to Articles of Incorporation of Nephi Irrigation Company duly approved by vote of the shareholders at a special meeting of such stockholders held on January 16 1961 and duly filed with the County Clerk of Juab County on February 14 1961

(vi) those certain Articles of Amendment to the Articles of Incorporation of Nephi Irrigation Company duly approved by vote of the stockholders at a special meeting of said stockholders held on May 15 1963 and duly filed with the Secretary of State of the State of Utah on June 13 1963

(vii) those certain Articles of Amendment to the Articles of Incorporation of Nephi Irrigation Company duly approved by vote of the stockholders at a special meeting of such stockholders held on April 23 2001 and

07-26-10P12 01 RCVD

duly filed with the Utah Division of Corporations and Commercial Code on May 29, 2001; and

(viii) that certain Correction to Articles of Amendment to the Articles of Incorporation of Nephi Irrigation Company, duly filed with the Utah Division of Corporations and Commercial Code on July 25, 2001,

(collectively, the "Articles of Incorporation"), are hereby further amended and supplemented by these Articles of Amendment to the Articles of Incorporation of Nephi Irrigation Company, as follows:

**Section 1.** Article IX of the Articles of Incorporation is hereby amended in its entirety to read as follows:

#### ARTICLE IX ANNUAL AND SPECIAL MEETINGS

The annual meeting of the members for the election of Directors and the transaction of such other business as may properly come before the members shall be held on the second Monday of January of each year beginning in 2011 (there being no annual meeting held in 2010), and if such day is a legal holiday, then on the next succeeding business day, in Nephi City, at such place and time as the Board of Directors shall designate. The agenda of each annual meeting of the members shall provide for the election of Directors, as the expiration of their terms may require, and for the transaction of such other business as may lawfully come before the members at said meeting, as provided in the notice of the meeting or as provided by law. Special meetings of the members shall be held pursuant to notice as provided by law. The agenda for each special meeting shall be stated in the notice of the meeting and no business shall be conducted at such meetings except as provided in the notice.

**Section 2.** Article XI of the Articles of Incorporation is hereby amended in its entirety to read as follows:

#### ARTICLE XI VOTING

At all meetings of the members, each member whose assessments are current shall be allowed to vote on the basis of stock ownership. Each share of Agricultural Stock shall entitle a member to one vote. A fractional share of the Agricultural Stock shall entitle a member to such fractional share of one vote. Each share of Yard Stock shall entitle a member to one-eighth vote. Voting may be either in person or by written proxy signed by the member owning the stock and filed with the Secretary. Every question or election at the meeting shall be decided by a majority of the votes cast at such meeting, except as may be otherwise provided in these Articles, the bylaws of the corporation, or the laws of the State of Utah.

There shall be only one voting group in the corporation. Voting group is defined in Utah Code Ann. § 16-6a-102(53)(a) (Supp. 2009). In connection with any action of the corporation requiring a vote of the members, all members including both Agricultural Stock members and Yard Stock members shall vote together in a single voting group.

Section 3 Article XVI of the Articles of Incorporation is hereby amended in its entirety to read as follows:

#### ARTICLE XVI STOCK

The right to receive a proportionate share of the water distributed by the corporation and other rights granted by law to stockholders of the corporation shall be evidenced by the issuance of shares of stock as hereinafter provided. The limit of the stock of the corporation as of the effective date of this Article shall be (i) TWO THOUSAND SEVEN HUNDRED TWENTY TWO and ONE HALF (2,722.5) shares of stock to be known as the Agricultural Land class of stock (hereinafter Agricultural Stock) and (ii) EIGHT HUNDRED THIRTY FIVE (835) shares of stock to be known as the Nephi Lawn and Garden Water System class of stock (hereinafter Yard Stock). All shares of treasury stock held by the corporation on the effective date of this Article are hereby converted to Yard Stock, thereby leaving a total of 2,615.5 shares of Agricultural Stock. All stock is transferable upon the records of the corporation. The preferences, limitations, and relative rights of the shares of each class shall be as follows:

(a) All water, water rights, property, and property rights of the corporation and all of the proceeds derived therefrom shall, except as otherwise awarded in these Articles of Incorporation, to the Yard Stock, belong to and be owned by the owners of the Agricultural Stock. Wherever in these Articles of Incorporation the bylaws or by action of the Board of Directors the corporation's stock shall be awarded or charged with rights, duties, and obligations, such rights, duties, and obligations shall be applied to the owners of the Agricultural Stock, unless explicitly provided to the contrary.

(b) The owner of each share of Yard Stock shall be entitled to one yard connection on the corporation's city pressure pipeline system (hereinafter the Yard Pipeline System) which System supplies water for yards and gardens to Yard Stock stockholders within the hereinafter described Yard Pipeline System service area and to receive yard and garden water therefrom, subject, however, to the bylaws, rules, regulations, and rates of the corporation pertaining to the Yard Pipeline System. The Board of Directors shall adopt through bylaws or resolution a map identifying the area served by the Yard Pipeline System. No new Yard Pipeline System connection shall be permitted unless the person for whom said connection is made is the owner of record of at least one share of Yard Stock and

07-26-10 P 12:01 RCVD

pays the corporation for all costs of connection to the Yard Pipeline System and, if necessary, the cost of capping or plugging a prior connection to prevent unauthorized use of water. "New Yard Pipeline System connection" means a connection not existing on the Yard Pipeline System as of the effective date of this Article. No person owning Yard Stock shall be considered a member of the corporation or receive delivery of water by ownership of the Yard Stock unless the person owning the stock owns land within the Yard Pipeline System service area.

(c) The owners of Agricultural Stock shall not be entitled to receive yard and garden water from the Yard Pipeline System or to have a connection thereon by virtue of the ownership of Agricultural Stock.

(d) The owners of Yard Stock shall be allowed to receive water allocated to their Yard Stock only through the Yard Pipeline System. The ownership of Yard Stock gives no right to the stock owner to receive water through the system used to deliver water to the owners of Agricultural Stock.

(e) The Board of Directors is authorized to adopt procedures for the regular and orderly issuance of new Yard Stock share certificates to those persons holding, as of the date established by the Board of Directors (the "Record Date"), a certificate, agreement or other written authorization heretofore issued by the corporation granting the right to connect to the Yard Pipeline System. Each person claiming a right to connect to the Yard Pipeline System by virtue of any such certificate, agreement or other written authorization shall, within one (1) year after the Record Date, surrender such share certificate, agreement or other authorization for a new Yard Stock share certificate, which shall be registered on the books and records of the corporation. Beginning one (1) year after the Record Date, only those persons to whom a new Yard Stock share certificate has been properly issued and registered shall have any rights to connect to and receive water from the Yard Pipeline System, or any other rights, including voting rights, relating to such prior certificates, agreements or written authorizations, and the same shall be considered by the corporation to be null, void and of no force and effect for any purpose; provided that the Board of Directors may entertain and settle any appeals based upon such reasonable evidence as the Board shall require, and upon such reasonable conditions as the Board may impose. All Yard Stock authorized in excess of the number of new shares of Yard Stock so issued may be held in the treasury of the corporation and may be sold or disposed of and issued by the Board of Directors of the corporation on such terms, and under such conditions, and at such price not less than par value as the Board of Directors may determine.

(f) Yard Stock shall be assessable by the Board of Directors for all purposes allowed by Utah law including, but not limited to paying for extensions, additions, improvements, maintenance, operation and financing costs of the Yard Pipeline

07-26-10 P 12:01 RCVD

System. Financing costs include both principal and interest heretofore incurred in building and operating the Yard Pipeline System in excess of revenues obtained from the building and operation of the Yard Pipeline System. Revenues from the Yard Pipeline System shall be determined solely by the Board of Directors.

(g) Agricultural Stock shall be assessable by the Board of Directors to the fullest extent allowed by Utah law including, but not limited to, paying for extensions, additions, improvements, maintenance, operation and financing costs of the agricultural land system.

(h) To the extent permitted by Utah law and also as reflected in prior agreements between the corporation and members of the corporation receiving water from the Yard Pipeline System, or as may hereafter be provided in the bylaws or by action of the Board of Directors, assessments of Agricultural Stock and Yard Stock need not be equal.

(i) Agricultural Stock shall be entitled to receive and divert 2,615.5/2,722.5 of the water accruing to the water rights of the corporation. Agricultural Stock may also receive and divert any water not utilized by the Yard Pipeline System.

(j) Yard Stock shall be entitled to receive and divert, collectively, 107/2,722.5 of the water attributable to the water rights of the corporation. The Board of Directors may allow the diversion to exceed the above share of the water rights of the corporation if it is determined by the Board of Directors to be in the best interest of the corporation, subject to the provisions of paragraphs (k) and (l) of this Article.

(k) If the amount of water used by the Yard Pipeline System reduces the amount of the corporation's water that would otherwise be available for irrigation by the owners of Agricultural Stock, and the corporation acquires water to replace the amount of irrigation water so reduced, the cost of acquiring the replacement water shall be paid from the revenues received from the Yard Pipeline System and the owners of Yard Stock.

Section 4. Article XXV of the Articles is hereby amended in its entirety to read as follows:

#### ARTICLE XXV MEMBERSHIP

The sole requirement for membership in the corporation is to be a record owner of stock of the corporation. The sole right of a member is to vote on any question presented to the members or in any election requiring a vote of the members. A member may transfer his stock to another person, but may not transfer his membership in the corporation or any right arising from such membership. When a nonmember who has acquired stock, or someone acting on behalf of such a

nonmember, presents a stock certificate and requests transfer of stock on the records of the corporation to the person who has acquired such stock, such presentation shall constitute a consent and request to the corporation to become a member. The nonmember shall become a member upon completion of the transfer of the presented stock upon the records of the corporation. The membership of a person shall terminate when all of that person's shares have been transferred on the books of the corporation to another person or persons. Each stockholder of record on the effective date of this Article will be regarded as a member unless the stockholder gives notice to the Secretary within thirty (30) days after the effective date of this Article that the stockholder chooses not to be a member. Owners of Yard Stock shall be members only on the conditions stated in Article XVI.

07-26-10P12:01 RCVD

