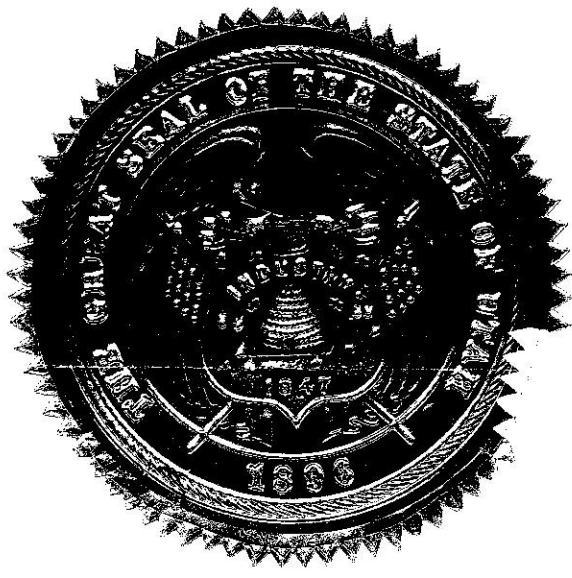


Secretary of State's Office

I, **CLYDE L. MILLER, SECRETARY OF STATE OF THE STATE OF UTAH,**
DO HEREBY CERTIFY THAT the attached is a full, true and correct copy of the
Articles of Incorporation of Carbon Canal Company.

AS APPEARS _____ of record _____ **IN MY OFFICE.**



IN WITNESS WHEREOF, I HAVE HEREUNTO SET MY HAND
AND AFFIXED THE GREAT SEAL OF THE STATE OF UTAH
AT SALT LAKE CITY, THIS _____ **twenty first DAY OF**
_____ **August** 19 **68**

SECRETARY OF STATE
BY _____ **DEPUTY**

Copy

ARTICLES OF INCORPORATION OF CARBON CANAL COMPANY

KNOW ALL MEN BY THESE PRESENTS:

That we, the undersigned, have this day voluntarily associated ourselves together for the purpose of forming a corporation under the laws of the State of Utah, and we hereby certify:

ARTICLE I

The name of this corporation is "CARBON CANAL COMPANY".

ARTICLE II

This corporation is organized in and its principal place of business shall be at Price City, Carbon County, State of Utah.

ARTICLE III

The term for which this corporation is to exist is one hundred years from and after the date hereof.

ARTICLE IV

The purpose for which this corporation is formed is to construct, build, purchase, lease, own, acquire, manage or control, dams, ditches, canals, head gates, flumes, pipe lines, reservoirs, reservoir sites, and rights of way; to own, acquire, use, occupy, convey, regulate, distribute, and divide water and water rights and any and every means necessary to control, regulate, and distribute water for irrigation, culinary, domestic, and other purposes; also to own, hold, purchase, lease, located, acquire, or dispose of water and water rights and all kinds of property to enable the company to accomplish said objects and purposes; this corporation is not organized, however, for pecuniary profit, but solely for the benefit of the members of the company and for the rendering of water services to them, their lands, and the other lands which are susceptible of irrigation under the canal of the company.

ARTICLE V

It is specifically provided that this corporation shall transport all water of the Price River Water Conservation District which is allotted to lands which lie under the canal of the company, and the cost, charge, or toll per acre foot for such transportation, distribution, and maintenance shall be the same as for the water of the stockholders in the company which may be handled.

ARTICLE VI

The main canal of this corporation is particularly set forth and described in that certain "Agreement and Conveyance" made and entered into on June 16, 1937, by and between the State of Utah and the Price River Water Conservation District, which instrument was recorded on the 23rd day of February, 1938, in the office of the County Recorder of Carbon County, Utah, in Book 3-S of Miscellaneous at Pages 510-519 inclusive.

ARTICLE VII

The names of the incorporators, their places of residence, and the amount of stock they have subscribed are as follows:

<u>NAME</u>	<u>RESIDENCE</u>	<u>STOCK</u>
Bryner, J. B.	Price, Utah	138
Chiaretta, Catherine	Price, Utah	253
Culp, G. W.	Price, Utah	18
Easton, A. J.	Price, Utah	71
Edur, Theodore	Price, Utah	36
Feichko, Andrew	Price, Utah	242
Jones, Rollan S.	Price, Utah	82
Marsing, Orson R.		
Ralph, and William	Price, Utah	2,407
Olson, Carl and Earl	Price, Utah	180
Olson, George	Price, Utah	98
Peperakis, Angelo	Price, Utah	269
Petitti, Charles B.	Price, Utah	24
Pollock, Joe	Price, Utah	175
Robertson, Leland G.	Price, Utah	121
Waterman, G. W.	Price, Utah	318
Wells, William H.	Price, Utah	55
Wilson, Harold E.	Price, Utah	48
Wilson, K. A.	Price, Utah	48
Winters, Rhssell	Price, Utah	12

ARTICLE VIII

Ten Thousand one hundred and five (10,105) shares of the stock of this company is fully paid in consideration of the transfer and conveyance to the Carbon Control Committee, a committee acting for and on behalf of said incorporators, of those certain waters, water rights, and rights of way which were leased for a period of ninety-nine years by the Price River Water Conservation District, a body corporate and politic of the State of Utah, with its principal place of business at Price, Utah, to said Carbon Control Committee in trust for the use and benefit of said incorporators and the others to whom the initial paid up stock will be issued and for the specific purpose of holding the same for them and making assignment of said lease to said waters and rights of way to this company upon its formation. Said lease of said water, water rights, and rights of way have a fair cash value of One Hundred Thousand Dollars (\$100,000). The consideration provided in said lease for the full ninety-nine year term has been paid.

ARTICLE IX

The authorized stock of this corporation is eighteen thousand (18,000) shares, each without nominal or par value. Ten thousand one hundred and five (10,105) shares of said stock shall be immediately issued to those whose land is embraced within the final proof in the office of the State Engineer of the State of Utah, as shown by certificate of appropriation No. 1036. The Board of Directors, however, is hereby granted authority to rectify errors insofar as said proof is concerned by either eliminating therefrom or adding thereto upon satisfactory proof being given of such error or omission, and stock shall be issued accordingly. The authorized but unissued stock, except as the same may be required to be issued to correct said errors or omissions next hereinabove referred to, shall be issued at such time or times and upon such terms and conditions as may be prescribed by the affirmative vote of at least five of the seven, members of the

Board of Directors of the company cast at a special meeting thereof called and held for that purpose, provided, that said stock shall not be issued unless additional water or water rights are acquired by the company commensurate with the stock to be issued as may be thus determined by said directors.

ARTICLE X

Section 1

It is recognized that the objects and purposes of this corporation cannot be fully accomplished unless the water which flows through its main canal is efficiently carried and distributed after the same is delivered into the laterals which lead from said main canal and the private ditches which lead from said laterals or from said main canal. As used herein, a lateral is defined as any ditch except the main canal of the company, in which or through which two or more individuals transport water, which water has been conveyed through the said main canal. All of the ditches in which one individual only transports his water are herein referred to as private ditches. -

SECTION 2

Unless and until otherwise authorized by the affirmative vote of at least five directors of the company cast at a special meeting of the directors called and held to consider such proposition, and notwithstanding the transfer of water rights or the changing or extending of canals, laterals, and ^{the} private ditches the company will not be obligated to divide, measure, or deliver water except along its main canal unless authorized to do so by a vote of its directors as herein provided, but upon such authorization it shall have the right to divide, measure, or deliver water or settle disputes pertaining thereto upon any lateral or private ditch under the system.

Section 3

This corporation shall have jurisdiction over all laterals and private ditches under the canal insofar as requiring the

proper maintenance of the same and the installation and maintenance of proper measuring devices therein, and to that end it shall have the right through its Board of Directors or its water master or other agent designated for such duty, to determine when said laterals and ditches are in a proper condition to receive water from the company, and unless the same are in such state of condition, said officers or agents shall have the right to withhold the delivery of water into said laterals or private ditches or any of them. In the event the user or users of any laterals or private ditches fail to prepare and maintain the same in such condition as to efficiently receive, measure, and carry water as determined by the Board of Directors or its agents, the said Board or its agents shall have the right to cause the same to be thus conditioned and to levy and collect a toll, charge, or assessment against each user on said private ditch or lateral and to further provide that the same must be paid before any water is delivered to such individual during any season. The corporation shall not be liable to stockholders or any person whatsoever because of any disrepair in said laterals or private ditches, or any condition resulting either directly or indirectly on account thereof.

Section 4

All expenses of the company with the exception of those hereinabove enumerated in Section 3, and the expense of dividing water on laterals when it elects to do so, shall be paid by the levying of uniform assessments upon all of the outstanding stock of the company irrespective of the class thereof or by the imposition of uniform tolls or charges or by both such assessments or tolls. That is to say, the cost of maintaining each lateral and private ditch shall be borne by the respective users thereon and the cost of maintaining the canal of the system and hiring necessary water masters and assistants for the entire system, shall be borne by uniform charges, tolls, or stock assessments.

Section 5

The Board of Directors shall have authority to fix a levy and collect a minimum service charge from each stockholder or person who uses water through the canal of the company and against said service charge there shall be credited the amount of regular charges, tolls, or assessments levied so that if the said assessments or charges or tolls equal the said service charge, the same shall thereby be satisfied. Water not represented by stock in the company shall not be carried for a rate less than that imposed for carrying of water represented by stock in the company.

Section 6

Assessments, charges, and tolls for the purposes set forth in Paragraphs 3, 4, and 5 of this Article may be levied at the same time provided the items of the toll, charge or assessment are separately stated. It is specifically agreed and provided that tolls, charges, and assessments may, if the Board of Directors so determines, be levied by the Board of Directors in advance at the beginning of each year or irrigation season after a budget has been prepared, for the services to be rendered and expenses incurred during that year or season, and the same, whenever levied, may be collected in the manner now, or which may be allowed or provided by law or by these Articles.

Section 7

In addition to the right of the company to sell stock for delinquencies in payment of assessments as provided by the laws of Utah, this corporation, through its Board of Directors may withhold the delivery of water to any stockholder or user who shall not have paid his stock assessment in advance or who shall be delinquent in the payment of any prior toll, charge, or assessment. The remedy provided in this Section is additional and cumulative to the one provided in the next preceding Section, and either or both of such remedies may be employed at any time by the Board of Directors of the Company for the col-

lection of tolls, charges, or assessments.

ARTICLE XI

The annual meeting of the stockholders of this corporation shall be held at the principal office of the company on the second Monday of January of each year at the hour of eight o'clock p.m., if such day be not a legal holiday, and if a legal holiday, then on the next succeeding day not a legal holiday. No notice need be given of annual or stated meetings of the stockholders. Special meetings of the stockholders may be called by the President by three directors, or by any number of stockholders holding not less than one-third of the outstanding stock entitled to vote at such meetings; and notice shall be given by personal service of the notice upon each stockholder entitled to vote at such meeting at least five days before the day fixed for the meeting or by advertisement in a weekly newspaper published in Price, Utah, for three successive publications next preceding the date of said meeting or by mailing at Price, Utah, to each stockholder as shown by the books of the company, at his present address as shown by the books of the company, lawful postage prepaid, a copy of such notice, at least ten days prior to the date of such meeting. At all stockholder's meetings, each stockholder shall be entitled to one vote for each share of stock, and a fractional vote for each fractional share of stock owned by him in his own right or held by him in trust for others, as shown by the Books of the corporation, and such vote or fractional vote may be given in person or by authorized agent or by proxy. A lawful meeting of the stockholders, with the exception of meeting called and held for the purpose of amending these articles of incorporation, may be held by the stock represented at such meeting whatever the amount, and every question or election thereat shall be decided by a majority of the votes cast.

ARTICLE XII

The corporate powers of this corporation shall be exercised

by a board of seven directors, four of whom shall constitute a quorum. At the first annual meeting of the stockholders following the adoption of these articles four directors shall be elected for a term of two years, and three directors shall be elected for a term of one year, and thereafter directors shall be elected for a term of two years from the expiration of their first term. Each director shall be elected by secret ballot and shall hold office until his successor is duly elected and qualified. To qualify as a director, an individual must have standing in his own name upon the books of the corporation not less than ten shares of the stock thereof.

ARTICLE XIII

The officers of this corporation shall be a president, a vice-president, a secretary and treasurer, who shall hold office for the term of one year and until their successors are duly chosen and qualified. The directors shall select from their members the above named officers immediately following the regular annual meeting of the stockholders, except only that the secretary and treasurer need not be a director or directors. One person may be both secretary and treasurer or one may be secretary and another treasurer at the option of the board of directors.

ARTICLE XIV

Until their successors are elected and qualified, the following named persons shall be the officers and directors of this corporation:

G. W. Waterman shall be director
and president.

William Marsing shall be director
and vice-president.

E. E. Peirce shall be director.

Ira Borrell shall be director.

Joe Pollock shall be director.

Marion Q. Golding shall be director.

K. A. Wilson shall be director.

N. P. Pettersson shall be secretary
and treasurer.

ARTICLE XV

By-laws may be adopted, amended, or repealed by the stock-
holders at any annual or special meeting.

ARTICLE XVI

These articles of incorporation may be amended in the man-
ner now, or which may hereafter be provided by the laws of the
State of Utah governing corporations.

ARTICLE XVII

The private property of the stockholders of this corpora-
tion shall not be liable for its obligations.

IN WITNESS WHEREOF, we have hereunto set our hands this
3rd day of September, 1948.

/s/ J. B. Bryner

/s/ Rollan S. Jones

/s/ G. W. Culp

/s/ Leland G. Robertson

/s/ G. W. Waterman

/s/ Charles B. Petitti

/s/ Russell Winters

/s/ Theodore Edur

/s/ Andrew Feichko

/s/ A. J. Easton

/s/ Catherine Chiaretta

/s/ K. A. Wilson

/s/ Harold E. Wilson

/s/ William H. Wells

/s/ Angelo Peperakis

/s/ Orson R. Marsing

/s/ Ralph Marsing

/s/ William Marsing

/s/ Carl Olson

/s/ George Olson

/s/ Earl Olson

/s/ Joe Pollock

STATE OF UTAH)
 : ss
COUNTY OF CARBON)

G. W. Waterman, William Marsing, and Joe Pollock, being duly sworn, says that it is a bona fide their intention to commence and carry on the business mentioned in the foregoing agreement and that the affiants verily believe that each party to this agreement has paid, or is able to and will pay, the amount of stock subscribed for by him; that at least ten percent of the stock subscribed for by each stockholder has been paid in, and that not less than ten percent of the capital stock of the corporation has been paid in.

/s/ G. W. Waterman

/s/ William Marsing

/s/ Joe Pollock

Subscribed and sworn to before me this 3rd day of September, 1948.

My commission expires:
August 4, 1950

/s/ T. N. Jensen
Notary Public
Residing at Price, Utah

CERTIFICATE OF AMENDMENT TO ARTICLES OF INCORPORATION

OF

CARBON CANAL COMPANY

STATE OF UTAH)
 : ss
COUNTY OF CARBON)

WILLIAM M. MARSING and N. P. PETERSSON, being first duly sworn on oath state: That they are the President and Secretary, respectively, of Carbon Canal Company, a corporation of the State of Utah, with its principal place of business at Price, Utah; that on the 23rd day of February, 1959, at the hour of 8:00 o'clock p.m. a meeting of the stockholders of said corporation was duly and regularly held at the court room of the County Court House in Price, Utah, pursuant to notice and call of stockholder's meeting published in the form and manner set forth in the annexed affidavit of publication, which affidavit is hereby made a part of this certificate; that at said meeting thus called and held Article XI of the Articles of Incorporation of said Carbon Canal Company, by a vote representing in excess of a majority in amount of the outstanding stock of said corporation, was amended to read as follows:

ARTICLE XI

"The annual meeting of the stockholders of this corporation shall be held at the principal office of the company on the third Monday of February of each year at the hour of eight o'clock p.m., if such day be not a legal holiday, and if a legal holiday, then on the next succeeding day not a legal holiday. No notice need be given of annual or stated meetings of the stockholders. Special meetings of the stockholders may be called by the President, by three directors, or by any number of stockholders holding not less than one-third of the outstanding stock entitled to vote at such meetings; and notice shall be given by personal service of the notice upon each stockholder entitled to vote at such meeting at least five days before the day fixed for the meeting or by advertisement in a weekly newspaper published in Price, Utah, for three successive publications next preceeding the date of said meeting or by mailing at Price, Utah, to each stockholder as shown by the books of the company, at his present address as shown by the books of the com-

pany, lawful postage prepaid, a copy of such notice, at least ten days prior to the date of such meeting. At all stockholder's meetings, each stockholder shall be entitled to one vote for each share of stock, and a fractional vote for each fractional share of stock owned by him in his own right or held by him in trust for others, as shown by the books of the corporation, and such vote or fractional vote may be given in person or by authorized agent or by proxy. A lawful meeting of the stockholders, with the exception of meeting called and held for the purpose of amending these articles of incorporation, may be held by the stock represented at such meeting whatever the amount, and every question or election thereat shall be decided by a majority of the votes cast."

That the proceedings of said meeting at which said amendment was made to said Articles of Incorporation are spread at large on the minute book of the meetings of the stockholders and directors of said corporation.



President



Secretary

(Corporate Seal)

Subscribed and sworn to before me this 2nd day of March, 1959.



Notary Public

My Commission Expires;

Feb 3, 1963

Residing at Price, Utah