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RECEIVED
OCT 10 2007
DEPARTMENT OF
WATER RESOURCES

Attorneys for Hart-Davis Ditch Company, Inc.

IN THE DISTRICT COURT OF THE FIFTH JUDICIAL DISTRICT OF THE
STATE OF IDAHO, IN AND FOR THE COUNTY OF TWIN FALLS

In Re SRBA

Case No. 39576

)
) SUBCASE NO. 63-134
)

) HART-DAVIS DITCH COMPANY'S
) ANSWERS TO STATE OF IDAHO'S
) FIRST SET OF DISCOVERY REQUESTS
)

The Hart-Davis Ditch Company (Hart-Davis), by and through its counsel of record, Ringert Clark Chartered, and hereby responds to the State of Idaho's First Set of Discovery Requests to Hart-Davis Ditch Company, pursuant to Rules 26, 33, 34 and 36 of the Idaho Rules of Civil Procedure.

GENERAL OBJECTIONS

1. Hart-Davis has not completed its own investigations and/or discovery. Accordingly, the answers that follow are based upon the best knowledge, information and belief of Hart-Davis at this time. Hart-Davis reserves the right to make any further answers if it appears that any omission or error has been made in connection with these answers or that more accurate information is or has become available. These answers are made without prejudice to Hart-Davis' right to use in later discovery or to present at trial, such evidence as may later be discovered or evaluated.

2. Hart-Davis objects to the definitions and instructions to the extent that they purport

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to require discovery answers beyond that required under the Idaho Rules of Civil Procedure. These answers are provided in accordance with the Idaho Rules of Civil Procedure irrespective of any definitions and instructions that may accompany these interrogatories.

3. These answers are made subject to all objections as to competence, relevance, materiality, and admissibility. These answers are subject to all objections that would require the exclusion of any statement, material, or information herein provided if such request were asked of or any statement, material, or information provided were made by witnesses present and testifying at the formal hearing or trial on this matter. All such objections are reserved and may be interposed at the time of the hearing or trial on this matter.

4. Hart-Davis specifically objects to these discovery requests to the extent that they seek information protected by the attorney-client privilege, the attorney work product doctrine, and the rules governing the discovery of facts of experts as set forth in Rule 26(b)(4), Idaho Rules of Civil Procedure. This objection is intended to apply to all of the discovery requests that seek such information and will not be repeated specifically for each interrogatory to which it applies. Hart-Davis has, to the extent possible, construed each interrogatory as requesting only information and/or documents not subject to any applicable protection.

5. No incidental or implied admissions are intended. The fact that Hart-Davis has responded to any discovery request or part thereof should not be taken as an admission that Hart-Davis accepts that the discovery request or the response or objection thereto constitutes admissible evidence. The fact that Hart-Davis has responded to all or part of a request is not intended to and shall not be construed to be a waiver by Hart-Davis of all or part of any objection to other requests. Hart-Davis' answers to any discovery requests herein do not constitute a waiver of Hart-Davis' right

to object to any future additional or supplemental requests regarding the same or similar matters.

REQUEST FOR ADMISSION NO. 1: Please admit that Attachment I is a true and correct copy of the Articles of Incorporation of the Hart-Davis Ditch Company.

RESPONSE TO REQUEST FOR ADMISSION NO. 1: Admit.

INTERROGATORY NO. 1: If you deny, in whole or in part, Request for Admission No. 1, then describe in detail the factual and legal basis for your denial.

ANSWER TO INTERROGATORY NO. 1: N/A.

REQUEST FOR PRODUCTION NO. 1: If you deny, in whole or in part, Request for Admission No. 1, please produce a true and correct copy of the Articles of Incorporation of the Hart-Davis Ditch Company.

RESPONSE TO REQUEST FOR PRODUCTION NO. 1: N/A.

REQUEST FOR ADMISSION NO. 2: Please admit that the Hart-Davis Ditch Company was incorporated on April 14, 1924.

RESPONSE TO REQUEST FOR ADMISSION NO. 2: Admit.

INTERROGATORY NO. 2: If you deny, in whole or in part, Request for Admission No. 1, then describe in detail the factual and legal basis for your denial.

ANSWER TO INTERROGATORY NO. 2: N/A.

INTERROGATORY NO. 3: Describe the owners of water right no. 63-134 on April 13, 1924, the day immediately prior to the incorporation of the Hart-Davis Ditch Company on April 14, 1924.

ANSWER TO INTERROGATORY NO. 3: Objection to the extent this Interrogatory calls

for a legal conclusion. Notwithstanding said objection and without waiving the same Hart Davis responds as follows: discovery is ongoing and at this time Hart Davis is uncertain as to whom the individual owner of water right no. 63-134 was on April 13, 1924, but Hart Davis believes it was one of the individuals listed in the above-referenced Articles of Incorporation. At this time Hart Davis is uncertain as to which individual listed in said Articles was the prior owner of the property which is now owned by the State of Idaho. Hart Davis will supplement this response as necessary.

INTERROGATORY NO. 4: Describe the ownership percentage of each owner of water right no. 63-134 describe in Interrogatory No. 3 on April 13, 1924, the day immediately prior to the incorporation of the Hart-Davis Ditch Company on April 14, 1924.

ANSWER TO INTERROGATORY NO. 4: See Answer to Interrogatory No. 3.

REQUEST FOR PRODUCTION NO. 2: Produce all documents that evidence a transfer of the water right ownership from the owners described in Interrogatory no. 3 to the Hart-Davis Ditch Company.

RESPONSE TO REQUEST FOR PRODUCTION NO. 2: Discovery is ongoing. At this time said documents include the corporate documents and minutes of Hart Davis, all assessment notices and payments by the State of Idaho to Hart Davis, the records for the District 63 watermaster, the water right file held by the Idaho Department of Water Resources. These documents are either attached hereto, will be made available for inspection and copying or may be obtained more readily by the State of Idaho than Hart Davis. Hart Davis will supplement this response as necessary.

REQUEST FOR PRODUCTION NO. 3: Produce all documents upon which the Hart-Davis Ditch Company relies for the existence of water right no. 63-134.

RESPONSE TO REQUEST FOR PRODUCTION NO. 3: Hart Davis objects to the extent this request is not calculated to lead to the discovery of admissible evidence. The existence of water right no. 63-134 is not in dispute. Notwithstanding said objection and without waiving the same: See Response to Request for Production No. 2.

REQUEST FOR PRODUCTION NO. 4: Produce all documents upon which the Hart-Davis Ditch Company relies for its ownership of water right no. 63-134.

RESPONSE TO REQUEST FOR PRODUCTION NO. 4: See Response to Request for Production No. 2.

REQUEST FOR PRODUCTION NO. 5: Produce all documents that the Hart-Davis Ditch Company possesses that evidence beneficial water for water right no. 63-134. This production should include records that predate the existence of the Hart-Davis Ditch Company and that post date its creation on April 14, 1924.

RESPONSE TO REQUEST FOR PRODUCTION NO. 5: Hart Davis objects to the extent this request is not calculated to lead to the discovery of admissible evidence. The beneficial use of water right no. 63-134 is not in dispute. Notwithstanding said objection and without waiving the same: See Response to Request for Production No. 2.

REQUEST FOR ADMISSION NO. 3: Please admit that the Hart-Davis Ditch Company does not have any documents that evidence a transfer of any portion of the ownership of water right no. 63-134 from the State of Idaho to the Hart-Davis Ditch Company.

RESPONSE TO REQUEST FOR ADMISSION NO. 3: Hart Davis conditionally admits this request because, with the exception of being a shareholder of Hart Davis, the State of Idaho has

never owned, nor claimed any ownership, of any portion of water right no. 63-134 and thus there would be no documents evidencing a transfer of ownership of that which the State of Idaho did not own or claim to own.

INTERROGATORY NO. 5: If you deny, in whole or in part, Request for Admission No. 3, then describe in detail the factual and legal basis for your denial.

ANSWER TO INTERROGATORY NO. 5: See response to Request for Admission No. 3.

REQUEST FOR PRODUCTION NO. 6: If you deny, in whole or in part, Request for Admission No. 3, produce all documents supporting your answer.

RESPONSE TO REQUEST FOR PRODUCTION NO. 6: See response to Request for Admission No. 3.

REQUEST FOR PRODUCTION NO. 7: Produce the bylaws, minutes, and corporate books of the Hart-Davis Ditch Company for inspection and copying.

RESPONSE TO REQUEST FOR PRODUCTION NO. 7: Please see the attached documents. Additional minutes or records will be made available at a mutually agreement time and place for inspection and copying.

INTERROGATORY NO. 6: Please identify each and every person whom you expect to call as a fact witness in the trial of this matter and state the substance of the facts upon which the person is expected to testify.

ANSWER TO INTERROGATORY NO. 6: Discovery is ongoing and Hart Davis has not determined the witnesses it may call at any hearing or trial for this matter. Such witnesses may

include the following Board members: Ron Rippey, Jim Breszinsky and Jim Zamzow. Hart Davis will supplement this response as necessary.

INTERROGATORY NO. 7: Please identify each and every person whom you know has knowledge about water right no. 63-134.

ANSWER TO INTERROGATORY NO. 7: Discovery is ongoing and Hart Davis has not determined each and every person whom may have knowledge about this matter this matter. Such persons may include: (1) Hart Davis Board members, Ron Rippey, Jim Breszinsky and Jim Zamzow; (2) Hart Davis shareholders; (3) personnel for the Idaho Department of Water Resources, including, but not limited to Mel Shulte and Jan Schurte; (4) employees for the State of Idaho, including, but not limited to employees for the State of Idaho Parks Department and/or Eagle Island Park; (5) Lee Sisco, the current watermaster for the Boise River; and (6) Tom Nicholson, who is believed to lease certain property from the State of Idaho and who makes payments to Hart Davis for the State of Idaho's assessments. Plaintiff will supplement this response as necessary.

INTERROGATORY NO. 8: Please identify each and every person whom you expect to call as an expert witness in this matter. For each such person identify, please state the subject matter on which the expert is expected to testify, the substance of the opinions to which the expert is expected to testify, and the underlying facts and data upon which the expert opinions are based.

ANSWER TO INTERROGATORY NO. 8: Discovery is ongoing and Hart Davis has not determined or retained an expert witness in this matter. Hart Davis will supplement this response as necessary.

REQUEST FOR PRODUCTION NO. 8: Produce every document or tangible item that you

intend to offer as an exhibit in the trial of this matter.

RESPONSE TO REQUEST FOR PRODUCTION NO. 8: Discovery is ongoing and Hart Davis has not determined the exhibits it may offer at any hearing or trial for this matter. Such exhibits may include any documents attached to these discovery responses or which will be made available for inspection and copying at a mutually agreeable time and place. Hart Davis will supplement this response as necessary.

REQUEST FOR PRODUCTION NO. 9: For each person identified in your response to Interrogatory no. 8, please produce: (1) a curriculum vitae or resume, including a list of publications authored by that person, if any, as well as any other information which would demonstrate the person's knowledge or qualifications to state the facts or express the opinions to which the person is expected to testify; and (2) all documents containing or evidencing the underlying facts or data described in your response to Interrogatory No. 5.

RESPONSE TO REQUEST FOR PRODUCTION NO. 9: See response to Interrogatory No. 8

INTERROGATORY NO. 9: Identify all persons who assisted in the preparation of the Hart-Davis Ditch Company's responses to these Interrogatories, Request for Admission and Requests for Production.

ANSWER TO INTERROGATORY NO. 9: Ron Rippey, Jim Breszinsky and Jim Zamzow.

DATED this 9th day of October, 2007.

RINGERT CLARK CHARTERED

By: [Signature]
S. Bryce Farris
Attorney for Hart-Davis Ditch Comany

STATE OF IDAHO)
) ss
COUNTY OF _____)

VERIFICATION

_____, after being first duly sworn on oath depose and state as follows:

1. That I am the _____ of Hart Davis Ditch Company, and I have reviewed the discovery responses and I believe the responses contained therein to be true and correct to the best of my knowledge.

SUBSCRIBED AND SWORN TO before me this ___ day of October, 2007.

Notary Public for Idaho
Residing: _____,
My Commission Expires: _____

CERTIFICATE OF SERVICE

I hereby certify that on this 2nd day of October, 2007, I served a true and correct copy of the foregoing document by U.S. mail, postage pre-paid to the following:

United States Department of Justice
Environment and Natural Resource Div.
550 West Fort Street, MSC 033
Boise, Idaho 83724

David J. Barber
State of Idaho
P.O. Box 44449
Boise, Idaho 83711-4449

IDWR Document Depository
P.O. Box 83720
Boise, Idaho 83720-0098

Idaho Department of Parks
and Recreation
5657 Warm Springs Avenue
Boise, Idaho 83716

Ron Sali & Ron Sali Properties
Ron Sali Properties, Inc.
Represented by:
Michael C. Creamer
Givens Pursley
P.O. Box 2720
Boise, Idaho 83701-2720

Ron Sali
P.O. Box 448
Boise, Idaho 83701-0488

Ron Sali
919 South Linden Road
Eagle, Idaho 83616

Ron Sali Properties, Inc.
Profit Sharing Plan
100 N. 9th Street, Ste. 200
Boise, Idaho 83702-5700

Chief of Natural Resource Division
Office of the Attorney General
State of Idaho
P.O. Box 44449
Boise, Idaho 83711-4449

Mace Catlin Ditch Company
c/o Bob Kell
1820 Mace Road
Eagle, Idaho 83616



S. Bryce Farris

(Authentication)

A RECORD
of the
ORGANIZATION AND INCORPORATION
of

Hart-Davis Ditch Company

A CORPORATION

duly incorporated under the laws of the state of *Idaho* on the

15th day of *March* A. D. 19*24*, in the

county of *Blaine*, state of *Idaho*

IN WITNESS WHEREOF, WE, *J. M. Stewart*

President

being all the original subscribers to the articles of incorporation of said corporation,
for the purpose of the adoption and identification of this book, with the records con-
tained therein, as the original record of said corporation, have hereunto subscribed our
names and caused the corporate seal to be affixed this

, A. D. 19

(To be signed by all the persons
organizing the corporation.)

LICENSE TO RECEIVE SUBSCRIPTIONS FOR STOCK.

(A license to receive subscriptions for stock, is not required in all states, and in those where it is required its form varies. It should be copied in full below.)

4

CAPITAL STOCK \$.....

(The form below may be filled out as the original subscription list and signed by all the subscribers; or a subscription agreement on a separate paper may be circulated among the subscribers and signed by each, and afterwards copied below.)

We, the undersigned, hereby severally subscribe for and agree to take the number _____ of shares, set opposite our respective names, of the capital stock of _____

Stuart Davis Date: 1/26/1911

and we severally agree to pay the said corporation for each share, the sum of_____

-----Dollars (\$-----). Dated this-----day of

_____, A. D. 19____; at _____ in the County of _____

_____, and State of _____

COPY OF CHARTER.

(The charter or articles of incorporation should be copied in full.)

COPY OF CHARTER—Continued.

COPY OF CHARTER—Continued.

CALL AND WAIVER OF NOTICE FOR FIRST MEETING OF STOCKHOLDERS:

(If the stockholders are brought together in their first meeting in pursuance of a notice in the form provided for by law, the call and waiver printed below need not be used. If it is used, care should be taken to see that it is signed by each incorporator and subscriber.)

We, the undersigned, being all the incorporators of Hart-Davis
Hotel Company

and all of the subscribers to its capital stock entitled to notice of said meeting, do

hereby call the first meeting of the stockholders thereof, to be held at 7/15/04 at _____

in the _____ of _____ County of Ala and State of _____

7:55 at 2 o'clock P. M., on the 16th day of 11

A. D. 19____, for the organization of said corporation, the election of directors, and the

transaction of such other business as may properly come before said meeting, and we

hereby waive all requirements as to notice of such meeting and consent to such organ-

ization, election of directors, and transaction of business.

Dated this 16th day of March, A. D. 1916 at _____

in the County of _____, and State of _____

1000

MINUTES OF FIRST MEETING OF STOCKHOLDERS.

The first meeting of the incorporators of Hart-Davis
Litho Company
and the subscribers to its capital stock was held at Bellevue
Wash. D.C.
in the _____ of _____ County of _____ and State of _____
at _____ o'clock _____ M., on the _____ day of _____
A. D. 19____, in pursuance of the foregoing call and waiver
of notice
or

in pursuance of notice in writing mailed _____ days before said date, properly addressed
to each incorporator and subscriber, a copy of such notice being as follows:

(The notice should conform to the requirements of the law in the state where it is used.)

_____ called the meeting to order and
stated its object.

On motion duly made and carried _____
was elected chairman, and _____ was
elected secretary.

MINUTES OF FIRST MEETING OF STOCKHOLDERS—Continued.

Whereupon, the subscription list was exhibited and read, and on the call of the names of the subscribing stockholders, by the secretary, the following were found to be present, either in person or by proxy, as indicated, each representing the number of shares set opposite his name:

The chairman thereupon declared that-----shares of the capital stock, constituting a majority of the total number, were represented, and that the meeting was competent to proceed with the transaction of the business for which it was called.

The charter of said corporation then being exhibited, on motion duly made and carried, said charter was accepted.

MINUTES OF FIRST MEETING OF STOCKHOLDERS—Continued.

On motion duly made and carried, the directors named in the charter were recognized as the first directors of said corporation.

or

On motion duly made and carried, the stockholders proceeded to elect directors of said corporation, and the following named persons, each having received a number of votes representing a majority of the whole number of shares of stock represented at said meeting, were declared duly elected directors of said corporation, to serve until their successors should be duly elected and qualified.

J. M. [illegible]

(The statement above should conform to the requirements of the law. If the first directors have been named in the charter, they should be recognized by resolution of the stockholders at this stage in the proceedings; otherwise the first directors should be elected by vote of the stockholders in the usual manner. If the directors are classified the motion should be made to read accordingly.)

The committee for drafting by-laws now having reported and submitted a code of by-laws, the same was discussed and amended, and upon motion duly made and carried, was adopted, as amended, and ordered spread upon the records of this corporation.

or

On motion duly made and carried, the power to make by-laws was delegated to the directors.

(The motion above should conform to the requirements of the law. In some states the stockholders only are authorized to make by-laws, and in others this power may be delegated by them to the directors. In states where the directors are permitted by law to make the by-laws without delegation of the power by the stockholders neither of the above forms is required.)

It is hereby resolved that the committee be authorized to make any amendments to the by-laws as they may deem proper and to report the same to the next meeting of the stockholders.

There being no further business before the meeting, on motion duly made and carried, it was adjourned.

7

Chairman.

Secretary.

CALL AND WAIVER OF NOTICE FOR FIRST MEETING OF DIRECTORS:

(This form should be used in all cases unless a more convenient manner is provided by law for convening the directors in their first meeting.)

We, the undersigned, being all the directors of Heat-Dewis
Ditch Company

do hereby call the first meeting of such directors to be held in the office of _____

on the _____ day of _____ A. D. 19____, for the purpose of
electing officers and adopting by-laws, and for the transaction of any and all business
pertaining to the affairs of the corporation; and we hereby waive all statutory and by-
law requirements, as to notice of time, place and objects of said meeting, and consent
to such election of officers, adoption of by-laws, and transaction of business.

Dated this _____ day of _____ A. D. 19____, at _____
in the County of _____, and State of _____.

(All the directors
should sign.)

[Faint handwritten marks]

W. H. M. L.

MINUTES OF FIRST MEETING OF DIRECTORS.

(Such parts of the following outline of procedure as are not used may be stricken out; and additions may be made as required.)

The first meeting of the Board of Directors of W. H. H. Co.
 was held at _____
 in the _____ of _____ County of _____ and State of _____
 at _____ o'clock 2 M. on the _____ day of _____
 A. D. 19____, in pursuance of the foregoing call and waiver of
 notice.

(If the directors have been convened in some other manner, state in what manner, giving a copy of the notice if one has been used.)

_____ was chosen as temporary Chair-
 man and _____ was appointed tem-
 porary Secretary of the meeting.

On a roll call of the Directors by the Secretary the following were found to be
 present :

A quorum being present, on motion duly made and carried, the Board proceeded
 to the election of officers of the Corporation to serve for the ensuing corporate year and
 until the election and taking of office of their successors.

The following officers were elected:

President _____
 Vice-President _____
 Secretary _____
 Treasurer _____

The Secretary-elect having been duly sworn, the permanent officers of the cor-
 poration took charge of the meeting.

(A few states require that the Secretary-elect be sworn.)

4
MINUTES OF FIRST MEETING OF DIRECTORS—Continued.

On motion duly made and carried, it was ordered that the Treasurer procure a bond in the sum of.....Dollars conditioned upon the faithful performance of the duties of his office, and submit it to the Board for their approval and acceptance.

On motion duly made and carried, the following were named a committee to draft by-laws and submit them to the board during this meeting:

J. M. Kelly
.....
W. J. Kelly
.....
.....

On motion duly made and carried, the salary of the President was fixed at.....dollars per year.....not voting upon said motion.

On motion duly made and carried, the salary of the Secretary was fixed at.....dollars per year.....not voting upon said motion.

The committee for drafting by-laws now having reported and submitted a code of by-laws to the board, the same was discussed and amended, and upon motion duly made and carried, was adopted, as amended, and ordered spread upon the records of this corporation.

(The above motion is used if the directors make the by-laws. See note on page 11.)

or

The code of by-laws heretofore adopted at the first meeting of stockholders upon being submitted to the board of directors was re-adopted.

(The above motion should be used if the by-laws were adopted by the stockholders at their first meeting.)

A form of stock certificate having been presented for approval, was by motion adopted as the form of stock certificate of the corporation, and the Secretary was ordered to attach the same on page.....of this record.

The following motions were also duly made and carried:

~~Moved, that the~~ President be, and he hereby is, ordered to rent the premises at.....
.....
at an annual rental of not to exceed.....dollars, such

MINUTES OF FIRST MEETING OF DIRECTORS—Continued.

renting to be _____

said premises to be used for, and being hereby designated as the principal office of this corporation.

Moved that the Treasurer be, and he hereby is, ordered to open a bank account in the name of the corporation with _____

for the deposit of funds belonging to the corporation, such funds to be withdrawn only by check of the corporation, signed by its Treasurer and countersigned by its President.

Moved, that the sum of _____ dollars be assessed upon each share of stock of the corporation, and that such assessments be, and hereby are, ordered paid to the Treasurer on or before _____ A. D. 19____.

Moved, that a seal, bearing the words _____ *Hart-Davis Bldg*
Co. Inc. _____

and identified by an impression thereof on the margin of this page, be, and hereby is, adopted as the seal of this corporation.

Moved, that the Secretary be, and hereby is, instructed to purchase such record books and books of account, stationery and office supplies as may be necessary for the proper administering of the affairs of the corporation.

Moved, that the Secretary be, and hereby is, ordered to file _____

with _____ *the Secretary of State*
for the filing of the _____

for public record, and to _____ *the Secretary of State*
for the filing of the _____

in accordance with the law in such case made and provided.

(The foregoing motion should direct the Secretary to file such papers with the Secretary of State, or with the Recorder of Deeds of the county in which the corporation intends to do business, or other proper officer; and to take such other steps as may be required by law. It is particularly important that the requirements in this respect should be carefully observed in all cases where a corporation intends to do business in a state other than the state of its incorporation.)

MINUTES OF FIRST MEETING OF DIRECTORS—Continued.

Moved, that the Treasurer be, and hereby is, directed to pay -----

all expenses properly incurred in the organization of the corporation.

MINUTES OF FIRST MEETING OF DIRECTORS—Continued

27

On motion duly made and carried, the meeting was adjourned.

President.

Secretary.

18

BY-LAWS.

(The following code of by-laws has been very carefully prepared from an examination of the statutes and decisions in the various states, and the works of standard text book writers. It will be found to conform fully to the requirements of all ordinary cases; and, with only slight additions or changes, can be made to serve the needs of any ordinary corporation. The forms of wording and the terms used are such as have been passed upon by the courts and have a settled meaning, so that all possible ambiguity may be avoided; and in all cases where it has been necessary to enumerate powers and duties, such general terms have been used as to include all proper cases which have not been specifically mentioned. Those sections which are not formally adopted should be stricken out.)

ARTICLE I.

NAME AND LOCATION.

SECTION 1. The name of this corporation shall be West River

SEC. 2. Its principal office shall be located at Fort Atkinson

SEC. 3. Other offices for the transaction of business shall be located at such places as the board of directors may from time to time determine.

ARTICLE II.

CAPITAL STOCK.

SECTION 1. The amount of the capital stock shall be \$100,000 dollars, which shall be divided into 1000 shares, of the value of \$100 dollars each.

SEC. 2. All certificates of stock shall be signed by the President and the Secretary, and shall be sealed with the corporate seal.

SEC. 3. Treasury stock shall be held by the corporation subject to the disposal of the board of directors, and shall neither vote nor participate in dividends.

SEC. 4. The corporation shall have a first lien on all the shares of its capital stock, and upon all dividends declared upon the same, for any indebtedness of the respective holders thereof to the corporation.

SEC. 5. Transfers of stock shall be made only on the books of the corporation; and the old certificate, properly endorsed, shall be surrendered and cancelled before a new certificate is issued. The stock books of the corporation shall be closed against transfers for a period of 10 days before the day of payment of a dividend and for ten days before each annual meeting of stockholders.

SEC. 6. In case of loss or destruction of a certificate of stock, no new certificate

BY-LAWS—Continued.

shall be issued in lieu thereof except upon satisfactory proof to the board of directors of such loss or destruction; and upon the giving of satisfactory security, by bond or otherwise, against loss to the corporation. Any such new certificate shall be plainly marked "*Duplicate*" upon its face.

ARTICLE III.

STOCKHOLDERS' MEETINGS.

SECTION 1. An annual meeting of the stockholders shall be held at----- o'clock 2 M., on the----- day of October in each year at the principal office of the corporation. *Provided however*, that whenever such day shall fall upon a Sunday, or a legal holiday, the meeting shall be held on the next succeeding business day. At such meeting the stockholders shall elect directors to serve until their successors shall be elected and qualified.

SEC. 2. A special meeting of the stockholders, to be held at the same place as the annual meeting, may be called at any time by the President, and in his absence by the Vice-President; or by the directors. It shall be the duty of the directors, President or Vice-President to call such a meeting whenever so requested by stockholders holding ----% or more of the capital stock.

SEC. 3. Notice of the time and place of all annual and special meetings shall be mailed by the Secretary to each stockholder -----days before the date thereof.

SEC. 4. The President, or, in his absence, the Vice-President, shall preside at all such meetings.

SEC. 5. At every such meeting each stockholder shall be entitled to cast one vote for each share of stock held in his name; which vote may be cast by him either in person, or by proxy. All proxies shall be in writing, and shall be filed with the Secretary and by him entered of record in the minutes of the meeting.

~~SEC. 6.~~ SEC. 6. Every stockholder shall have the right to vote, in person or by proxy, for the number of shares of stock owned by him, for as many persons as there are directors or managers to be elected, or to cumulate said shares and give one candidate as many votes as the number of directors multiplied by the number of his shares of stock shall equal, or to distribute them on the same principle among as many candidates as he shall think fit.

(The above section may be used in those States where cumulative voting is permitted by Statute as in Illinois, Kansas, Maryland, Missouri, New York, New Jersey, Ohio, Virginia, West Virginia, etc. It helps the minority stockholders to secure representation on the managing board.)

BY-LAWS—Continued.

SEC. 7. A quorum for the transaction of business at any such meeting shall consist of a number of members representing a majority of the shares of stock issued and outstanding; but the stockholders present at any meeting, though less than a quorum, may adjourn the meeting to a future time.

SEC. 8. The stockholders shall have power, by a majority vote at any such meeting, to remove any director or officer from office.

ARTICLE IV.

DIRECTORS.

SECTION 1. The business and property of the corporation shall be managed by a board of _____ directors, who shall be elected by the stockholders. Each director shall be a stockholder, and shall receive no compensation for his services as a director. A transfer by a director of all of his stock in the corporation shall operate as a resignation of his office.

~~SEC. 2. The directors shall be classified with respect to the time for which they~~ shall severally hold office by dividing them into three classes, each consisting of one-third of the whole number of the Board of Directors. The directors of the first class shall be elected for a term of one year; the directors of the second class for a term of two years; and the directors of the third class for a term of three years; and at each succeeding annual election the successors to the class of directors whose terms shall expire in that year shall be elected to hold office for the term of three years so that the term of office of one class of directors shall expire each year.

(The object of this provision is to prevent the Board of Directors from entirely changing in any one year, and consequently the corporation being submitted to the management of untried men. This section may be used in those States where a classification of directors is permitted by Statute.)

SEC. 3. The regular meetings of the directors shall be held in the principal office of the corporation immediately after the adjournment of each annual stockholders' meeting; and also on the _____ day of each month at the hour of _____ o'clock ____ M. *Provided however*, that whenever such day shall fall upon a legal holiday, the meeting shall be held on the next succeeding business day.

SEC. 4. Special meetings of the board of directors, to be held in the principal office of the corporation, may be called by the President; and in his absence by the Vice-President; or by any _____ members of the board. By unanimous consent of the directors, special meetings of the board may be held without notice, at any time and place.

BY-LAWS—Continued.

SEC. 5. Notice of all regular and special meetings, except those specified in the second sentence of Section 4 of this article, shall be mailed to each director, by the Secretary, at least-----days previous to the time fixed for the meeting. All notices of special meetings shall state the purposes thereof.

SEC. 6. A quorum for the transaction of business at any regular or special meeting of the directors shall consist of---³---members of the board; but a majority of those present at any regular or special meeting shall have power to adjourn the meeting to a future time.

SEC. 7. The directors shall elect the officers of the corporation, and fix their salaries; such election to be held at the director's meeting following each annual stockholders' meeting. An officer may be removed at any time by a two-thirds vote of the full board of directors.

SEC. 8. Vacancies in the board of directors may be filled by the remaining directors at any regular or special directors' meeting.

SEC. 9. The directors may, by resolution, appoint-----members of the board as an executive committee, to manage the business of the corporation during the interim between meetings of the board.

SEC. 10. At each annual stockholders' meeting the directors shall submit a statement of the business done during the preceding year, together with a report of the general financial condition of the corporation, and of the condition of its tangible property.

ARTICLE V.

OFFICERS.

SECTION 1. The officers of this corporation shall be a President, a Vice-President, a Secretary and a Treasurer, who shall be elected for the term of one year, and shall hold office until their successors are duly elected and qualified. No one shall be eligible to the office of President or Vice-President who is not a director of the corporation; and any such officer who ceases to be a director shall cease to hold office as President or Vice-President as soon as his successor is elected and qualified. The offices of Secretary and Treasurer may be held by one person.

SEC. 2. The President shall preside at all directors' and stockholders' meetings; shall have general supervision over the affairs of the corporation and over the other officers; shall sign all stock certificates and written contracts of the corporation, and countersign all checks; and shall perform all such other duties as are incident to his

BY-LAWS—Continued.

office. In case of the absence or disability of the President, his duties shall be performed by the Vice-President.

SEC. 3. The Secretary shall issue notices of all directors' and stockholders' meetings, and shall attend and keep the minutes of the same; shall have charge of all corporate books, records and papers; shall be custodian of the corporate seal; shall attest with his signature and impress with the corporate seal, all stock certificates and written contracts of the corporation; and shall perform all such other duties as are incident to his office.

SEC. 4. The Treasurer shall have custody of all money and securities of the corporation and shall give bond, in such sum and with such sureties as the directors may require, conditioned upon the faithful performance of the duties of his office. He shall sign all checks of the corporation, shall keep regular books of account and shall submit them, together with all his vouchers, receipts, records and other papers, to the directors for their examination and approval as often as they may require; and shall perform all such other duties as are incident to his office.

ARTICLE VI.

DIVIDENDS AND FINANCE.

SECTION 1. Dividends, to be paid out of the surplus earnings of the corporation, may be declared from time to time by resolution of the board of directors; but no dividend shall be paid that will impair the capital of the corporation.

SEC. 2. The funds of the corporation shall be deposited in such bank or trust company as the directors shall designate, and shall be withdrawn only upon the check or order of the Treasurer, countersigned by the President.

ARTICLE VII.

AMENDMENTS.

SECTION 1. Amendments to these by-laws may be made, *as provided for* ~~by a vote of the stockholders representing a majority of all the stock issued and outstanding; at any annual stockholders' meeting; or at any special stockholders' meeting, when the proposed amendment has been set out in the notice of such meeting.~~

BY-LAWS—Continued.