

FILED EFFECTIVE**SECOND AMENDED AND RESTATED ARTICLES OF INCORPORATION****OF PALISADES WATER USERS, INCORPORATED**

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SECRETARY OF STATE
STATE OF IDAHO

We, the undersigned, the President and Secretary of Palisades Water Users, Incorporated, hereby submit these *Second Amended and Restated Articles of Incorporation* as follows:

I.

That the name of said corporation shall be "PALISADES WATER USERS, INCORPORATED".

II.

That the purposes for which said corporation is formed are:

A. To purchase, store and use water that is accumulated in the active capacity owned by the corporation in Palisades Reservoir, the dam for which is located in Bonneville County, Idaho; to construct, operate and maintain other water reservoirs and water retention basins; and to contract for capacity in said Palisades Reservoir and any reservoirs and retention basins and to operate and maintain that capacity in the said Palisades Reservoir and in other reservoirs or water retention basins.

B. To enter into contracts and obligations of any type or kind essential, necessary, or proper to the transaction of its ordinary affairs for any or all of the corporate purposes.

C. To fix, charge, and collect from its stockholders assessments for the purpose of paying debts of the corporation and of paying expenses and conducting the business of the corporation, and to have power to levy and collect the assessments for such shares, but the corporation shall not engage in any activities which in the normal course of business could result in profit, it being a mutual water company.

IDAHO SECRETARY OF STATE

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D. To incur indebtedness without limit as to amount, and to draw, make, accept, endorse or transfer, assign, guarantee, execute and issue bonds, debentures, notes, checks, drafts, bills of exchange, negotiable instruments, and all other instruments for the payment of money, whether secured or unsecured, provided, however, the stockholders shall not be personally liable for any such indebtedness so incurred.

E. To have, exercise and enjoy all of the powers now or hereafter granted to corporations organized for the operation, control, or management of an irrigation project or canal system or for the purpose of furnishing water to its shareholders and not for profit or hire as provided in Section 42-2401 of the Idaho Code, and as it may be amended, and as are not in conflict with Chapter 30, Title 30, Idaho Code, and acts amendatory thereto.

F. To do any act or thing necessary or convenient for the transaction of the aforesaid business and/or carrying into effect any of the aforesaid purposes and objects insofar as the same do not conflict with the laws of the State of Idaho.

III.

This corporation is to have perpetual existence.

IV.

The place of principal business of this corporation and the post office address of its registered office shall be at Idaho Falls, Bonneville County, Idaho.

V.

The corporation shall issue shares of capital stock instead of memberships and is authorized to issue up to seventy-five thousand (75,000) shares of assessable stock, without par value. The corporation's stockholders shall be deemed to be its members for purposes of the Idaho Nonprofit Corporation Act, as the same may be amended from time to time. There are

presently fifty-three thousand six hundred and thirty (53,630) outstanding shares of capital stock, without par value, issued by the corporation, which exactly correlates to the total storage space the corporation is entitled wherein one share of stock represents an acre-foot of storage space. No additional shares of stock in excess of the outstanding 53,630 shares of stock shall be issued by the corporation unless the corporation obtains additional storage space.

VI.

The registered agent is the Secretary of the corporation, whose address is 2352 Westcliff Drive, Idaho Falls, ID 83402, which address may be updated from time to time in the corporation's annual reports filed with the Idaho Secretary of State.

VII.

The Board of Directors by majority vote shall have the power to repeal and amend the Bylaws of the corporation and to adopt new Bylaws of the corporation.

VIII.

No contract or other transaction between the corporation and any other corporation, whether or not a majority of shares of capital stock of such other corporation is owned by the corporation, and no act of the corporation shall in any way be affected or invalidated by the fact that any of the directors of the corporation are pecuniarily or otherwise interested in or are directors or officers of such other corporation; and directors individually or any firm of which such directors may be a member may be a party to, or may be pecuniarily or otherwise interested in, any party to or may be pecuniarily or otherwise interested in any contract or transaction of the corporation; provided that the fact that he or such firm is so interested shall be disclosed or shall have been known to the Board of Directors or a majority thereof; and any director of the corporation who is also a director or officer of any such other corporation,

or who is so interested, may be counted in determining the existence of a quorum at any meeting of the Board of Directors of the corporation which shall authorize such contract or transaction and may vote thereat to authorize such contract or transaction with a like force and effect as if such director was not a director or officer of such corporation or not so interested.

IX.

The capital stock of the corporation may be transferred in the manner provided in the corporation's Bylaws, as the same may from time to time be amended. The corporation is authorized to levy assessments upon the outstanding shares of stock in the amount, at such times or intervals, and upon such notice and by such other methods as the Board of Directors may prescribe. Assessments may be made enforceable by civil action or by the sale of shares of the capital stock of a stockholder in the manner provided in the corporation's Bylaws. Assessments may be secured by a lien upon the real property to which the stock is appurtenant, if appropriate, or upon the shares of stock of a stockholder.

X.

Those stockholders present at an annual or special stockholders' meeting shall constitute a quorum for purposes of transacting any business before the meeting.

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CERTIFICATE

We, the undersigned President and Secretary of Palisades Water Users, Incorporated, hereby certify pursuant to Section 30-30-706(8) of the Idaho Code to the following:

A. The Second Amended and Restated Articles of Incorporation contain one or more amendments requiring approval by the stockholders of the corporation.

B. The Second Amended and Restated Articles of Incorporation were adopted on January 6, 2016, at a meeting of the stockholders held on such date,

C. 6528 shares of stock were voted at such meeting on the Second Amended and Restated Articles of Incorporation of the 53,630 outstanding shares of stock entitled to vote.

D. The total number of undisputed votes cast for the Second Amended and Restated Articles of Incorporation was 6528 and the number cast for the Second Amended and Restated Articles of Incorporation was sufficient for approval by the stockholders.

Danny G. Ferguson
Danny G. Ferguson, President

Wendy J. Murphy
Wendy Murphy, Secretary