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SECRETARY OF STATE
STATE OF IDAHO

**SECOND ARTICLES OF AMENDMENT
TO THE
ARTICLES OF INCORPORATION
OF
KOOTENAI ELECTRIC TRUST, INC.**

I, the undersigned president of Kootenai Electric Trust, Inc.
hereby certify the following:

1. The name and address of the corporation is Kootenai Electric Trust, Inc., PO Box 278, Hayden Lake, Idaho 83835.

2. On the 23rd day of July, 2003 by the unanimous consent of the directors, action was taken without a meeting pursuant to the provisions of section 30-3-75, whereby the Board of Directors of Kootenai Electric Trust, Inc. adopted a resolution amending section II of its articles of incorporation as follows:

II.

- (a) The corporation is organized exclusively for charitable purposes, including for such purpose the making of distributions to organizations under section 501(c)(3) of the Internal Revenue Code (or corresponding sections of any future Federal tax code).
- (b) No part of the net earnings of the corporation shall inure to the benefit of, or be distributed to, its members, trustees, directors, officers or other private persons, except the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of Section 501(c)(3) purposes. No substantial part of the activities of the corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the corporation shall not participate in, or intervene in (including the publishing or distribution of statements) political campaigns on behalf of, or in opposition to, any candidate for public office.

Notwithstanding any other provisions of these articles, the corporation shall not carry on any other activities not permitted to be carried on (a) by an organization

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exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code (or corresponding section of any future Federal tax code), or (b) by a organization, contributions to which are deductible under Section 170(2) of the Internal Revenue Code (or corresponding section of any future Federal tax code).

- (c) Upon the dissolution of this corporation, assets shall be distributed for one or more exempt purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code (or corresponding section of any future Federal tax code), or shall be distributed to the Federal Government, or to a state or local government, for public purposes.
- (d) Provided that the requirements of subsections (a), (b), and (c) of this Article are complied with in full, eligible recipients for distributions from the Trust shall be: (1) Members of Kootenai Electric Cooperative, Inc., and their immediate family residing with them, who receive electric service from the Cooperative, and (2) charitable organizations which provide services or aid to those persons, whether members of Kootenai Electric Cooperative, Inc. or not, who are located within those counties in which Kootenai Electric Cooperative, Inc. provides electric service.

3. The corporation has no members and therefore approval by members is not required for the above amendment.

4. Approval of the amendment was obtained from Kootenai Electric Cooperative, Inc. by action of its board of directors who unanimously gave their consent and approval on July 29, 2003.

IN WITNESS WHEREOF I have hereunto set my hand this 5 day of August, 2003.


WILLIAM H. BOEKEL, PRESIDENT