

ARTICLES OF INCORPORATION OF THE LEADS DOMESTIC WATERWORKS
ASSOCIATION

SHARPS OF UTAH)
) SS
COUNTY OF WASHINGTON)



I do solemnly swear that in pursuance of the provisions of the decree of the District Court of the Fifth Judicial District in and for Washington County, State of Utah, in the case of H. A. Jolley and Max McMullin vs. David McMullin, Thomas Stirling, David McMullin, George Olson, Ewan Sullivan, Leland Sullivan, Don Fuller, and Leads Water Company, a corporation, rendered by the said court on the 27th day of November, 1951, and with intent, desire and purpose to comply with the provisions of the State of Utah, and more particularly with the provisions of Sections 890 to 898, inclusive Compiled Laws of Utah, 1917 as amended, applying to corporations not for pecuniary profit, and with the provisions of Section 7(H) of the Corporation Franchise Tax Act of 1951, Session Laws of Utah, 1951, exempting mutual irrigation companies and like organizations from the provisions of the Act, at a meeting of the residents of the town of Leads, Washington County, Utah, held at Leads, said County and State, upon notice to the incorporators and all of the residents of said town, personally served on each more than fifteen days prior to the date of said meeting, it was decided by a majority vote of the residents present at said meeting that the residents of the town of Leads, Washington County, Utah, incorporate ~~###~~ and form a corporation with such rights and obligations as may be prescribed by law, to be known as the Leads Domestic Waterworks Association, with the following provisions:

ARTICLE I

Name and Where Organized

The name of this association is Leads Domestic Waterworks Association, and is organized in the town of Leads, Washington County, Utah which said place shall also be the principal place of business of said association.

ARTICLE II

Names and addresses of Incorporators.

Following are the names of the incorporators of this corporation, whose addresses are all at Leads, Utah.

(Signed)

Oscar McMullin
Henry Jolley
Lee Williamson
F. M. Hartley
Max McMullin

ARTICLE III

Period of Existence.

ordainthe period of existence and the duration of the life of this corporation shall be one hundred (100) years, unless sooner dissolved by law.

ARTICLE IV

Objects and purposes

The objects and purposes of this association, stated in general terms, are to hold title to and distribute, in trust for the residents of Leads, Utah, the domestic water of said residents, now owned and in use, or which may be hereafter developed or acquired, deriving no pecuniary profit or revenue therefrom for any stockholder, as such, except for the provisions as to preferred stock, hereinafter set out, and conducting its business with the object and purpose of supplying as a trustee, the domestic water to the residents of Leads, Utah, in a proper, sanitary, modern and efficient manner.

This corporation shall have power :

(1) - To engage in any activity in connection with the transportation, storing, distribution, purifying, increasing, regulating, protecting, producing, and utilizing of water for any domestic or culinary use of the residents of the town of Leeds, Utah, including the right to buy, install and establish ditches, pipelines, headhouses, meters, and any machinery, equipment or supplies necessary, proper or convenient to carry out its purposes.

(2) - To borrow money, to issue notes and bonds therefor, and to give security for the payment thereof.

(3) - To buy, to hold, and to exercise all privileges of ownership over, and to mortgage, pledge, lease, exchange, sell, convey, transfer and otherwise dispose of, such real and personal property as may be deemed necessary or convenient for conducting and operating the business of the corporation, subject only to its obligations as trustee to the residents of said town of Leeds, as provided by law or in these Articles of the By-Laws of this company.

(4) -^{*} To establish reserves and to invest the funds thereof in securities or such other property as may be provided for.

(5) - To acquire and hold membership or stock in other similar associations, and to purchase or otherwise acquire and to hold, own and exercise all rights of ownership in, and to sell or pledge, shares of stock or bonds of any corporation or association engaged in any related activity.

(6) - To enter into all necessary and proper contracts and agreements with any one or more persons to carry out any or all of its objects and purposes.

(7) - To create a working fund or credit by the sale of preferred stock, or through the collection of fees, dues, assessments, or charges for its services to members and others.

(8) - To do such and every thing necessary, suitable or proper for the accomplishment of any one or more of the purposes, or the attainment of one or more of the objects herein enumerated, or conducive to or expedient for the interests or benefit of the association and the residents of Leeds, Utah, and to exercise all powers, rights and privileges necessary or incident thereto, including the exercise of any rights, powers and privileges granted by the laws of the State of Utah to corporations generally, and privileges granted as are inconsistent with the express provisions of these Articles.

It is understood that the association shall possess and exercise broad powers and that these articles shall be liberally construed, to the end that the general objects and purposes of the association shall be carried out, and the failure to enumerate any specific power or powers, or the enumeration thereof, shall not be construed as a limitation upon the powers of the association in the carrying out of its said objects and purposes, except that at all times it shall stand in the relation of trustee for the residents of Leeds, Utah, for the purposes and objects, and that 85% or more of the income is used or held to pay losses and expenses

ARTICLE V

Common and Preferred Stock - Voting Power

This association is organized with stock, which is divided into two classes, namely, common and preferred. Shares of common stock shall be issued only to residents of the town of Leeds and shall be limited by the number of such residents who become members of this association. Common stock shall be voting stock. Upon satisfying the company that he is a bona fide resident of Leeds, Utah, and upon the payment of the membership fee which in the absence of specification in the by-laws or by the Board of Directors Directors shall be FIVE (\$5.00) Dollars per share, each member shall receive one (1) share of common stock, which shall entitle him to one vote only at all membership meetings of the company. No member or stockholder shall be entitled to more than one(1) vote, and no vote shall be cast by proxy, provided that where the member is a corporation, its vote may be cast by an accredited representative,

In order to acquire membership in the association, or to become a holder of common stock, the applicant must subscribe to the articles of incorporation and the by-laws and must also comply with such rules and regulations and pay such fees for the services of the company as may be fixed by the Board of Directors.

Preferred stock may be issued to members or to non-members, for the purpose only of financing the activities of the association, Preferred stock shall be limited to Ten Thousand (10,000) shares of the par value of One (\$1.00) Dollar each, and shall not give the right to vote.

Stock certificates may be issued to each holder of fully paid common or preferred stock, and may be transferred; provided, that in the case of common stock, such cannot be transferred to any person who is not a resident of Leeds, Utah, at the time of said transfer, or who has not complied with the Articles of Incorporation, the By-Laws, and rules and regulations of the Board of Directors.

Preferred stock may be issued at the discretion of the Board of Directors, for the purposes herein set out, but shall not bear interest in excess of eight per cent (8%) per annum, and shall be redeemable or retireable at any time within twenty (20) years from date of issuance, the date of retirement to be printed upon the face of the certificate, Preferred stock shall be secured by a first lien upon the assets of the association, but the common stock shall have no preferences.

ARTICLE VI
Officers and Directors

The number of directors of this corporation is five(5) and the term of office of director is one (1) year and until a successor is elected and qualified, provided that the number of directors may be altered from time to time as may be provided in the by-laws, and in accordance with law. In case of any increase in the number of directors, the additional directors may be elected by the directors or by the stockholders at any annual or special meeting, as shall be provided by the by-laws, provided that preferred stockholders shall not vote.

The officers of the corporation shall be a President, a Vice-President, a Secretary, a Treasurer, and a Manager. The President and the Vice President shall be elected by the directors from among themselves; the secretary, the treasurer and the manager may or may not be directors, but are to be elected by the directors, the Board of Directors may appoint such other officers from time to time as they deem advisable. Any two or more of the above-named offices may be held by the same person, except the offices of President and Vice-President.

A majority of the Board of Directors shall constitute a quorum for the transaction of business and to exercise the corporate powers of the corporation.

The following named persons shall serve as directors and shall hold the respective offices of the association until the first annual meeting, of the association, which shall be held on February 1, 1952, at 8 o'clock P.M. at Leeds, Utah, and annually thereafter at said place on the first Monday of February of each year. At such first annual meeting, and thereafter at each regular annual meeting, the members of the Board of Directors shall be elected.

<u>Name</u>	<u>Office</u>
Oster McCallin	Director and President
Lee Williamson	Director and Vice-President
Henry Jolley	Director
Frankis M. Hartley	Director
Max McCallin	Director

Karl Caldwell shall serve as Secretary and Treasurer until the first annual meeting. Karl Caldwell shall serve as manager until the first annual meeting.

Every director shall be a holder of one share of the common stock of the company as shown by the books of the company. Whenever any director shall cease to be a common stockholder of record he shall cease to be a director, and the remaining directors may declare his office vacant, and proceed to appoint a successor in the manner prescribed in the by-laws.

All directors of the company, before entering upon the duties of their office, shall take and subscribe the oath of office, and file an acceptable bond with the secretary of the company in the sum of \$ 500.00 conditioned on his faithful performance of the duties of his office.

ARTICLE VII
Property Not Liable

The private property of the members and stockholders shall not be liable for the debts of the corporation, and the stock of the corporation shall be non-assessable.

ARTICLE VIII
Disposal of Property

The stockholders holding one or more shares of the common stock, by affirmative vote of a majority of the outstanding common stock, that is by affirmative vote of a majority of the members of this association, may at any regular meeting or special meeting held for the purpose, sell, assign, mortgage, convey, or otherwise dispose of all property and assets of the corporation on such terms and conditions as they shall prescribe, either in whole or in part, for cash or property, or for either stock or bonds, or both, in any corporation or company, subject, however to any lien holders of preferred stock may have on the property of the corporation, and subject, always, to the obligations of the corporation as trustees to the residents of Leeds, Utah.

ARTICLE IX
Amendments

The Board of Directors shall have the power to make, amend, alter, or repeal the by-laws of the company, by a vote of a majority of the directors at any regular or special meeting of the board.

The Articles of Incorporation may be amended in any particular and at any time in the manner and form prescribed by statute and after notice of such intention as prescribed by statute.

IN WITNESS WHEREOF, Karl Caldwell, as secretary of the meeting described in the first paragraph hereof, and to comply with the provisions of Section 891, Compiled Laws of Utah, 1919, as amended, and the other signers hereto, as the incorporators of this corporation, have hereunto set their hands this 31st. day of December, A.D. 1931

Signed

Karl Caldwell	Secretary of Organization Meeting
Oscar McMullin	Incorporator
Lee Williamson	Incorporator
Henry Jolley	Incorporator
A. G. Hurstley	Incorporator
Wm McMullin	Incorporator

Subscribed and sworn to before me this 31st Day of

December 1931.

My Commission
expires Feb. 18, 1934

s/ Orval Nafsen

Notary Public
Residing in George Utah

Filed in Fifth Judicial Court,
Washington County, Utah Jan 5, 1932. By Dawn A. Gates, Deputy Clerk.

Done 28, 1964
May 4, 1964

RESOLUTIONS AMENDING ARTICLES OF INCORPORATION OF
THE LEADS DOMESTIC WATER USERS ASSOCIATION, A NON
PROFIT CORPORATION

BE IT RESOLVED by the Stock Holders of the Leeds Domestic Water Users Association in a regularly called meeting assembled, that the Articles of Incorporation of the Leeds Domestic Water Users Association as amended, be amended to read as follows:

ARTICLE V

Common and Preferred Stock - Voting Power

This association shall have common stock which shall be issued only to bona fide water meter service purchasers. Common stock shall have no value but shall be evidence only of the membership of the holder thereof in this association. Upon payment of the membership fee in the amount provided for in the by-laws, each member shall receive one share of common stock which shall entitle him to one vote for each share of stock at all meetings of members of the company. No votes may be cast by proxy provided that where the member is a corporation, a group of persons, an unincorporated association, or other similar organization, its vote may be cast by an accredited representative.

In order to acquire membership in the association, or to become a holder of common stock, the applicant must subscribe to the Articles of Incorporation and the by-laws and must also comply with such rules and regulations and pay such fees for the services of the company, as may be fixed by the Board of Directors.

Stock certificates may be issued to each holder of fully paid common stock and shall be transferred coincident to transfer of water meter service. Delinquent dues and assessments shall become a lien on the stock certificate and water meter service.

ARTICLE IX

The by-laws of the company may be repealed, altered and amended at any meeting of the member stockholders legally held for that purpose, or any annual meeting of the members, upon notice required by these by-laws, by a majority vote of the members present at such meeting.

IN WITNESS WHEREOF, the Leeds Domestic Water Users Association has caused these presents to be signed in its name, by its president and secretary, and its corporate seal to be hereby affixed and attached by its secretary on May fourth, 1962.

LEEDS DOMESTIC WATER USERS ASSOCIATION

By J. P. Quinlan x
President

APPROVED:

R. A. Boulton
Secretary

STATE OF UTAH)
COUNTY OF WASHINGTON) ss.

I hereby certify that on May 4 1962, before me a Notary Public in and for Washington County, State of Utah, personally appeared DELENNY CARBERGSON, President and R. A. Boulton, Secretary, respectively, of the Leeds Domestic Water Users Association, a Utah Corporation, and acknowledged the foregoing Articles of Amendment to be the corporate acts of said Corporation; and that the matters and facts set forth in Articles of Amendment are true to the best of their knowledge, information and belief.

WITNESS my hand and seal the day and year last above written.

My Commission Expires:

July 28-1964

[Signature]
Notary Public
Residing at [Signature]