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AMENDMENT

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UTAH CORP. & COMM. CODE

ARTICLES OF AMENDMENT TO ARTICLES OF INCORPORATION OF HORSESHOE IRRIGATION COMPANY

PURSUANT to the provisions of ~16-6a-1006, *et seq.*, Utah Code Annotated, the undersigned non-profit corporation adopts the following Articles of Amendment to its Articles of Incorporation:



FIRST: The name of the corporation is Horseshoe Irrigation Company.

SECOND: The amendments adopted are as follows:

AMENDED AND RESTATED ARTICLES OF INCORPORATION OF HORSESHOE IRRIGATION COMPANY (a nonprofit corporation) (all previous articles not expressly restated here are repealed)

03-15-05PC3:51 RCVD

ARTICLE I Name

The name of the corporation is Horseshoe Irrigation Company.

ARTICLE II Duration


The period of the corporation's duration is perpetual.

ARTICLE III Purposes

The corporation is a nonprofit mutual irrigation company. Its purposes are the diversion, storage and distribution of water to its shareholders for all lawful beneficial purposes. In carrying out its purposes the corporation may engage in any lawful activity and shall have all powers granted to nonprofit corporations under Utah law.

ARTICLE IV Membership

Membership shall be evidenced by shares of stock in the corporation. The members shall be referred to as stockholders or shareholders.

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 15 day of Nov 2005.
In this office of this division and hereby issue
this Certificate of thereof.
Examiner [Signature] Date 2-16-05

Kathy Berg
Kathy Berg
Division Director

FILED 03/16/2005
CORPORATION DIVISION
SALT LAKE CITY

ARTICLE V
Stock

The corporation has issued shares of stock evidenced by stock certificates. There are two (2) classes of stock in the corporation. The class designations, the number of authorized shares and the number of issued shares of each class are described as follows:

<u>Class</u>	<u>No. Shares Authorized</u>	<u>No. Shares Issued</u>
A	15,250	15,216
B	15,000	7,531
Total Authorized:	30,250	Total Issued: 22,747

Each share of Class A stock shall entitle the holder thereof to the delivery of, and beneficial use of, a pro rata share of the water which is available to the corporation, all in a manner consistent with the bylaws, policies, rules and regulations of the corporation, and consistent with the best interests of all shareholders. Each share of Class B stock shall entitle the holder thereof to the delivery of, and beneficial use of, a pro rata share of the surplus water which the Board of Directors determines to be available to the Class B shareholders, all in a manner consistent with the bylaws, policies, rules and regulations of the corporation, and consistent with the best interests of all shareholders.

Notwithstanding the historical delivery of water by the corporation, or the class designation of shares, the Board of Directors shall reasonably determine how water is to be delivered, including piping, combining or re-routing ditches, or authorizing changes in delivery points from one ditch to another.

Each share of Class A stock in the corporation shall entitle the holder thereof to one (1) vote in a manner consistent with the corporation's bylaws. Each 10 shares of Class B stock in the corporation shall entitle the holder thereof to one (1) vote in a manner consistent with the corporation's bylaws.

ARTICLE VI
Shareholder Actions

No action may be taken by a vote of shareholders, whether at an annual meeting, regular meeting or special meeting, without prior notice to all of the voting shareholders, regardless of class, in a manner consistent with the corporation's bylaws.

ARTICLE VII

Directors

The corporation shall be governed by a Board of Directors consisting of seven (7) members, all of whom shall be shareholders. Directors who are Class A shareholders shall be required to own at least one (1) Class A share. Directors who are Class B shareholders shall be required to own at least ten (10) Class B shares. The Directors' terms, additional qualifications, if any, and the manner in which they are elected shall be determined by the bylaws of the corporation. The Board of Directors shall have all powers granted to Trustees of nonprofit corporations under Utah law.

ARTICLE VIII

Distribution of Water

The Board of Directors shall reasonably determine the quantity of water which is available for delivery to each shareholder, the delivery points where the water will reasonably be made available to each shareholder, the place or places where the water may be beneficially used, and the beneficial uses to which the water may be placed. Shares do not represent a direct right of ownership in the water which the corporation is entitled to lawfully divert and beneficially use.

Each shareholder shall bear any loss resulting from the non-use or unlawful use of corporation water, to the extent such non-use or unlawful use may be determined, and such shareholder shall indemnify and hold the corporation and other shareholders harmless from any loss resulting from that shareholder's non-use or unlawful use of corporation water.

Should the Utah State Engineer or a court of competent jurisdiction make a declaration of forfeiture for non-use of water, the shareholder or shareholders whose non-use resulted in such forfeiture shall solely bear the loss and reduction in water from such declaration.

ARTICLE IX

Change in Use of Water

No change in the point of diversion, place of use, or purpose of use of corporation water, and no exchange involving corporation water or corporation water rights, shall be made without the express written consent of the corporation. No documents relating to or impacting corporation water rights shall be filed by any shareholder with the office of the Utah State Engineer unless it has the properly authorized signature of the corporation. The Board of Directors shall have discretion and power to approve, condition or deny any request for such approval or signature in order to protect any and all interests of the corporation as determined by the Board of Directors. Any such exercise of discretion by the Board of Directors shall not be disturbed absent a clear

and convincing showing that the board acted arbitrarily and capriciously.

ARTICLE X
Assessments

The shares of stock issued by the corporation shall be assessable at such times and in such amounts as the Board of Directors shall determine from time to time. Assessments shall be equitable, but need not be equal. The Board of Directors may levy special assessments to recover expenditures that are reasonable or necessary for purposes that benefit only certain classes or only certain shareholders within a class. Assessments may be levied in consideration of future needs, contingencies, contracts with the United States, the State of Utah, or with a specific shareholder, or to pay deficiencies caused by the failure of a shareholder or shareholders to pay assessments upon their shares of stock. Monies raised by assessment shall be expended in a manner consistent with the corporation's bylaws.

ARTICLE XI
Amendments to Bylaws

The bylaws of the corporation may be amended by the Board of Directors at any time, in accordance with the provisions of ~16-6a-1010, Utah Code Annotated, 1953 as amended. The bylaws may also be amended by a vote of the shareholders in accordance with the provisions of ~16-6a-1010(2)(b), Utah Code Annotated, 1953 as amended, providing for the proposal of changes to the Board of Directors by at least 20% of the voting shareholders and by a majority vote at a duly noticed meeting of shareholders, as provided for in said statute.

ARTICLE XII
Limitation of Personal Liability of Officers and Directors

Directors of the corporation shall have no personal liability to the corporation or its shareholders for monetary damages for any action taken, or any failure to take any action, as a Director, and Directors shall be indemnified and defended by the corporation for claims and liability arising out of any action taken, or any failure to take any action, as a Director, except liability arising out of the following:

- (a) the amount of a financial or personal benefit received by a Director to which it is determined in a judicial or other proceeding he or she is not entitled;
- (b) an intentional infliction of harm on the corporation or the shareholders;
- (c) an intentional violation of criminal law; or
- (d) as may be more particularly set forth in the bylaws of the corporation.

ARTICLE XIII
Dissolution of Corporation

Dissolution of the corporation shall be governed by the provisions of a Dissolution Agreement and/or Articles of Dissolution, including equitable distribution of any assets of the corporation, including, but not limited to, water rights, property rights, easements, canals, ditches, pipes and weirs.

THIRD: The foregoing Articles of Amendment were adopted by a vote of the Shareholders at a meeting of Shareholders held on February 17, 2005, receiving an affirmative vote of a majority of the voting Shareholders, whether present in person or by proxy.

DATED this 19 day of February, 2005.

HORSESHOE IRRIGATION COMPANY

By: Randy Strate
Its President

By: James J Allred
Its Secretary

STATE OF UTAH)
 : ss.
COUNTY OF SANPETE)

The undersigned, a Notary Public, do hereby certify that on this 19 day of Feb., 2005, personally appeared before me Randy Strate and James Allred who being by me first duly sworn, declared that they are the President and Secretary, respectively, of Horseshoe Irrigation Company, a Utah non-profit corporation, and that they signed the foregoing Articles of Amendment to the Articles of Incorporation of Horseshoe Irrigation Company as President and Secretary of the corporation, and that the statements contained therein are true.

Cynthia Allred
NOTARY PUBLIC

