

AMENDMENT

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AUG 27 2004

Utah Div. of Corp. & Comm. Code



AMENDED ARTICLES OF INCORPORATION FOR MT. TABBY IMPROVEMENT GROUP, INC.

Commerce
The above described foregoing has been filed
and approved on this 27 day of Aug 2004
In this office of this division and hereby issue
this Certificate of thereof
Examiner [Signature] Date 9/7/04
[Signature]
Secretary



03-07-0710-000000

Pursuant to the provisions of the Utah Nonprofit Corporation Act, Utah Code Ann §16-6a-1001 *et seq* , the Articles of Incorporation of MT TABBY IMPROVEMENT GROUP, INC are hereby amended. The following shall constitute a revision to the Articles of Incorporation and any provisions from the original Articles of Incorporation and original By-Laws that conflict with the following are hereby revoked and replaced

FIRST: The name of the Corporation is Mt Tabby Improvement Group, Inc

SECOND: The following amendments were adopted by the shareholders at a meeting duly called pursuant to notice for that purpose, held on the 26th day of June, 2004, at [name and address of location of shareholder meeting]

ARTICLE I: CORPORATE NAME

The name of this Corporation shall be **Mt. Tabby Improvement Group, Inc.**, a Utah nonprofit mutual water Corporation

ARTICLE II: DURATION

The duration of the Corporation shall be perpetual

ARTICLE III: PURPOSE

The business of the Corporation and the purpose for which the same is organized is to

A Own, operate, maintain, repair and replace, construct and reconstruct water diversion, distribution and storage facilities, including, without limitation, all necessary and desired appurtenances thereto, for the furnishing of domestic water to its shareholders,

B Own and acquire, by appropriation, purchase, condemnation, lien, lease, or otherwise, all water rights, which may include the purchase of shares in other water corporations, contracts with federal or state agencies, and the ownership and/or development of sources of water supply, including the drilling of wells and the development of spring sources, and water

distribution facilities used in connection with the diversion, distribution and storage of water for the benefit of its members or shareholders, and to regulate, control and distribute the culinary water supply to the several shareholders of the Corporation, and in general to do any and all things necessary and proper to be done in carrying out the business of a mutual water corporation,

C Acquire, hold, lease and sell real and personal property useful to the carrying on of the business of the Corporation,

D Make and perform contracts of any kind and description, including contracts with the United States, the State of Utah and other governmental entities, pursuant to which the Corporation shall be authorized to sell, lease, exchange, mortgage, pledge, or otherwise dispose of all or substantially all of the assets of the Corporation, as security for loans, or otherwise, for the acquisition of water and water rights, and the use, joint development of and/or improvements to all water diversion, distribution and storage facilities, and in carrying on its business, or for the purpose of attaining or furthering any of its objectives, except that any such contract for the sale, lease, exchange, mortgage, pledge or other disposition of the assets of the Corporation shall require the affirmative vote of a majority of the shareholders present at a regular or special meeting of the shareholders or members called for that purpose, pursuant to notice,

E Do any and all acts and things, and to have and exercise all rights and powers from time to time granted to a corporation by law, including, without limitation, those powers described in Utah Code Annotated §16-10a-101 *et seq* and §16-6a-101 *et seq*. The Corporation is organized as a nonprofit corporation. None of its activities shall be for the pecuniary profit of its members, directors or officers, and no part of the income of the Corporation shall inure to the benefit of or otherwise be distributed to any shareholder or individual. No loan shall be made by the Corporation to any of its directors or officers. The purposes and powers enumerated herein shall be considered to be independent powers and purposes and shall not be construed as limiting or restricting in any manner the purposes and powers of the Corporation as set forth in the laws of the State of Utah. The Corporation shall always have such incidental powers as may be connected with or related to any specific purpose or power enumerated herein.

ARTICLE IV: MEMBERSHIP

The shareholders of the Corporation shall be its members, and membership shall be attained only by the acquisition of a minimum of one Water Certificate in the Corporation in the manner prescribed in the By-Laws of the Corporation

ARTICLE V: ANNUAL MEETING OF SHAREHOLDERS

The annual meeting of the shareholders of the Corporation shall be held on the _____ in _____ at _____ p m of each year Special meetings may be called by the President or Vice President, and in the event of their failure or refusal to act, by a majority vote of the Board of Directors For purposes of an annual or special shareholder holder meeting, a quorum shall be deemed to be present if the meeting is attended in person or by proxy by 1/6th of the existing outstanding Water Certificates in the Corporation Special meetings shall also be called upon the Board's receipt of a written request for such a meeting signed by 1/6th of the authorized and outstanding Water Certificates in the Corporation

ARTICLE VI: CERTIFICATES

The Corporation shall issue Water Certificates as follows

A Authorized Water Certificates The Corporation is authorized to issue Certificates evidencing the members' interest in and the right to use water pursuant to the water rights held in the name of the Corporation on behalf of its members or shareholders The Corporation is authorized to issue a total of 250 Water Certificates in the Corporation, which equate to limits of the water rights and water source capacity available to the Corporation The Corporation may authorize the issuance of additional Water Certificates, not to exceed a total of 359 authorized Water Certificates, but no such increased authorization may occur until the Corporation acquires additional water rights and develops additional water resources, as necessary, in order for the Corporation to provide water to any such additional shares A minimum of one Water Certificate per water connection is required by the Corporation The capitalization, the number of authorized Certificates, may be increased or decreased, and additional classes of Water Certificates may be added in the manner provided by law

B Issuance of Water Certificate Subject to the limitations created by the existing water rights and water source capacity of the Corporation, one Water Certificate shall be issued

to each lot purchaser of a subdivided building lot within the Mt Tabby Springs subdivision, Duchesne County, State of Utah, and each Certificate so issued shall be deemed to be appurtenant to the lot for which it is issued. The Certificate may not be sold separately from the lot to which it is appurtenant, without the prior written consent of the Board of Directors. The Corporation shall continue to use the form of Water Certificates that it has issued and used under its original Articles of Incorporation.

C Water Rights The Water Certificates of the Corporation shall represent a right to use a quantified proportional part of the water rights and water sources of the Corporation, together with a right to use a proportional part of the water distribution system of the Corporation.

D Distribution of Water Each shareholder, upon compliance with the provisions contained in the By-Laws for water service, including the payment of any required connection fee, together with all outstanding assessments, shall be entitled to receive each year that proportion of the water available for distribution which the number of Water Certificates owned by each shareholder bears to the total number of Water Certificates issued by the Corporation, and in accordance with the water rights of the Corporation. Water may be measured at such point or points as determined by the Board of Directors. Water shall be delivered only through approved connections to the culinary water distribution system of the Corporation. Culinary water service shall be provided in accordance with any Operating Rules and Regulations and/or By-Laws adopted by the Board of Directors from time to time.

E Assessments The Board of Directors of the Corporation shall have authority to levy and collect assessments on all Water Certificates of the Corporation, subject to the following:

(1) Assessments may be levied so as to carry out the various purposes of the Corporation as authorized by law and as set forth in these Articles of Incorporation, any Operating Rules and Regulations and/or any By-Laws adopted by the Board of Directors from time to time, including, without limitation, the payment of (a) the expenses of operation, maintenance, repair, modification, replacement and improvement of all water diversion, distribution and storage facilities, together with appurtenances thereto, which are now or may hereafter be owned by the Corporation, (b) any salaries and expenses of directors, officers and employees of the Corporation, and the fees and costs incurred of professional services contracted

for by the Corporation, (c) any special assessments which may be levied by the Board to pay any extraordinary expenses of operation, maintenance, or management of the corporation, and, (d) standby assessments to maintain the water distribution system in a ready-to-serve condition for the benefit of shareholders owning vacant lots, if such stand-by fees are so authorized by the By-Laws of the Corporation

(2) Water Certificates shall be assessed equally and on a pro rata basis, so long as water use within the water system is unmetered. If, at some later date, and upon approval of a majority of the shareholders, individual water meters are required to be installed on each service connection for each shareholder, then by resolution duly adopted by the Board, assessments may be levied on the basis of metered use rather than on an equitable and pro rata basis, as authorized by law

(3) All assessments shall be due and payable as billed by the Corporation and in accordance with its By-Laws and any lawfully adopted Rules and Regulations of the Corporation. The Board, in accordance with law and the By-Laws, shall authorize special assessments, and they shall be due and payable as specified in the notice of the Special Assessment

(4) Any delinquent assessment may be collected by the statutory sale of Water Certificates or by such other remedy, including the suspension of water deliveries, to the delinquent shareholder for so long as any assessment remains delinquent. In lieu of pursuing a statutory sale, the Corporation may record a lien against the lot to which the Water Certificate is appurtenant and foreclose on such lien in accordance with law. The delinquent member will be required to pay all costs of sale and/or foreclosure incurred by the Corporation in the collection of any such delinquent assessment, including costs and reasonable attorney's fees incurred by the Corporation in such collection effort, whether or not a lawsuit is filed

F Voting Rights Each owner of a Water Certificate shall have equal voting rights with each other, and shall be entitled to only one (1) vote for each Water Certificate owned by the shareholder or member. Shareholders may cast votes in person or by written proxy. A shareholder's right to vote shall be suspended so long as a shareholder is delinquent in payment of any assessment levied by the Board, and all fees and costs of collection, including reasonable attorney's fees

ARTICLE VII: BOARD OF TRUSTEES OR DIRECTORS

A Terms and Restrictions on Successive Terms The powers of the Corporation shall be exercised and its affairs managed by a governing board of no fewer than five (5) Trustees and no more than nine (9) The Board or the individual Board members may also be called Directors The Trustees or Directors are to be elected by the shareholders at the annual shareholder meeting In order to provide for staggered terms for members of the Board of Trustees, the first Board elected to serve pursuant to these Articles shall be elected so that approximately 1/2 of the members shall be elected to a term of two years, and the remaining 1/2 of the members are to be elected to terms of three years Thereafter, each member of the Board of Trustees shall be elected for terms of two years Each Trustee/Director shall hold office for the term for which he/she is elected and until such Trustee's successor has been elected and duly qualified No Director or Trustee may hold more than two consecutive terms in office Any Trustee having served two consecutive terms is ineligible to be a Director until he/she has been off the Board for at least three years

B Powers of the Board The Board shall have the power, from time to time, to promulgate, adopt and amend such Resolutions, By-Laws and Rules and Regulations as the Board shall deem necessary and expedient for the efficient management and operation of the Corporation, including, without limitation, the disposition and transfer of shares, the use of water by shareholders, the duty and conduct of the officers, agents, and servants, and all other matters whatsoever which may pertain to the business and affairs of the Corporation, which are not inconsistent with or otherwise contrary to the laws of the State of Utah or these Articles of Incorporation

C Qualification of Directors Each Director shall either be a shareholder of the Corporation or shall be a general partner, managing member or officer and/or director of a business entity, a trustee of a trust, or a person acting in some other lawful representative capacity, that owns a Certificate in the Corporation If any Director shall sell or transfer his or her Water Certificate in the Corporation, or ceases to be a shareholder, partner, or member in any other corporation or other business entity, a trustee of a trust, or in a representative capacity, that is a shareholder of the Corporation, then he/she shall at once cease to be a Director In that event, the Board shall appoint another shareholder to fill the vacancy occurring in its

membership The appointed Director shall fill the balance of the unexpired term of the Director whose position they have been appointed to fill, and they shall serve until their successor has been elected and duly qualified Except as provided above, each Director shall hold office until the annual meeting of shareholders at the expiration of each Director's respective term of office and until his or her successor has been elected and duly qualified

D Quorum A total of 75% of the then sitting board members shall be necessary to constitute a quorum to transact the business of the Corporation However, if less than the required 75% of the board is present at a meeting, a simple majority of the Directors present may adjourn the meeting from time to time without further notice Every decision of a majority of the quorum so formed shall be valid as a corporate act

E Obligations The Board of Directors shall not have the power or authority to borrow money or to otherwise obligate the Corporation in any sum exceeding \$25,000 without express authority having first been given by a majority vote of the shareholders present in person or by written proxy at a meeting of the shareholders called for that purpose

F Current Board Members The current Board of Trustees and their addresses are named herein, and they shall serve until the next annual meeting of the shareholders, at which time all of their terms shall end and a new Board shall be elected as provided for herein However, the current Board will continue to serve until their successors have been elected and duly qualified

Name	Address
Ken Defa	957 Libby Way, Salt Lake City, UT. 84116
Howard D. Kocher	1966 S. 2600 E., Salt Lake City, UT. 84108
Virgil E. Jensen	3182 Pearce St., Salt Lake City, UT. 84119
William D. Diston	5185 S. 4720 W., Salt Lake City, UT. 84118
Patrick Foard	2798 E. 2880 S., Salt Lake City, UT. 84109

ARTICLE VIII: OFFICERS

The officers of the Corporation shall be elected by the shareholders at the annual shareholder meeting. The officers shall consist of a President, Vice-President, Secretary and Treasurer, and such other officers, as the Board shall from time to time determine. The offices of Secretary and Treasurer may be held by the same person. The officers shall all be elected from among the nominated shareholders who are to be nominated as provided for in the By-Laws of the Corporation. Each officer shall serve for a term of two years, and shall continue to serve until their successors have been elected and duly qualified. The following persons shall be the interim officers of the Corporation and shall serve until the next annual meeting of the shareholders, at which time the nominated shareholders will stand for election by the shareholders who will elect new officer. The newly elected officers shall serve until their successors are elected and duly qualified.

Name	Office	Address
Walter R. Sroczynski	President	3809 Ashland Dr., SLC, UT. 84109
Kim Jones	Vice President	10184 AltaVilla Dr., Sandy, UT. 84092
Sherri M. Smith	Secretary	1879 Blithfield Cir., Sandy, UT. 84092
Mary E. Tippetts	Treasurer	1578 Delaware Ln., SLC, UT. 84117

A Vacancies and Resignations The Board of Directors shall fill any vacancy occurring in any office of the Corporation by appointment from among the Directors Any officer may resign his or her office by giving the Board of Directors notice, in writing, thirty (30) days before the same is to take effect, but resignations may be accepted by the Board of Directors on shorter notice Any such appointed officer shall serve out the rest of the unexpired term of the officer for which they were appointed, and until their successor is elected and duly qualified

ARTICLE IX: LIMITATION ON LIABILITY OF MEMBERS

The private property of the members of the Corporation and the Directors and officers shall not be liable for the obligations of the Corporation

ARTICLE X: INDEMNIFICATION

To the fullest extent allowed by Utah Code Ann §16-6a-901 *et seq* , the Corporation shall indemnify any director, officer, or former director or officer of this Corporation against any expense reasonably incurred in connection to any action, suit, or proceeding in which he/she is made a party by reason of being, or having been, a director or officer of this Corporation provided that he/she acted in good faith and that he/she reasonably believed their conduct was in the Corporation's best interest and was not adverse to the Corporation The indemnification of such expenses shall include attorney's fees, judgments, fines, and amounts paid in settlement The Corporation may obtain insurance to assist it in providing this indemnification

ARTICLE XI: OWNERSHIP AND SHAREHOLDER CHANGE APPLICATIONS

The legal title to all of the water rights of the Corporation are held in the name of the Corporation and all aspects related to the administration, distribution and regulation of the Corporation's water rights are under the control and management of the Board of Directors The shareholders of the Corporation have an equitable ownership interest in the Corporation's water rights, which interest entitles them to use a pro rata share of the water available under the Corporation's water rights as determined by the regulations and policies adopted by the Corporation through its Board of Directors from time to time

Any shareholder desiring to use the Corporation's water in a manner inconsistent with the nature of the Corporation's water rights must submit a written request for change application approval to the Board of Directors asking the Corporation to sign a change application to be filed with the office of the Utah State Engineer

A Fee for Review Any shareholder requesting to make a change in the use of water represented by his or her Water Certificate or Certificates in the Corporation shall pay to the Board a review fee. The amount of such fee is within the discretion of the Board of Directors, but shall not be less than the estimated costs to the Corporation to review and act upon the request and may include any costs incurred by the Corporation for legal or engineering services required to address the change, the cost of modifying or changing the existing water measuring or distribution facilities, increased administrative costs to administer the water under the change, and any costs incurred to identify lot or lots that no longer have water rights available to them, including the disconnection of service to any such lot. The Board of Directors shall have the authority to require payment of the review fee by the shareholder before the Board will formally consent to the filing of the change application with the State Engineer.

B Discretion to Grant or Deny The Board of Directors shall have full discretion to deny a request for change application approval if, in reviewing the request, they determine that the change will adversely impact any other shareholder of the Corporation or that the change is not in the best interest of the Corporation or its shareholders.

C Imposition of Conditions In granting a change application approval request, the Board of Directors may impose reasonable conditions on the approval to protect the interests of the Corporation and its shareholders.

D No Binding Precedent The granting of any change application approval request shall not create a binding precedent on the Corporation or limit the Board of Directors' discretion in reviewing future change application approval requests to ensure that any such request is in the best interest of the Corporation and will not cause any adverse impacts to any other shareholder of the Corporation or to the Corporation itself.

E Filing Fees If the Board approves the filing of the change application, the shareholder shall be required to pay all filing fees with the State Engineer and to pay all costs of pursuing the application through the State Engineer's administrative process and any subsequent

appeal. The Corporation shall not be required to participate in any such proceeding, nor is it to be financially responsible for any such costs and professional fees incurred by the shareholder in making such a change of use. Shareholder shall be responsible for all filing of extension requests and for proof of beneficial use.

ARTICLE XII: NON-USE AND FORFEITURE

Each shareholder of the Corporation shall beneficially use his or her water each and every year or, if use is not possible for a period of years, the shareholder shall file an application for the non-use of water with the State Engineer in accordance with Utah Code Ann. §73-1-4, prior to any five-year consecutive period of non-use. Any shareholder filing an application for the non-use of water with the State Engineer shall provide written notice of such filing to the Corporation's secretary. If all or any portion of the Corporation's water right is declared lost due to statutory forfeiture resulting from the lack of beneficial use by a shareholder, the loss of water shall be apportioned to the shareholder or shareholders whose failure to make beneficial use of the Corporation's water caused the loss of all or some portion of the Corporation's water right. Any shareholder whose right is declared forfeited by the courts may no longer be a shareholder of the Corporation and his or her right to receive water service through the Corporation's water distribution system shall end. Any shareholder responsible for the loss of some portion of the Corporation's water right shall be required to surrender his or her Water Certificate to the Secretary of the Corporation. The Secretary, upon receipt of such shares, shall cancel the same in the official Water Certificate records of the Corporation. Such action does not relieve or excuse the shareholder whose shares are canceled from liability for any unpaid fees and assessments or other debts the shareholder may owe the Corporation.

ARTICLE XIII: BY-LAWS AND RULES AND REGULATIONS

The Board of Directors shall have the power, from time to time, to promulgate, amend and repeal such By-Laws and Rules and Regulations for the management of the internal affairs of the Corporation and for the operation, maintenance, repair, and replacement of the Corporation's water diversion, distribution and storage facilities, as the Board shall deem necessary. Any such By-Laws and/or Rules and Regulations of the Corporation shall authorize the Board pursuant to these Articles of Incorporation to equitably and proportionately divide the

available water to the Corporation among the several shareholders during periods of drought and other shortage conditions, so that each shareholder within the Corporation shall receive, to the extent reasonably practicable, the same quantity of water per share per year as every other shareholder within the Corporation

ARTICLE XIV: DISSOLUTION

In the event of dissolution of the Corporation, each shareholder shall receive their proportionate share of the Corporation's property and assets based upon patronage, insofar as is practicable, as their legal interests may appear, after paying or providing for payment of all the lawful debts and obligations of the Corporation

ARTICLE XV: PRINCIPAL OFFICE AND REGISTERED AGENT

The location and street address of the principal business office of the Corporation is Mt Tabby Improvement Group The address of the Corporation's initial registered agent is

Name	Address
Steven E. Clyde	Clyde Snow Sessions & Swenson, P.C. 201 South Main, Suite 1300 Salt Lake City, Utah 84111-2216

