

## Department of State.

### CERTIFICATE OF AMENDMENT OF ARTICLES OF INCORPORATION

I, PETE T. CENARRUSA, Secretary of State of the State of Idaho, and legal custodian of the corporation records of the State of Idaho, do hereby certify that the

**KINGSWOOD, INC.**

a corporation organized and existing under and by virtue of the laws of the State of Idaho, filed in this office on the **27th** day of **March** 1973 , original articles of amendment, as provided by Sections 30-146 and 30-147, Idaho Code, Amending Articles IV, VI & VII

and that the said articles of amendment contain the statement of facts required by law, and are /will be recorded on ~~Film~~ **Microfilm** of Record of Domestic Corporations of the State of Idaho.

I THEREFORE FURTHER CERTIFY, That the Articles of Incorporation have been amended accordingly.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the Great Seal of the State. Done at Boise City, the Capital of Idaho, this **27th** day of **March** , A. D., 1973 .

Secretary of State

AMENDMENT OF ARTICLES OF INCORPORATION

OF

KINGSWOOD, INC.

(In Triplicate)

Amendment of Articles of Incorporation of KINGSWOOD, INC., a non-profit corporation organized under the laws of the State of Idaho, executed by Gary R. Sprinkel, of P. O. Box 423, Coeur d'Alene, Idaho, its President, and Roger R. Young, Route 3, Box 694, Coeur d'Alene, Idaho, its Secretary;

1. The corporation was organized on June 9, 1971.

2. The corporation, on the proposal of its Board of Directors by resolution duly adopted by said Board of Directors setting forth the proposed amendment and directing that the same be submitted to a vote of the members entitled to vote in respect thereof at a designated meeting of such members, and on the adoption thereof by said members at such meeting as provided by law, does hereby, by Gary R. Sprinkel, its President, and Roger R. Young, its Secretary, execute and acknowledge the following:

WHEREAS, the Board of Directors and the members of KINGSWOOD, INC., desire to amend the Articles of Incorporation of said KINGSWOOD, INC. as follows:

1. To replace Article IV (d) with the following language: "Notwithstanding any other provision of these Articles, the corporation shall not carry on any activities not permitted to be carried on by a corporation exempt from Federal income tax under Section 501 (c) (12) or the corresponding provision of any future United States Internal

Revenue Law; (2) to delete that portion of Article VI of said Articles of Incorporation which reads, "The rights and interests of all members shall be equal and no member can have or acquire a greater interest than any other member"; and, (3) to delete all of Article VII of said Articles of Incorporation and substitute therefor the language, "This corporation shall at all times be mutual in character and, to that end, the corporation will at all times keep and maintain records of the equity interest of each member, regardless of the time when such membership is or was held, and solely on a patronage basis, in and to the capital assets of the corporation accrued from or acquired with any excess funds retained by the corporation for the purpose of retiring capital indebtedness, expanding assets, making investments, or similar purposes. . Upon distribution of any such assets, upon dissolution of the corporation, said assets shall be distributed to the past and present members strictly in accordance with such records and on the basis of the patronage of the corporation by each such member".

Now, therefore, BE IT RESOLVED that the Articles of Incorporation be, and they hereby are, amended by replacement of Article IV (d), deletion of a portion of Article VI, and deletion of all of Article VII thereof, with substitution of language, all as stated hereinabove, so that the Articles of Incorporation, as amended, shall read as follows:

KNOW ALL MEN BY THESE PRESENTS, that we, the undersigned, all of whom are of legal age and citizens of the United States,

have this day associated ourselves and do hereby and by these Articles of Incorporation unite and associate ourselves for the purpose of forming a corporation under Title 30, Chapter 10, Idaho Code, and we hereby acknowledge, enter into, and adopt the following Articles of Incorporation:

ARTICLE I.

The name of the corporation shall be KINGSWOOD, INC.

ARTICLE II.

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

ARTICLE III.

The location and post office address of the registered office in the State of Idaho shall be 1130 North Fourth Street, Coeur d'Alene, Idaho.

ARTICLE IV.

In furtherance and not in limitation of the general powers conferred by the laws of the State of Idaho, this corporation shall have the following purposes and powers:

(a) To purchase, lease, take, appropriate, hold own, or otherwise acquire, and to maintain and operate water and irrigation rights and acquire, purchase, lease, take appropriate, own, hold, build, maintain and operate all works of any kind or nature necessary or convenient for the appropriation, diversion, storage, transportation and distribution or use of water for irrigation, industrial and domestic uses, and for any other purpose for which water may be applied, within or upon any and all real property owned by any members of this association, present or future, or as reasonably necessary to provide water to such property and members and to further the purposes set forth herein.

(b) To do each and every thing necessary, suitable or proper, in the judgment of the directors of this association, for the accomplishment of any of the purposes or attainments of the objects or which shall at any time appear conducive to or expedient for the interest or benefit of the association, and the members thereof.

(c) The association shall make no profits for itself from any of its activities, but all of its operations shall be for the mutual benefit of its members only and shall be cooperative in character.

(d) Notwithstanding any other provision of these Articles, the corporation shall not carry on any activities not permitted to be carried on by a corporation exempt from Federal income tax under Section 501 (c) (12) of the Internal Revenue Code of 1954 or the corresponding provision of any future United States Internal Revenue Law.

#### ARTICLE V.

Corporations, associations and co-partnerships, as well as persons, may become members of this corporation subject to any restriction thereof by the constitution or laws of the State of Idaho.

#### ARTICLE VI.

Membership certificates shall be issued to each member. Memberships shall not be granted or assigned, nor shall membership certificates be transferred, except by resolution of the Board of Directors and under such regulations as may be prescribed by the Bylaws of the corporation.

#### ARTICLE VII.

This corporation shall at all times be mutual in character and, to that end, the corporation will at all times keep and maintain records of the equity interest of each member, regardless of the time when such membership is or was held, and solely on a patronage basis, in and to the capital assets of the corporation accrued from or acquired with any excess funds retained by the corporation for the purpose of retiring capital indebtedness, expanding assets, making investments, or similar purposes. Upon distribution of any

such assets, upon dissolution of the corporation, said assets shall be distributed to the past and present members strictly in accordance with such records and on the basis of the patronage of the corporation by each such member.

#### ARTICLE VIII.

Except for debts lawfully contracted between him and the corporation, no member shall be liable for the debts of the corporation to an amount exceeding the sum remaining unpaid on his membership fee, including any unpaid balance on any promissory notes given in payment thereof.

#### ARTICLE IX.

The management of the corporation will be vested in a Board of Directors; the number of Directors shall be not less than five (5), and the qualifications, term of office, manner of election, time and place of meeting, powers and duties of Directors, shall be as are prescribed by the Bylaws of the corporation.

#### ARTICLE X.

The Bylaws of this corporation may be altered, amended or new Bylaws adopted at any regular meeting or at any special meeting of the members called for that purpose, by the affirmative vote of two-thirds (2/3) of the members present at such meeting, provided a quorum, as specified in the Bylaws, be present.

#### ARTICLE XI.

The corporation reserves the right to amend, alter, change, or repeal any provision contained in these Articles of Incorporation in the manner now or hereafter prescribed by the laws of the State of Idaho, and all rights conferred upon the members

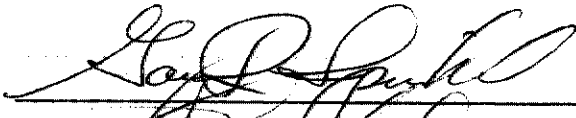
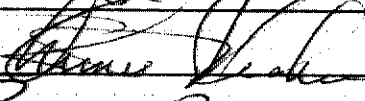

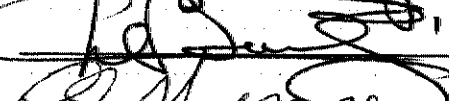
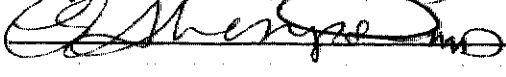
of the corporation herein are granted subject to this reservation.

ARTICLE XII.

The names and post office addresses of each of the incorporators are as follows:

| <u>NAME OF INCORPORATOR</u> | <u>ADDRESS</u>  |
|-----------------------------|---|
| <u>Gary R. Sprinkel</u>     | <u>P. O. Box 423</u><br><u>Coeur d'Alene, Idaho</u>       |
| <u>Shimeo Nishio</u>        | <u>Route 3,, Box 428 D</u><br><u>Coeur d'Alene, Idaho</u> |
| <u>Roger R. Young</u>       | <u>Route 3, Box 694</u><br><u>Coeur d'Alene, Idaho</u>    |
| <u>John D. Beebe, Jr.</u>   | <u>P. O. Box 68</u><br><u>Hayden Lake, Idaho</u>          |
| <u>C. E. Thompson</u>       | <u>920 Ironwood Drive</u><br><u>Coeur d'Alene, Idaho</u>  |
| <u> </u>                    | <u> </u>  |
| <u> </u>                    | <u> </u>  |
| <u> </u>                    | <u> </u>  |

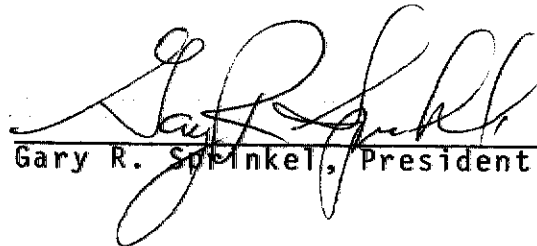
IN WITNESS WHEREOF, we have hereunto set our hands and seals this 1st day of October, 1972.

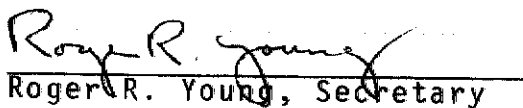
Resolved further that said amendment is hereby adopted and approved.

3. The above amendment has been adopted by more than two-thirds of the members entitled to vote thereon at a special meeting held October 1, 19 72, as required by the laws of the State of Idaho, and the Articles of Incorporation of KINGSWOOD, INC.

Executed by the undersigned in triplicate original at 1130 North Fourth Street, Coeur d'Alene, Idaho, on Oct. 1st, 19 72.

  
\_\_\_\_\_  
Gary R. Sprinkel, President

ATTEST:

  
\_\_\_\_\_  
Roger R. Young, Secretary

STATE OF IDAHO            )  
                                  ) SS  
County of Kootenai    )

I, the undersigned, a Notary Public in and for the above named County and State, do hereby certify that on the 1st day of October, 1972, personally appeared before me GARY R. SPRINKEL and ROGER R. YOUNG, known to me to be the President and Secretary respectively of the corporation described in the foregoing instrument, and acknowledged to me that they signed and sealed the same as their free and



and voluntary act and deed for the uses and purposes therein mentioned.

GIVEN under my hand and official seal the day and year last above written.

Grace D. Dwyer  
Notary Public for Idaho, residing  
at Coeur d'Alene. My commission  
expires: 2/15/75