

## SQUAW CREEK DITCH COMPANY, INC.

## BY-LAWS

## MEETINGS OF STOCKHOLDERS: \* \* \* \*

1. Stockholder's meetings shall be held at the principal office or place of business of this corporation in the State of Idaho.
2. The annual meeting of the stockholders of this corporation shall be held at its principal office in Gem County, Idaho, at 8:00 o'clock p.m. of the 1st Monday of February of each year, beginning with the year 1976, at which time there shall be elected by the stockholders of the company, by ballot, a board of three (3) directors for the ensuing year, and the stockholders shall transact such other business as shall properly come before them.
3. A notice setting out the time and place of such annual meeting shall be mailed, postage prepaid, to each stockholder of record, at his address as the same appears on the stock book of the company, or if no such address appears, at his last known place of address, at least ten (10) days prior to the annual meeting.
4. If a quorum be not present at the annual meeting, the stockholders present in person, or by proxy, may adjourn to such future time as shall be agreed upon by them, and notice of such adjournment shall be mailed, postage prepaid, to each stockholder, at least ten (10) days before such future meeting; but if a quorum be present, they may adjourn from day to day as they see fit, and no notice of such adjournment need be given. A quorum shall consist of a minimum of 7 stockholders.
5. Special meetings of the stockholders shall be held at the same place as the annual meetings as hereinbefore provided. Such meetings may be called at any time by the President, any two Directors, or the holders of fifty-one (51%) per cent of the issued stock of said corporation. The secretary shall mail a notice of such call to each stockholder of the company, at least three (3) days before such meeting, and such notice shall state the time and place of such meeting and the object thereof. No business shall be transacted at a special meeting except as stated in the notice sent to the stockholders, unless by the unanimous consent of all stockholders, either in person or by proxy, all such stock being represent at the meeting.
6. The voting rights shall be equal in that every owner of a share of stock shall be entitled to one vote for each share of stock said corporation owned by that individual. Each share shall represent one inch of water. This corporation is strictly to furnish water for agricultural purposes to the farmers who are members of the corporation. The membership consists of about 20 farmers. There are no sales of water or ditch rights but the corporation is merely formed to assure delivery of water to the members thereof through their cooperative efforts. It is strictly a non-profit organization formed by Idaho law as a non-profit corporation to deliver water to said members.
7. All proxies shall be in writing and properly signed.
8. The following order of business shall be observed at all annual and special meetings of the stockholders so far as is practicable, to-wit:

- |   |                           |
|---|---------------------------|
| (1) Calling the Roll  | (4) Reports of Committees |
| (2) Reading, correction and approval of minutes of previous meeting | (5) Election of Directors |
| (3) Reports of Officers   | (6) Unfinished Business   |
|   | (7) New Business          |

9. The Board of Directors shall duly determine water assessments as of the 1st day of February of each year, and such assessments shall be due and payable as of the 1st day of April of the same year. If assessments are not currently paid when due, the Board of Directors may refuse, without liability, to furnish water to the stockholder until the delinquent assessments are brought to a current paid status.

## ARTICLE II

### STOCK:

1. Certificates of stock shall be in a form adopted by the Board of Directors, and shall be signed by the President or Vice-President and the Secretary-Treasurer, and be attested by the corporate seal.
2. All certificates shall be consecutively numbered. The name of the person owning the shares represented thereby, with the number of such shares and the date of issue, shall be entered on the company books.
3. All certificates of stock transferred by endorsement thereof shall be surrendered for cancellation and new certificates issued to the purchaser or assignee.
4. Shares of stock shall be transferred only on the books of the company by the holder thereof in person or by his attorney.

## ARTICLE III

### DIRECTORS:

1. A board of three (3) directors shall be chosen annually by the stockholders at their annual meetings, to manage the affairs of the corporation; their term of office shall be one (1) year.
2. Vacancies in the Board of Directors by reason of death, resignation or other causes shall be filled by the remaining Directors choosing a Director to fill the unexpired term.
3. Regular meetings of the board of Directors shall be held on the 4th Monday of each month, at the office of the company, in Gem County, Idaho, or at such other time and place as the Board of Directors shall by resolution appoint. Special meetings may be called by the President, or any two Directors, by giving three (3) days notice to each director. A majority of the Directors shall constitute a quorum.
4. The Directors shall have the general management and control of the business and affairs of the company and shall exercise all the powers that may be exercised or performed by the corporation, under the statutes, the certificates of incorporation, and by-laws.
5. The Directors and officers shall receive no pay, salary or wages; provided, however, any Director shall be entitled to reimbursement for any costs or expenses suffered or paid by the Director as a result of the corporation's business. Any such claim for reimbursement shall be supported by proper evidence of payment.

6. To be eligible to serve on the Board of Directors, an individual must hold ten or more shares of stock in the corporation or be the renter and operator of a farm with ten or more shares of stock in the corporation.

#### ARTICLE IV

##### OFFICERS:

1. The officers of this company shall consists of a President, a Vice-President, a Secretary-Treasurer, and such other officers as shall from time to time be chosen and appointed. The office of Secretary-Treasurer shall be combined in one office and one person.

2. The President shall preside at all meetings of the Directors and stockholders and shall have general charge of and control over the affairs of the corporation and be subject to control of the Board of Directors.

3. The Vice-President shall perform such duties as may be assigned to him by the Board of Directors. In case of the death, disability or absence of the President, he shall perform and be vested with all of the duties and powers of the President.

4. The Secretary shall counter-sign all certificates of stock of the company. He shall keep a record of the minutes of the proceedings of meetings of stockholders and directors, and shall give notice as required in these by-laws of all such meetings. He shall have custody of all books, records, and papers of the company, except such as shall be in the charge of some other duly appointed person, such appointment having been authorized by a resolution of the Board of Directors. The secretary shall also act as Treasurer, keep accounts of all monies of the corporation received or disbursed, and shall deposit all monies and valuables in the name of and to the credit of the corporation in such banks and depositories as the Board of Directors shall designate. All checks for the payment of money shall be signed by the President or Secretary-Treasurer of said corporation.

5. Each of such officers shall serve for the term of one (1) year or until the next annual election.

#### ARTICLE V

##### SEAL:

1. The corporate seal of this company shall be a circular seal in a form acceptable to the Board of Directors.

#### ARTICLE VI

##### AMENDMENTS:

1. Any of these By-laws may be amended by a majority vote of the stockholders at any regular meeting or any special meeting called for that purpose.

#### ARTICLE VII

Proper records shall be kept to reflect the equity interest of each stockholder.



## ARTICLE VIII

Upon dissolution of the corporation, the net assets of the corporation shall be distributed to stockholders in proportion to each stockholder's equity interest therein.

## ARTICLE IX

A stockholder shall not forfeit his equity interest for any reason except as provided by law or order of a court of competent jurisdiction.

## ARTICLE X

Each of the undersigned do hereby certify that the foregoing by-laws were duly presented to the shareholders of said corporation and the said By-laws were unanimously adopted and approved by all of the stockholders of said corporation, and the Secretary of said corporation was directed to record said By-laws as provided by Idaho law. These By-laws were adopted nunc pro tunc, due to the circumstances the old By-laws cannot be found, and the By-laws now made a matter of record reflect the manner and method said corporation has conducted its affairs and business as a non-profit irrigation company.

DATED this 2nd day of February, 1976.

John J. Harold  
Dale M. Smith  
Boyd Butler

DATED: February 2, 1976

The above By-laws adopted and certified pursuant to Idaho Code 30-132.

John J. Harold  
Dale M. Smith  
Boyd Butler

Antony A. Stover  
Secretary

**AMENDMENT TO THE BY-LAWS  
OF  
SQUAW CREEK DITCH COMPANY**

Pursuant to the provisions of *Idaho Code*, §30-1-1020, the shareholders of Squaw Creek Ditch Company (Company) pursuant to a resolution duly adopted by its shareholders February 7, 2004, made the following amendments to the By-laws of the Corporation:

FIRST, the By-laws of the Corporation shall and are hereby amended by adding a new article thereto, Article XI, which does and shall read as follows:

**ARTICLE XI**

1. **RIGHT-OF-WAY WIDTH.** Except in the case where a right-of-way has been conveyed to Squaw Creek Ditch Company (Company), the Company has an easement by prescription over all land on which the Squaw Creek Ditch (Canal) is located. The width of the right-of-way for the Canal which has been acquired by prescription is that width which historically has been used by the Company in its act of constructing, maintaining, managing, overseeing, cleaning, repairing, reconstructing and improving the Canal. The width includes:

- (a) the area between the two banks of the Canal where the water runs,
- (b) the banks themselves,
- (c) the roadway or roadways on the bank or banks of the Canal which have been used to construct, maintain, repair and oversee the distribution of water from the Canal,
- (d) the cut bank or the area from which excavations have been made to construct or maintain the Canal, and
- (e) the area where fill has been added to construct or maintain the Canal.

2. **OBSTRUCTIONS WITHIN WIDTH OF CANAL RIGHT-OF-WAY.** No

landowner or any person or entity shall erect, place, suffer or permit anything to be located on or under the surface of the land within the entire width of the easement for the Canal without the prior written permission of the Company. This shall include, without limitation, any bridge, plank, walkway, cable, wire, structure, building, pole, ramp, corral, loading chute, shed, improvement, equipment, obstruction or anything which blocks the free and unobstructed use and passage over the entire width of the right-of-way. Provided, however, with the written permission of the Company, a landowner shall be permitted to erect on his or her property boundaries a fence up to the roadway used to construct and maintain the Canal. No land owner shall construct a fence across the roadway but a land owner may place a metal pipe panel sixteen feet (16') in width across the roadway. The panel and location of the fences must be approved in writing by the Company. Also, the panel may not be locked but may be latched by a method which permits it to be entirely removed and laid on the ground.

3. **HEADGATES.** No headgate shall be placed in the Canal and no existing headgate shall be replaced without the prior written approval of the Company. The actual laying of the headgate will ideally be performed by the Company while it is performing its annual maintenance in late winter. Arrangements must be made with the Company for installing that headgate prior to the Company commencing maintenance work. The headgate and all pipe must be provided by the landowner and approved by the Company. No person shall be permitted to install their own headgate unless prior approval has been obtained from the Company. Landowners are cautioned that the landowner may be required to pay a fee to the Company for the Company employing a person to oversee installation of the headgate if the landowner installs the headgate or a fee if the Company installs the headgate. No headgates shall be installed once water is placed in the Canal.

The installation of new headgates at a location where there has not previously been a headgate

will not be permitted except \_\_\_\_\_ with the approval of the Company. When the land being served by a headgate is partitioned or divided into parcels and the parcels are owned by different persons, the owner of the land shall construct a lateral, laterals or pipeline from the existing headgate to the respective parcels.

4. **MEASURING DEVICES.** When any land is being served by a headgate is partitioned or divided into parcels and the parcels are owned by different persons, before water shall be delivered through the headgate, the owner or owners of the land shall be required to install a measuring device capable of measuring the water flowing through the headgate. The construction and type of measuring device shall be subject to the prior written approval of the Company. Also, the owner must demonstrate that the measuring device is capable of accurately measuring the flow of water by casual observation of the Company's ditch rider. Owners are encouraged to hire an engineer or obtain advice from the Idaho Department of Water Resources or NRCS before submitting any plans for the measuring device to the Company.

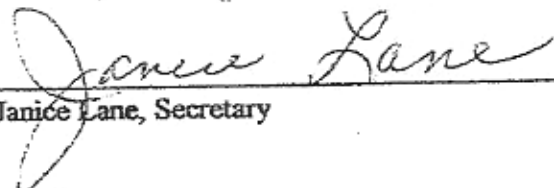
5. **TILING CANAL.** No person shall be permitted to cover, enclose or tile any part of the Canal without the prior written approval of the Company. When a landowner desires to enclose, cover or tile the Canal, the landowner shall obtain plans for doing so from a registered professional engineer and submit them to the Company for its approval. The owner, at the time of submitting the plans shall also tender to the Company the Company's estimated cost of retaining the services of another professional engineer to review the plans and method of construction and oversee and inspect the construction. Also, before the Company will grant permission to perform the work, the Company and the landowner must enter into an agreement whereby the landowner and his successors and assigns agree to maintain the works placed in the Canal and be responsible for the effects of having placed the works in the Canal. The landowner shall also be responsible for the company's cost in

preparing and recording the agreement.

6. SCARCITY OF WATER. If, at any time, there is not sufficient water to supply all shareholders in the Company with the full amount that they are entitled to receive, all users of water shall be ratably reduced by the same percentage amount. Thereafter, all diversions from the Canal to each shareholder shall be ratably reduced to comply with that lesser amount.

I, JANICE LANE, Secretary of SQUAW CREEK DITCH COMPANY, hereby direct that the foregoing Amendment to the Bylaws of the corporation were duly adopted by resolution of the Shareholders of Squaw Creek Ditch Company at the annual meeting of the shareholders on February 7, 2005.

DATED the 7 day of February, 2005.

  
Janice Lane, Secretary

(Corporate Seal)



AMENDMENT TO BY-LAWS  
SQUAW CREEK DITCH CO., INC.

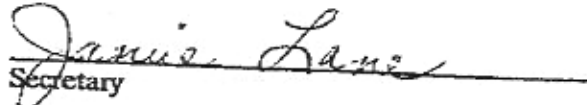
Pursuant to Resolution at the Annual Meeting of the Squaw Creek Ditch Co., Inc., on February 6, 1995, Sweet, Idaho, the following amendment to By-Laws was adopted by a majority vote of the stockholders of the Corporation present at the meeting:

RESOLVED, each stockholder shall pay a minimum annual fee of \$50.00 for maintenance, repair and upkeep of the irrigation ditch, fixtures, and irrigation system of Squaw Creek Ditch Co., Inc., beginning with the 1996 irrigation season, and continuing each successive year thereafter, until otherwise duly modified by Squaw Creek Ditch Co., Inc. Any such charge shall be a lien against the property of the stockholder where the water is furnished or to be furnished, until the said maintenance assessment is paid.

DATED: Feb 6, 1995

  
President

CHAIRMAN OF BOARD

  
Secretary