



Office of Lt. Governor/Secretary of State

CERTIFICATE OF INCORPORATION

OF

CEDAR RIDGE DISTRIBUTION COMPANY

I, DAVID S. MONSON, Lt. Governor/Secretary of State of the State of Utah, hereby certify that duplicate originals of Articles of Incorporation for the incorporation of

CEDAR RIDGE DISTRIBUTION COMPANY

duly signed and verified pursuant to the provisions of the Utah Non-Profit Corporation and Cooperative Association Act, have been received in my office and are found to conform to law.

Accordingly, by virtue of the authority vested in me by law, I hereby issue this Certificate of Incorporation of

CEDAR RIDGE DISTRIBUTION COMPANY

and attach hereto a Certificate of Good Standing.

FILE # 91088

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the Great Seal of the State of Utah at Salt Lake City, Utah, this 4th day of _____ March _____ A.D. 19 81.



LT. GOVERNOR/SECRETARY OF STATE

David Z Thompson
By 40
Deweyville, UT

FILED in the office of the Lieutenant Governor
of the State of Utah, on the 4th
day of March A.D. 1981
DAVID S. MONSON
Lieutenant Governor
Filing Clerk DS Fee 5.00

ARTICLES OF INCORPORATION
OF

CEDAR RIDGE DISTRIBUTION COMPANY

KNOW ALL BY THESE PRESENTS:

91088

That we, the undersigned natural persons of the age of twenty-one years or more, are acting as incorporators of a non-profit corporation under and by virtue of the Utah Non-Profit Corporation and Cooperative Association Act, and for that purpose do hereby adopt, certify and agree to the following articles of incorporation for such corporation:

ARTICLE I

The name of the corporation shall be CEDAR RIDGE DISTRIBUTION COMPANY.

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OFFICE OF THE
SECRETARY OF STATE

ARTICLE II

The period of duration of this corporation shall be perpetual unless sooner dissolved or disincorporated in accordance with the laws of the State of Utah and the provisions for distribution of assets on dissolution or final liquidation included in these Articles of Incorporation.

ARTICLE III

The purposes, objectives, business and powers of the corporation, organized as a non-profit corporation, shall be:

- (1) To develop and own, by purchase, appropriate or otherwise, lease, rent, or in any other manner lawfully acquire, and to sell, rent, lease, assign to any other person, firm, corporation, the United States of America, the State of Utah, county, municipality, quasi-municipal corporation or any other political subdivision of the State of Utah, or change the use or point of diversion of water and water rights for any lawful beneficial use including but not limited to municipal and domestic purposes.

251/3034/2/04/81 \$5.00

(2) To own, purchase or otherwise, lease, rent, or in any other manner lawfully acquire, and to sell, rent, lease or assign to any other person, firm, corporation, the United States of America, the State of Utah, county, municipality, quasi-municipal corporation or any other political subdivision of the State of Utah pipelines, mains or other necessary devises or materials for the development, storage, protection, transportation, delivery, distribution and sale of water; and to construct, build, operate and maintain the same.

(3) To own, operate, maintain and control such meters and other appliances as may be necessary to carry out the purposes of the corporation.

(4) To develop, adopt and implement any conditions or requirements necessary to conserve the supply of water and water rights under the jurisdiction or control of the corporation.

(5) To acquire, hold, own, maintain and control the water and the water rights from any source of supply and to distribute the same among its member stockholders in accordance with the method of distribution specified in the bylaws of the corporation.

(6) To fix, charge, and collect from its member stockholders rentals, assessments and operation and maintenance charges by such method as may be prescribed in the bylaws of the corporation.

And, to do all and everthing necessary, suitable and proper for the accomplishment of any of the purposes or the attainment of any of the objects or the furtherance of any of the powers herein set forth or enumerated in the Utah Non-profit Corporation and Cooperative Association Act, either alone or in association with other public or private corporations, firm, or persons; and to do every other act or acts, thing or things incidental or appurtenant to or growing out of or connected with the above stated purposes and powers, provided the same be not inconsistent with the laws under which this corporation is organized.

ARTICLE IV

The corporation shall have members who shall be and only be those entities holding one or more valid and current shares of

stock issued by the corporation and evidenced by a certificate of stock in accordance with provisions in the bylaws of the corporation.

ARTICLE V

(1) The corporation shall have the authority to issue a maximum number of 10,000 shares of stock, divided into three classes as follows:

(2) One class of shares of stock shall be designated Class A stock. The corporation is authorized to issue a maximum of ten thousand (10,000) shares of Class A stock. Each share of Class A stock shall entitle the shareholder to the use of up to a maximum of .448 acre feet of culinary water for residential use for only the lot specified on the share.

(3) One class of shares of stock shall be designated Class B stock. The corporation is authorized to issue a maximum of ten thousand (10,000) shares of Class B stock. Each share of Class B stock shall entitle the shareholder to the use of up to a maximum of .448 acre feet of residential irrigation water per calendar year subject to necessary or applicable conditions and restrictions imposed by the bylaws and resolutions of the corporation. (Each share of Class A and B stock shall have no voting rights in the corporation.)

(4) One class of shares of stock shall be designated Class C stock. The corporation is authorized to issue a maximum of one thousand (1,000) shares of Class C stock. Each share of Class C stock shall represent and be equivalent to a proportional interest in the maximum water, water rights and any other corporate assets as specified in the bylaws of the corporation. Each share of Class C stock shall be entitled to one vote in the corporation wherein a member vote is allowed by the bylaws or required by law and all Class C shares shall have accumulative voting rights.

(5) All shareholders' interests and rights to water as specified above shall be subject to any and all restrictions or conditions imposed upon any and all water and water rights held, controlled, or managed by the corporation, which may be necessary to satisfy the shareholders' interests and rights to said water or necessary to comply with law.

ARTICLE VI

(1) There shall be a Governing Board which shall have the power to manage only those affairs of the corporation specified in the bylaws. there shall be three trustees who shall constitute the initial governing board. The number of trustees on the governing board may be changed by the bylaws of the corporation but in no case shall the number be less than three.

(2) The names and addresses of the persons who are to serve as the initial trustees are as follows:

<u>NAME:</u>	<u>ADDRESS:</u>
David Z. Thompson	Box 40 Deweyville, Utah 84309
Jon Z. Thompson	Box 176 Deweyville, Utah 84309
Henry Z. Thompson	Route 1 Tremonton, Utah 84337

(3) The manner of election or appointment of trustees other than the above-named initial trustees, terms of office, replacement of vacancies and the procedure for their removal shall be provided for in the bylaws of the corporation (except that at all times the majority of the Governing Board shall be owners of Class B stock).

ARTICLE VII

(1) The officers of the corporation shall be elected by the Trustees of the corporation wherein all Trustees voted.

(2) There shall be officers in accordance with the bylaws.

(3) The term of office of these officers shall be determined by the bylaws and they shall have such individual authority and perform such duties in the management of the corporation as may be determined by resolution of the Governing Board.

(4) The Governing Board shall have the authority to fix the compensation of Trustees and Officers of the corporation and to increase or decrease such compensation from time to time as the Governing Board may deem proper.

(5) A majority of the Governing Board shall constitute a quorum for the transaction of business and the act of a majority

of the Governing Board present at a meeting at which a quorum is present shall be the act of the Governing Board.

(6) The Governing Board shall not have the power to adopt, amend, or repeal bylaws which may contain any provisions for the regulation and management of the affairs of the corporation.

(7) The Governing Board shall have the power to adopt resolutions for the regulation, operation and management of the affairs of the corporation as specified in the bylaws and not inconsistent with law, the articles of incorporation or applicable bylaws.

(8) The governing Board may transact business without holding a formal meeting of the Board, and when any resolution, adoption, amendment or repeal of a bylaw or other transaction is reduced to writing, signed by all members of the Board, and filed or recorded by the Secretary of the corporation, it shall be the valid and binding act of the Governing Board as if it had been regularly and duly approved at a formal meeting of the Governing Board.

ARTICLE VIII

The formation of this corporation and the adoption of these articles of incorporation is by the following incorporators:

Name of Incorporator	David Z. Thompson Box 40 Deweyville, Utah 84309
Name of Incorporator	Jon Z. Thompson Box 176 Deweyville, Utah 84309
Name of Incorporator	Henry Z. Thompson Rt. #1 Tremonton, Utah 84337

ARTICLE IX

The location and street address of the initial principal office and place of business of the corporation shall be:
12435 North Hillcrest Road, Deweyville, Utah 84309.

The name and address of the Agent of the corporation shall be: David Z. Thompson, 12435 North Hillcrest Road, Deweyville, Utah 84309.

ARTICLE X

Each share of stock shall carry the right to one vote in the company for each said share, and all shares shall have accumulative voting rights. Each shareholder may vote either in person or by proxy executed in writing by the stockholder, or by his duly authorized attorney in fact. At each election for Directors, every shareholder entitled to vote at such election shall have the right to vote in person or by proxy the number of shares owned by him for as many persons as there are Directors to be elected and for whose election he has a right to vote, and he may accumulate his votes by giving one candidate as many as the number of such Directors multiplied by the number of his shares shall equal, or by distributing such votes on the same principle among any number of such candidates.

A quorum for the meetings of the shareholders shall consist of a majority of the outstanding shares of stock and for voting purposes in any case shall consist of a simple plurality of the votes cast. Should there fail to be a majority of the outstanding shares of stock represented at any stockholders meeting after due and proper notice of said meeting, the meeting may be adjourned by those present to a subsequent date, and again, after due and proper notice, those shareholders present at such subsequent meeting shall constitute a quorum.

ARTICLE XI

A majority of the Directors elected and qualified shall

constitute a quorum for the transaction of business and the act of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

The Board of Directors may transact business without holding a formal meeting of the Board, and when any resolution or transaction is reduced to writing, signed by all members, and filed or recorded by the Secretary of the corporation, it shall be the valid and binding act of the Board of Directors as if it had been regularly and duly approved at a formal meeting of the Board of Directors.

The Directors shall be empowered to exercise corporate powers of the corporation, to have complete charge and control of the corporate property, including the right to sell all assets, and shall have authority to perform all powers of the corporation except as shall be limited by a vote of the stockholders at a stockholders meeting or by the corporate Bylaws.

The Directors of this corporation shall not have the power to alter or repeal Bylaws adopted or amended by the shareholder, but subject to this restriction, the Board of Directors shall have the power to adopt or amend the Bylaws of the corporation to provide for the regulation and management of the affairs of the corporation not inconsistent with the law or these Articles of Incorporation.

The Board of Directors shall appoint one of their members as chairman, and regular meetings of the Board of Directors are to be held at the office of the corporation or at such other reasonably convenient place as said chairman may direct. All Directors shall be given a three (3) day written or oral notice of any special meeting which may be called by the chairman of the Board of Directors.

The Directors are also hereby empowered to, upon resolution, direct to offering an issuance of preferred shares of the corporation upon such terms as the Board of Directors shall determine.

ARTICLE XII

The annual stockholders meeting of the corporation shall be held at the corporation office the second Monday in January of each year or a day substituted by an act of the Board of Directors, and no notice of the annual stockholders meeting need be given. A special meeting of the stockholders may be called by the Chairman of the Board, by the President, by any two Directors, or by stockholders whose holdings shall be not less than one-third of the outstanding stock of the corporation, by personal notice to each stockholder or by mailing written notice to the last known address of such stockholder at least thirty (30) days prior to the date of such meeting.

Any notice required to be given to any stockholder, Director, or officer of the corporation may be waived by such stockholder, Director, or officer, orally or in writing, or by attending such meeting.

These Articles may be amended by a majority vote of the stock present or represented at any annual meeting or at any special meeting called for that purpose, provided there is a quorum and that in any case where it is proposed to amend the Articles written notice, including the proposed amendment, shall be sent to each stockholder thirty (30) days in advance of such meeting, and such notice shall include the time and place of said meeting.

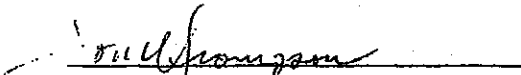
ARTICLE XIII

The private property of the stockholders shall not

be liable for the debts and obligations of the corporation, and the stock of the corporation shall not be assessable.

IN WITNESS WHEREOF the incorporators have hereunto set their hands this 31 day of January, 1981.


David Z. Thompson

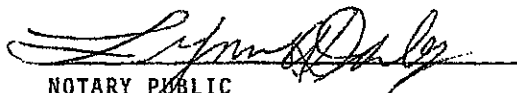

Jon Z. Thompson


Henry Z. Thompson

STATE OF UTAH }
COUNTY OF Box Elder } ss.
SALT LAKE

I, Lynn A. Darby, a Notary Public, hereby certify that on the 31st day of January, 1981, appeared before me, David Z. Thompson, John Z. Thompson and Henry Z. Thompson, who being by me first duly sworn, severally declared that they are the persons who signed the foregoing document as incorporators and that the statements therein contained are true.

IN WITNESS WHEREOF, I have set my hand and seal this 31st day of Jan, 1981.


NOTARY PUBLIC
Residing in Box Elder Salt Lake County, Utah

My Commission Expires:
10-19-84