

BY-LAWS OF THE SOUTH BOISE WATER COMPANY
AMENDED AND RESTATED FEBRUARY 11, 2010

ARTICLE I. – CORPORATE POWERS.

Section 1. The corporate powers, business and property, of this corporation shall be exercised, conducted and controlled by a Board of five (5) Directors who shall be elected from among the holders of stock of said corporation at the annual meeting of the stockholders.

Section 2. A simple majority of the Directors with vote will constitute a quorum. A Director, who cannot attend a meeting for whatever reason, may give a written proxy to another Board member, including an advisory or at-large member.

ARTICLE II. – DIRECTORS.

Section 1. The Board of Directors shall be elected by ballot at the annual meeting of the stockholders. The Directors so elected, shall serve for two years or until their successors are elected and qualified. Two Directors will be elected one year and three the next. Directors shall receive no compensation for their services rendered as Directors. The term of office of Directors shall begin immediately after their election.

Section 2. To be eligible to serve as a member of the Board of Directors an individual must be a bona fide owner of at least one share of the capital stock of said Company at the time of his or her election, and during the time of his or her service. An individual shareholder, a representative of an institutional shareholder, or a representative of a homeowners association shareholder may serve as a Board member. No institution or association shall have more than one representative on the Board. The Watermaster shall not hold a place on the Board of Directors.

Section 3. Vacancies in the Board of Directors shall be filled by the remaining Directors. A majority of the remaining number of Directors will constitute a quorum for the purpose of filling the empty seat(s).

Section 4. The five elected Board members have voting rights. If the Board as a whole chooses to include At-Large members, those invited members must be shareholders and live within the service area. Individuals esteemed for their expertise and contributions will be eligible for appointments as Advisory Board members. At-Large and Advisory Board members will not have a vote.

ARTICLE III. – POWERS AND DUTIES OF THE DIRECTORS.

Section 1. The Directors shall have power:

To call special meetings of the stockholders when they deem it necessary, and they shall call such meeting at any time upon the written request of stockholders holding 40% of the capital stock of said corporation;

To appoint or remove for cause all officers, agents, or employees of the corporation; prescribe their duties, fix their compensation, and require from them a proper bond for the faithful performance of their several duties, which said bond may either be upon personal sureties or by an established surety or bonding company;

To conduct, manage and control the affairs and business of the corporation, and to make rules and regulations, not inconsistent with the laws of the State of Idaho, or the Articles of Incorporation and By-

laws of this corporation, for the guidance of its officers and for the management of the affairs of the corporation;

To incur indebtedness when in their judgment the same is necessary for properly conducting the business of the corporation. The terms and amounts of such indebtedness so created by the Board of Directors shall be entered upon the minutes of the Board, and in the event of any obligations so created being evidenced by a written instrument, such instrument shall be signed officially by the President and Secretary.

To cause to be kept a complete record of all the proceedings of the Board of Directors and shall at the regular annual meeting of the stockholders make a report, signed by the President and Secretary, showing in detail the assets and liabilities of the corporation and the general condition of its affairs.

To cause to be issued to the stockholders certificates of stock representing their respective interest in this corporation;

And generally to do any and all things not inconsistent with the laws of the State of Idaho or the by-laws or Articles of Incorporation of this corporation, which in the judgment of said Board of Directors is proper or necessary to be done in carrying out the objects and business affairs of this corporation.

ARTICLE IV. – OFFICERS.

Section 1. The officers of this corporation shall consist of a President, Vice President, Treasurer and Secretary; which said officers shall be elected by the Board of Directors and shall hold office for one year and until their successors are elected and qualified, unless removed from office by the Directors for cause. The President and Vice President shall be members of the Board of Directors. The compensation, duties, and powers of the officers of this corporation, as herein provided, shall be fixed and determined by the Board of Directors.

ARTICLE V. – DUTIES OF THE OFFICERS.

Section 1. The President shall be the chief executive of the corporation; s/he shall preside over all meetings of the stockholders and Directors. S/he shall sign as President all certificates of stock and all contracts, deeds, conveyances, and other instruments, and obligations in writing and other instruments necessary to the transaction of the business of the corporation authorized by the Board of Directors;

S/he shall call special meetings of the Board of Directors when s/he may deem it necessary and must call a special meeting of said Directors upon written request of two members thereof; and said President shall have, subject to the control of the Board of Directors, general direction of the affairs of the corporation, and shall discharge such other and further duties as may be required in the proper conduct of the business of the corporation.

Section 2. In the absence of the President, or in case of inability or refusal to act, the Vice President shall have the same power and authority and perform the duties of President.

Section 3. It shall be the duty of the Secretary to keep a record of the proceedings of the Board of Directors and of all meetings of the stockholders; s/he shall keep the corporate seal and the book of blank certificates of stock and shall fill out and countersign all certificates of stock issued and make the corresponding entries on the margin of said stock book of such issue; s/he shall affix the corporate seal and countersign all contracts, deeds, conveyances and all other instruments and obligations in writing of whatsoever kind or nature authorized by the Board of Directors, to be entered into and executed by the corporation. S/he shall keep a proper transfer book and a stock ledger in debit and credit form showing the number of shares issued to and transferred by each stockholder and the date of such issuance and

transfer; and shall further do and perform each and every duty pertaining to her/his office as required by the Board of Directors. S/he shall serve all notices required by law or by the By-Laws of this corporation, and in case of his/her absence, inability or refusal to act, then all his/her duties shall be performed by a Secretary pro tem, to be appointed by the President, or the Vice President when performing the duties of the President.

Section 4. Treasurer. It shall be the duty of the Treasurer to receive and safely keep all monies belonging to the corporation and to pay, or cause the same to be paid out, under the directions of the Board of Directors. The treasurer shall discharge such other duties pertaining to his/her office as may be prescribed by the Board of Directors.

ARTICLE VI. – CERTIFICATES OF STOCK.

Section 1. Certificates of stock shall be of such form and device as the Board of Directors may adopt and such certificates shall be signed by the President or Vice President and attested by the Secretary, with the corporate seal, and express on their face their number, date of issuance, number of shares for which, and the person or persons to whom issued, and class of stock.

ARTICLE VII. – TRANSFERS.

Section 1. The shares of stock in this Company may be transferred at any time by the owner thereof in person or by attorney legally constituted or by legal representative, by endorsement on the certificate of stock to a person who purchases the land where the water represented by the shares is used. But no transfer shall be valid as against the corporation until the surrender of the certificate of stock and the entry of such transfer on the books of the corporation; or while any assessments are due and unpaid on said stock, or while the holder thereof is indebted to the company. The consent of the Board of Directors will be required for the transfer of shares to another class or the transfer of use to another location or the transfer of shares to a person other than the purchaser of land where the water has been used. The new certificate shall not be issued until the certificate in lieu of which it is issued shall have been surrendered to the Secretary and canceled. The Secretary shall hold the canceled certificate as a voucher.

Section 2. A shareholder may surrender a share back to the company at any time. When a share is surrendered, the former shareholder relinquishes all interest in the assets of the company and all rights to any use of company water. Any unpaid assessment or other debt to the company incurred before the surrender of the share will still be due and payable. If the shareholder presents the certificate for the shares surrendered, and if the shareholder does not owe the company money, the company will pay the former shareholder a sum equivalent to the purchase price paid by the shareholder per share for the share(s) surrendered.

ARTICLE VIII. – BOOKS AND PAPERS.

Section 1. All books and papers and the corporate seal of this corporation shall be kept in the custody of the Secretary. These by-laws shall also be kept in the custody of the Secretary, and shall be copied in the book known as the “Book of By-Laws.”

ARTICLE IX. – SEAL.

Section 1. This corporation shall have a seal consisting of a circle and on the circumference the words, “The South Boise Water Company,” and in the center the words “Corporate Seal”.

ARTICLE X. – VOTING.

Section 1. At every meeting of the stockholders, each stockholder whose assessment is current shall be entitled, either in person or by proxy, to as many votes as shares of stock owned. All proxies shall be in writing and deposited with the Secretary before balloting begins. Proxies may be submitted electronically. A stockholder may challenge a proxy during the call of role of the stockholders. A vote of the stockholders, not including the disputed shares, will decide the issue. The ballots cast for Directors shall have written or printed thereon the names of the persons voted for, the number of votes cast for each person and the number of shares. Tellers shall be appointed by the President or Vice President, when acting as President, to receive and count the votes and the Secretary shall keep a record of the votes cast and shall announce the results. No stockholder shall be declared elected as Director who has not received a majority of all votes cast.

ARTICLE XI. – STOCKHOLDER MEETINGS.

Section 1. All meetings of the stockholders, both regular and special, shall be held in Boise, Ada County, Idaho, unless otherwise provided by resolution of the Board of Directors.

Section 2. The regular annual meeting of the stockholders shall be held a day and hour set by the Board and shall be called by notice in writing given by the Secretary and mailed to each stockholder at his or her Post Office address at least two weeks before date of such meeting.

Section 3. A quorum for the meeting shall be a simple majority of the shares outstanding with assessments paid. If a quorum is not established the only business allowed will be to adjourn to such time as those present may determine, unless otherwise provided by the laws of the State of Idaho. At the annual meeting of the stockholders, Directors shall be elected to serve during the ensuing year and until their successors are selected and qualified.

Section 4. Special meetings of the stockholders may be called by the President, or Vice President, when performing the duties of President, when it is deemed expedient, and such officers must call said meeting when requested so to do in writing by holders of at least 40% of the stock of the corporation. In the absence or inability of the President and Vice President to act such meeting may be called by the Secretary or a majority of the Board of Directors.

Notices of such meetings of the stockholders shall be given in writing by the Secretary and mailed to each stockholder at least ten days in advance of the date of the meeting. If all the holders of stock are present or represented, a meeting may be held at any time and without notice. The certificate of the Secretary that notice of special meetings has been served, as hereinabove provided, shall be prime facie proof of such service.

Section 5. The order of business at all meetings of the stockholders, so far as applicable, shall be as follows:

1. Call of roll of stockholders.
2. Reading and disposal of any unapproved minutes.
3. Report of officers and committees.
4. Election of Directors.
5. Unfinished business.
6. New business.
7. Adjournment.

ARTICLE XII. – DIRECTORS’ MEETINGS.

Section 1. The regular annual meeting of the Board of Directors shall be held immediately after the adjournment of the annual meeting of the stockholders; said Board of Directors shall organize by the election of the officers hereinabove provided for. Unless otherwise provided by resolution of the Board of Directors, all meetings of the Board of Directors shall be held in Boise, Ada County, Idaho.

Special meetings of the Board of Directors may be called at any time by the President or the Vice President, when performing the duties of President, or by the Secretary under direction of two members of the Board of Directors. Notice of special meetings shall be given by the Secretary by mailing the same to each director at least three days before the date of such meeting or by personal service of said notice at least one day before the date of such meeting. If all members of the Board of Directors are present at any meeting, however called or notified, and sign a written consent thereto on the record of such meeting, the doings of such meeting are as valid as if had at a meeting legally called and notified. The certificate of the Secretary that notice of special meetings has been served, as hereinabove provided, shall be prima facie proof of such service.

At all meetings of the Board of Directors, all questions shall be decided by the majority vote of the Directors present, given orally.

Section 2. All special meetings of the Board of Directors may be held at any place elsewhere within the State of Idaho, than the principal place of business, or without the State of Idaho, if so authorized by resolution of the Board of Directors.

Section 3. The order of business at all Director’s meetings so far as applicable shall be as follows:

1. Reading and disposal of any unapproved minutes.
2. Report of officers and committees.
3. Unfinished business.
4. New business.
5. Adjournment.

ARTICLE XIII. – FINANCIAL CONTROLS.

Section 1. All checks, drafts or other orders upon the funds of this corporation shall be drawn by such officers, agents or employees of the corporation as the Board of Directors may from time to time designate.

Section 2. . The Board of Directors will review financial records and at least annually will authorize audits of the accounts and accounting procedures to be completed by a committee composed of at least one shareholder with other volunteers as available. The Treasurer and Secretary may participate, but cannot be voting members of the committee.

ARTICLE XIV. – AMENDMENTS.

Section 1. Generally, these by-laws may be repealed, amended, altered, or new by-laws adopted at any properly called annual or special meeting or at any meeting of the stockholders by a vote representing two-thirds of the stock subscribed for and issued with assessments current. The call for the meeting must include notice that Bylaw amendments will be considered and must be mailed at least two weeks prior to the meeting.

Section 2. Amendment of ARTICLE XVI would require a favorable voted of at least ¾ of the shares then outstanding.

ARTICLE XV. – STOCK.

Section 1. The purchase price per share of the stock shall be established or modified from time to time, by a simple majority of the Board of Directors, subject to approval by a simple majority of the shares represented at the next shareholder meeting. The purchase price of a share, as modified, shall be documented in the official minutes of the meeting at which such change was approved. The price must be at least \$10.00 per share.

Section 2. Shares of stock shall be issued in acreage increments. For shares for services from the company, such as conveying for another party water that is not diverted under a Company right, the Board will establish appropriate fees that consider the Company's costs. The fees will be applied evenly to all similar services.

ARTICLE XVI. – SALE OR DISSOLUTION

Section 1 The Company is expected to continue perpetually; however developments may make it appropriate to sell some assets or even to dissolve the Company.

Section 2. Sale of the entire company, of any water rights or of water distribution facilities must be approved at a meeting of the shareholders by a vote of at least three quarters of the outstanding shares of stock. The call for the meeting must list this as a purpose for the meeting and must be mailed to stockholders at least 3 weeks prior to the meeting.

ARTICLE XVII - ENACTMENT

We the undersigned certify that at the annual meeting held January 9, 2010, shareholders representing at least two-thirds of the outstanding stock with current assessment paid of the South Boise Water Company, a corporation, adopted the foregoing By-Laws.

Witness our hands and seals this ____ day of _____ 2010.

Bryan Chesbro, President

Maria Minicucci, Director

LeeAnn Garton, Director

Barry Eschen, Director

Echo Chadwick, Director

Evelyn Holder, Secretary