

**Moab Irrigation Company
Annual Shareholders Meeting
February 6, 2012**

The meeting opened at 7:05 pm.

Total company shares are 1081.06. 540.53 shares are needed for a quorum. 626.749 shares were present either in person or by proxy, representing 74 shareholders out of the company's 190 shareholders.

Board members attending – George Carter, Fred Powell, David Engleman, Ben Byrd, and Ron Pierce.

George Carter conducted the meeting.

Fred Powell presented the Proof of Notice for the meeting. A suggestion was made by Holyoak to also put a notice in the Advertiser.

David Engleman read the minutes from the 2011 Annual meeting. A motion was made by Blackburn to accept the minutes, second by Riley. Motion passed.

George Carter gave the Officer's Report for 2011. The key item was the ongoing issue with the City of Moab regarding who pays to remove/replace surface improvements. Several questions followed the report.

George Carter went over the Financial Report. The company's income matched its expenses last year within \$40. A motion was made by Day to accept the report, second by Schappert. Motion passed.

Fred Powell's five year term has ended as a director. He has been nominated to run again. No other nominations had been received. He was voted in by accumulation.

Ron Pierce read the three proposed By-Law changes.

Item 1 – The proposed change in Article 8 Section 1 was read. This change was to better clarify stock ownership issues. The change passed – 620.499 FOR and 6.25 AGAINST.

Item 2 – The proposed change in Article 1 Section 2 was read. This section was rewritten to clear up Transfer of Stock issues. The change passed – 625.749 FOR and 1 AGAINST.

Item 3 – The proposed change in Article 3 Section 2 was read. This section was rewritten to allow entities to nominate a representative to be on the board. A lengthy discussion followed. The proposal passed – 556.532 FOR and 70.217 AGAINST.

A general discussion followed the by-law proposals. The board is in the process of hiring a new water master for the 2012 season. A suggestion was made that “zone” water masters may be of benefit to the company.

The meeting adjourned at 8:50 pm.

ITEM 1 - Proposed by the company board – adding one line to Section 1

ARTICLE 8 - DISTRIBUTION OF WATER

Section 1. Distribution of Water

The water of the Company shall be allocated to one or more of the seven diversions according to the number of shares designated on the Diversion Declaration Notice sent out with the annual assessment statement. The Diversion Declaration Notice is due upon time of payment of the assessment. **The Declaration Notice must be signed by an owner listed on the stock certificate.** A shareholder may make changes in their point of delivery up until January 1st. The board may deny water allocation changes to any diversion point. Older allocations have priority over more recent allocations. Changes in the allocation of water to the ditches between January 1st and October 31st may only be made upon the approval of the Board of Directors.

ITEM 2 – Proposed by the company board - a complete rewrite of the section.

ARTICLE 1 – STOCK

Section 2. Transfer of Stock

~~Old Section - Transfers of stock shall be made upon the proper stock books of the Company, and must be accompanied by the surrender of the duly endorsed certificate or certificates representing the transferred stock. A transfer fee set by the Directors, for each certificate of stock to be transferred, shall be paid to the Company. Surrender certificates shall be canceled and be attached to the corresponding stubs in the stock certificate book and new certificates issued to the parties entitled thereto. No share will be allowed to transfer out of Area 05, as designated by the State of Utah, not including the Colorado River. All shares issued to diversion points not allocated to Mill Creek (i.e. wells, springs, etc) shall have the stock certificate marked “Non Transferable Water”.~~

New Section - Transfers of stock shall be properly recorded in the stock books of the Company, and must be accompanied by the surrender of the duly endorsed certificate or certificates representing the transferred stock. Surrendered certificates shall be canceled and be attached to the corresponding stubs in the stock certificate book and new certificates issued to the parties entitled thereto.

Shares of company stock where the owner(s) are deceased, or where full rights of survivorship are not identified, must be transferred to new owners within one year of the death of the owner. Failure to transfer the certificate to new owners will result in non-availability of the water until such transfer is accomplished.

All shares issued to diversion points not allocated to Mill Creek (i.e. wells, springs, etc) must have records filed with the State of Utah Division of Water Rights by the certificate owner. These stock certificates will be identified as being tied to these water sources and are non-transferable to another water source on the records of the company.

No share will be allowed to be transferred out of Area 05, as designated by the State of Utah, not including the Colorado River.

A transfer fee set by the Directors, for each certificate of stock to be transferred, shall be paid to the Company.

ITEM 3 – proposed by the Water Conservancy District - a complete rewrite of the section

ARTICLE 3 - DIRECTORS

Section 2. Qualifications

~~No person shall be elected, nor shall be competent to act as Director of this Company unless he is at the time of his election the holder of record of at least one full share of its stock.~~

No person shall be elected, nor shall be competent to act as Director of this Company unless they are at the time of their election, the shareholder of at least one full share of its stock. If the shareholder is an entity (Corporation, LLC, Trust, etc.) then the entity must provide written instruction to the Company authorizing its designated representative to act in the capacity of the entity. Only one designated representative of an entity who owns shares in the Company may serve on the Board at one time (for example, only one representative from the Conservancy District may serve on the Board at any one time). The entity cannot change the designated representative until the 5 year term of service is concluded.