

ARTICLES OF INCORPORATION
OF
EAGLE CREEK IRRIGATION COMPANY

We, the undersigned, full-aged citizens of the United States and all residents of the County of Blaine, State of Idaho, do hereby voluntarily associate ourselves together for the purpose of forming a mutual non-profit irrigation company under the provisions of Chapter 1, Title 30, Idaho Code, and the amendments thereto.

ARTICLE I.

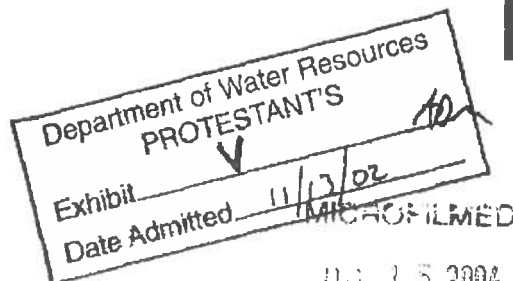
The name of this corporation shall be the EAGLE CREEK IRRIGATION COMPANY.

ARTICLE II.

The nature of the business of the corporation and the objects and purposes for which, or for any of which, this association is formed are:

- (a) To associate its stockholders together for their mutual benefit, and to that end to construct, maintain, and operate a private water system for the distribution of water for domestic and irrigation purposes to its shareholders; to engage in any activity related thereto, including, but not limited to, the acquisition of water by appropriation, drilling, pumping or purchase; to buy, sell, hold, own, acquire, control, operate and maintain a distribution system; to purchase, install, operate, and maintain all dams, ditches, canals and all other associated equipment necessary to the construction, maintenance and operation of said irrigation and water distribution system.
- (b) To borrow from any source, money, goods or services without limitation as to amount of corporate indebtedness or liability; and to pledge or mortgage any of its property as security therefor in any manner

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permitted by law.

- (c) To acquire, and to hold, own and exercise all the rights of ownership in and to, sell, transfer or pledge shares of capital stock or bonds or become a member or a stockholder of any corporation or association engaged in any related activities.
- (d) To buy, lease, hold and exercise all privileges of ownership in and to the real or personal property as may be necessary, convenient or incidental in the conduct and operation of the business of the corporation.
- (e) To establish reserves and to invest the funds thereof in insured savings accounts insured by an agency of the United States of America or in bills, notes or other securities issued by the United States of America.
- (f) To levy assessments in such manner and in such amounts as may be provided by the By-Laws of this corporation. Said assessments, as provided in the By-Laws, shall become a lien on the real property of the members of this association to whom such rights are appurtenant.
- (g) To have and exercise all powers, privileges and rights conferred on corporations by the laws of the State of Idaho and all powers and rights incidental in carrying out the purposes for which this corporation is formed.
- (h) The foregoing shall be construed both as objects and powers and the enumeration thereof shall not be held to limit or restrict in any manner the general powers conferred on this corporation by the laws of the State of Idaho, all of which are hereby expressly claimed.

ARTICLE III.

The principal place of business of the corporation is Ketchum, Blaine County, State of Idaho, but the corporation may maintain offices and places of business at such other places within the State of Idaho as the Board of Directors may determine.

ARTICLE IV.

The period of existence of this corporation shall be perpetual.

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ARTICLE V.

The private property of the shareholders of this corporation shall not be subject to payment of corporation debts to any extent whatsoever other than as provided in Article II(f) above.

ARTICLE VI.

Section 1. That this corporation shall have one class of capital stock which shall be assessable and have no par value.

Section 2. Under the terms and conditions prescribed in the By-Laws, this corporation shall admit as stockholders only such persons, groups of persons, organizations or corporations who own property in the immediate vicinity of the irrigation system and to which property the corporation can make delivery of water for domestic or irrigation purposes under the contemplated distribution system of the corporation.

Section 3. The authorized capital stock of this corporation shall be Two Hundred Thirty (230) shares, which said stock shall be issued on the basis of one (1) share of stock for every acre of land to which water is to be delivered by the irrigation distribution system of this corporation.

Section 4. The corporation will hold all water rights acquired in Trust, and operate the system for the distribution of water primarily for the benefit of the lands to which said water rights are to be appurtenant. The shareholders of the corporation shall be entitled to the appropriate share of the water annually available by virtue of their proportionate stock interest in this corporation.

Section 5. Persons who meet the provisions of Section

2 of this Article shall be entitled to subscribe to and purchase shares of stock of the corporation as provided in the corporation's By-Laws.

Section 6. The shares of capital stock of this corporation shall not be transferable except when said transfer is approved by the Board of Directors under such criteria as the By-laws may prescribe.

Section 7. Voting rights in this corporation shall be unequal and each shareholder of this corporation shall be entitled to one vote for every share of stock held by said shareholder.

Section 8. This corporation is organized on a non-profit basis for the mutual benefit of its shareholders and consequently will not have profits from which to pay dividends on its capital stock. After all expenses of the corporation have been paid and reasonable reserves have been set aside as determined by the Board of Directors, any earnings of this corporation shall be accumulated in a surplus fund for the purpose of replacing, enlarging, extending and repairing the system and property of the corporation, and for such other purposes as the Board of Directors may determine to be for the best interest of the corporation. No distribution of any surplus funds shall be made to the shareholders of this corporation except on final dissolution of the corporation.

ARTICLE VII.

These articles may be amended in any manner permitted or authorized by law by a favorable vote of a majority of the stockholders present or represented by proxy at a meeting of the shareholders duly called on notice of the specific purpose there-

of and containing a statement of the proposed amendment.

ARTICLE VIII.

The amount of capital stock of said corporation which has actually been subscribed is five (5) shares and the following are the names and postoffice addresses of each of the incorporators and the number of shares subscribed by each:

<u>Name of Incorporator</u>	<u>Address</u>	<u>Shares</u>
JOHN S. FELDHUSEN	Twin Falls, Idaho	1
DON A. ASLETT	Sun Valley, Idaho	1
FREDERICK H. BLECHMANN	Sun Valley, Idaho	1
WILLIAM K. BROHAN	Ketchum, Idaho	1
GEORGE K. BROWN	Ketchum, Idaho	1

IN WITNESS WHEREOF, we, the incorporators, and named herein as the first Board of Directors, have set our hands and seals this 28th day of December, 1972.

John S. Feldhusen
Don A. Aslett
Frederick H. Blechmann
William K. Brohan
George K. Brown

10/27/2010

IDAHO DEPARTMENT OF WATER RESOURCES
PRELIMINARY RECOMMENDATION OF WATER RIGHTS ACQUIRED UNDER STATE LAW

RIGHT NUMBER: 37-2418

NAME AND ADDRESS: LAKE CREEK MEADOWS HOMEOWNERS ASSN INC
PO BOX 3144
KETCHUM ID 83340

SOURCE: LAKE CREEK

TRIBUTARY: BIG WOOD RIVER

QUANTITY: 0.470 CFS

Right Nos. 37-2177 and 37-2418 are limited to a total combined annual diversion volume of 169.3 AF.

PRIORITY DATE: 10/16/1923

POINT OF DIVERSION:

T05N R17E S25 SESESE Within BLAINE County

T05N R17E S36 NWNENE Within BLAINE County

T05N R17E S36 NENWNE Within BLAINE County

T05N R17E S36 NWNENW Within BLAINE County

T05N R18E S20 NWNENW Within BLAINE County

T05N R18E S20 SWNWSW Within BLAINE County

T05N R18E S30 NWSWSW Within BLAINE County

PURPOSE AND
PERIOD OF USE:

PURPOSE OF USE

PERIOD OF USE

QUANTITY

AESTHETIC

01/01 12/31

0.470 CFS

PLACE OF USE: AESTHETIC in BLAINE County

T05N R17E S25 SESE

T05N R17E S36

NENE

T05N R17E S36 NWNE

T05N R18E S30

SWSW

OTHER PROVISIONS NECESSARY FOR DEFINITION OR ADMINISTRATION OF THIS WATER RIGHT:

This partial decree is subject to such general provisions necessary for the definition of the rights or for the efficient administration of the water rights as may be ultimately determined by the Court at a point in time no later than the entry of a final unified decree. Section 42-1412(6), Idaho Code.

EXPLANATORY MATERIAL: BASIS OF CLAIM - License

10/27/2010

IDAHO DEPARTMENT OF WATER RESOURCES
PRELIMINARY RECOMMENDATION OF WATER RIGHTS ACQUIRED UNDER STATE LAW

Use of water under this transfer shall comply with Idaho water quality standards, both in effluent quality and in temperature.

The Department of Water Resources retains jurisdiction over these water rights, and the uses approved by this transfer, to require a determination of losses in the delivery and pond systems by a method approved by the director of water resources. Losses over and above losses that were incurred prior to this transfer, if they exceed 0.16 cfs, shall be replaced by mitigation water released to the Big Wood River. This mitigation water shall be in the form of an additional consumptive use right purchased by the owner of the property.

Use of water under this right will be regulated by a watermaster with responsibility for the distribution of water among appropriators within a water district. At the time of this approval, this water right is within State Water District No. 37.

The total volume of water diverted under this transfer shall not exceed 180 acre-feet per year.