

AMENDED AND RESTATED  
ARTICLES OF INCORPORATION  
OF  
SOUTH BOISE WATER COMPANY

FILED EFFECTIVE

2003 OCT 21 PM 4:21  
STATE OF IDAHO

KNOW ALL MEN BY THESE PRESENTS, That we, the undersigned, all bona fide residents of the State of Idaho, have this day voluntarily associated ourselves, and do hereby and by these *Articles of Incorporation* unite and associate ourselves for the purpose of forming a corporation under the laws of the State of Idaho for the purposes hereinafter set forth.

I.

The name of this corporation shall be the "SOUTH BOISE WATER COMPANY."

II.

The period of the existence of this corporation shall be perpetual.

III.

The principal office and the principal place of business of said corporation shall be at the city of Boise, County of Ada, State of Idaho.

IV.

The purposes, for which this corporation is formed, are as follows:

- a) To buy, own, hold, maintain, distribute and operate water rights and irrigation ditches from the Boise River for the purpose of water use related to the land owned and held by the stockholders of this corporation.
- b) To take over, own, operate, control, repair and maintain those certain laterals which take water from Loggers Creek and the Ridenbaugh-Rossi Mill Ditch, now owned and held in common by the users of water from said Loggers Creek and Ridenbaugh-Rossi Mill Ditch, as well as to take over, own, operate, control, repair and maintain Loggers Creek and that portion of the main canal of the Ridenbaugh-Rossi Mill Ditch which is owned and held in common by the users of water therefrom; said Loggers Creek and Ridenbaugh-Rossi Mill Ditch diverting water from the Boise River at a point on the south side of said river in Section 19, Township 3 North, Range 3 East, and, when needed, at two points on the south side of said river in Section 24, Township 3 North, Range 2 East of the Boise Meridian, and for use upon lands situated in Township 3 North, Range 3 East, and Township 3 North, Range 2 East of the Boise Meridian and to provide water to other lands or shareholders as authorized by the Board of Directors, subject to provisions of Idaho law.
- c) To issue the capital stock of this corporation to the owners of the above described ditch, laterals, and water rights, in exchange for a proper conveyance to this corporation by said owners of all water rights, ditch rights and laterals owned by each of them and appurtenant to the lands irrigated from said Ridenbaugh-Rossi Mill Ditch or Loggers Creek by said owners, or which is approved by a lawful transfer of said water rights, ditch rights and laterals of said owners; the shareholders will negotiate ownership and maintenance of any streams of water.

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South Boise Water Co. system as part of their joining the company. Each person receiving stock from this corporation as above stated or otherwise and becoming a stockholder in this corporation understands and agrees that the stock issued by this corporation shall be based upon the amount of land that is irrigated or used for some other lawful purpose; and that shares shall be issued in acreage increments. Each person also understands and agrees that the Board of Directors shall have the authority and discretion to create classes of stock, depending upon differing uses of the water, water rights, ditches or lateral, and that different classes of stock may be created to have different voting power, however, each separate class of stock created shall be entitled to the same voting power per share within the same class.

That said Board of Directors shall have authority to adopt reasonable rules and regulations governing the delivery and use of said water as shall be for the best interests of the water users from its said system as a whole, and to cause such water to be delivered and used in accordance with said rules and regulations; and may prescribe and enforce a proper system of rotation between the users of water from said system in the use thereof.

That all assessments, charges and tolls shall be assessed equally per share against said stock and against all the lands where the water represented by such stock is appurtenant. However, the Board of Directors shall have discretion to set assessments at differing monetary amounts for different shares or classes of shares, depending upon the anticipated operating costs to deliver water pursuant to such shares or classes of shares. Instances in which the Board of Directors may set assessments at differing monetary amounts include, but are not limited to, the following: when water pursuant to certain shares or classes of shares will not be used on the lands represented by such shares; when the type of use of said shares or classes of shares for irrigation, amenities or ponds may differ; or in any other instance when the anticipated operating costs for certain shares are expected to vary from the norm as determined by the Board of Directors.

- d) To purchase, own, hold, rent, lease, mortgage or dispose of such real or personal property as may be necessary for the purposes of this corporation.
- e) To borrow money for the purposes of this corporation and to execute and deliver as evidence of such indebtedness notes, bonds, bills of exchange or other commercial papers of this corporation at such rate of interest and on such terms and under such conditions as the directors of this corporation shall deem best for its interest and to secure the payment of sums so borrowed by a mortgage or trust deed or other proper or necessary instrument upon the property of this corporation, if necessary.
- f) And in general to do any and all things of whatsoever kind or nature necessary or proper for the general purpose of this corporation, not contrary to the laws of the State of Idaho.

V.

The number of directors of this corporation shall be five (5) and shall be elected for terms of two years at the meeting of the stockholders of this corporation, on such date as may be provided for in the By-Laws of this corporation, and the names and residences of the persons who are selected as directors for the first year from and after the date of the incorporation of this corporation are as follows:

NAMES.	RESIDENCES (1917).
J. W. Thompson	Boise, Idaho
E. F. Thornton	Boise, Idaho
Paul Paulson	Boise, Idaho
Warren Compton	Boise, Idaho
W.O. Capps	Boise, Idaho

One year two directors will be elected and the following year three will be elected.

VI.

The total amount of the capital stock of this corporation is \$30,000.00 to be divided into 3000 shares at the par value of \$10.00 each.

VII.

Of the capital stock there has been actually subscribed five (5) shares by the following named persons with the number of shares and amount set opposite their names, to wit:

NAMES.	NUMBER OF SHARES.	AMOUNT.
J. W. Thompson	1	\$10.00
E. F. Thornton	1	\$10.00
Paul Paulson	1	\$10.00
Warren Compton	1	\$10.00
W.O. Capps	1	\$10.00

VIII.

- a) The Board of Directors may, from time to time, fix the amount of the tolls, charges and assessments that this corporation levies and collects from its stockholders, making such tolls, charges, and assessments payable at such times or intervals, upon such notice, and by such methods as prescribed by the Board of Directors. No water shall be delivered to any stockholder, and a stockholder shall not be entitled to vote the shares of stock, until all charges and assessments owing to the corporation have been paid. The Board of Directors may levy and collect such tolls, charges, and assessments in any manner that is not inconsistent with the laws of the state of Idaho. The Board of Directors may secure the payment of such tolls, charges, and assessments with a lien upon the real property to which the stockholder's stock is appurtenant or upon the shares of stock of the stockholder; furthermore the Board of Directors may enforce such tolls, charges and assessments by civil action or by the forfeiture of the stockholder's stock or both, upon notice given in writing twenty (20) days before the commencement of such action or such forfeiture. The Board may include the Company's costs of enforcing the lien or action in the total monies to be recovered.

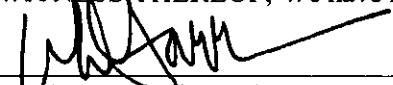
- b) The Board of Directors may also suspend or expel a stockholder and suspend or terminate the stock of such stockholder if the stockholder fails to comply with the rules and regulations of this corporation; provided, however, that the Board of Directors must provide the following to such stockholder: (1) not less than fifteen (15) days prior written notice of the suspension or expulsion and termination, stating the reasons therefor; and (2) an opportunity for the stockholder to be heard, orally or writing, not less than five (5) days before the effective date of the suspension, expulsion or termination by the Board of Directors.

IX.

These Articles may be amended at the annual meeting or a special meeting of the shareholders provided that notice is sent by mail to the last known address of each shareholder at least three weeks prior to the meeting. The notice must specify the time and location of the meeting and that amendment of the Articles will be considered. Representation of greater than half of the shares with assessments current will constitute a quorum for this purpose. A 2/3 majority vote of the shares represented will be required to enact any changes.

We the undersigned certify that at the annual meeting held January 11, 2003, called to amend these Articles, a majority of at least two-thirds of the shareholders present, adopted the foregoing Articles.


IN WITNESS THEREOF, We have hereunto set our hands this 12 day of May, 2003.

  
Robert Barr, Board Member

  
John Dodson, Board Member

  
Barry Eschen, President

  
LeeAnn Garton, Vice President

  
Barbara Garrett, Secretary

STATE OF IDAHO,

OFFICE OF THE SECRETARY OF STATE.

*Filed and recorded,*

SOUTH BOISE WATER COMPANY

P.O. Box 6005

Boise, ID 83707

208-336-5508

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SECRETARY OF STATE  
STATE OF IDAHO

October 17, 2003

Office of the Secretary of State

P.O. Box 83720

Boise, ID 83720

Dear People:

The enclosed Article of Incorporation were amended and restated at our annual meeting on Jan. 11, 2003. The vote was unanimous with 696 shares represented at the meeting by person or by proxy.

Sincerely,

A handwritten signature in cursive script, appearing to read "Barry Eschen".

Barry Eschen  
President