



CERTIFICATE OF INCORPORATION
OF

LARSON SUBDIVISION WATER AND LATERAL DITCH WATER USERS ASSOCIATION, INC.

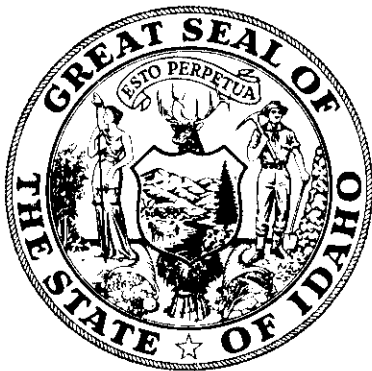
I, PETE T. CENARRUSA, Secretary of State of the State of Idaho, hereby certify that duplicate originals of Articles of Incorporation for the incorporation of _____

LARSON SUBDIVISION WATER AND LATERAL DITCH WATER USERS ASSOCIATION, INC.

duly signed pursuant to the provisions of the Idaho Nonprofit Corporation Act, have been received in this office and are found to conform to law.

ACCORDINGLY and by virtue of the authority vested in me by law, I issue this Certificate of Incorporation and attach hereto a duplicate original of the Articles of Incorporation.

Dated May 8, 19 81.



SECRETARY OF STATE

Corporation Clerk

RECEIVED

SECRETARY OF
STATE

ARTICLES OF INCORPORATION
OF
LARSON SUBDIVISION WATER AND LATERAL
DITCH WATER USERS ASSOCIATION, INC.

KNOW ALL MEN BY THESE PRESENTS, that we, the undersigned, F. L. (Pete) Dorsey, John Redington, and Levard Hansen each being a natural person of full age, and a citizen of the United States of America, have voluntarily and do hereby associate ourselves together for the purpose of forming a water users association and lateral ditch water users association as defined in the Idaho Code Title 30 Section 804 organized in conformity with the Reclamation Act of the United States Congress of June 17, 1902, as codified in 43 U.S.C. 372 et seq. and as a nonprofit association and corporation under the provisions of Idaho Code Title 42, Chapter 13 and Title 30, Chapter 300 thereof under the laws of the State of Idaho, and we do hereby certify, declare and adopt the following Articles of Incorporation.

I.

The name of this corporation shall be the Larson Subdivision Water and Lateral Ditch Water Users Association, Inc., a non-profit corporation as defined in the Idaho Code.

II.

The period of existence and duration of the life of this corporation shall be perpetual.

III.

The name, location and address of the registered agent and registered office of this corporation shall be as follows:

1. Mr. Alan G. Lance, Registered Agent, 35 East Idaho, Meridian, Idaho.

The name and addresses of the initial directors of this corporation shall be:

1. F. L. (Pete Dorsey), 6001 Denton Street, Boise, Idaho.
2. John Redington, 6008 Clinton St., Boise, Idaho.
3. Levard Hansen, 6012 Clinton Street, Boise, Idaho.

The directors of this corporation were elected pursuant to a notice, both published and posted, at the law offices of Foley-Lance, 35 East Idaho, Meridian, Idaho on February 12, 1981 at the hour of 2:00 P.M. , a copy of such notice being attached to these Articles of Incorporation, marked Exhibit A, and by this reference incorporated herein, pursuant to an affirmative vote of a majority of the members of the Larson Subdivision Water and Lateral Ditch Water Users Association, Inc. and such election and the results thereof are attached to these Articles of Incorporation, marked Exhibit B, hereto and by this reference incorporated herein as if fully set forth and verified by the association's secretary.

IV.

The nature of the business and the objects and purposes of this corporation shall be:

To insure adequate and wholesome water supplies for the members of the corporation and to provide to its members irrigation waters as lateral ditch users and to manage and control the assets and property of the association and to promote and assure continued

ARTICLES OF INCORPORATION

orderly usage of association property and waters for the benefit of its members. This corporation is established for the benefit of its members pursuant to the law of the State of Idaho and pursuant to the laws of the United States and the Acts of its Congress as said laws and acts provide for water users and lateral ditch users associations and for land reclamation and within the meaning of Section 501(c)(a)(1) and (2) of the Internal Revenue Code. Notwithstanding any other provisions of these Articles, the corporation shall not carry on any other activities not authorized or permitted by an organization exempt from Federal Income Tax under Section 501(c)(a)(1) and (2) of the Internal Revenue Code.

To buy, sell, acquire, transfer, exchange, lease, rent, occupy and possess real and personal property necessary for the corporation's business and objectives including thereon and therein all natural resources including but not limited to, timber, water and minerals of all kinds and nature, and to sell, separate and segregate for sale, lease, transfer, exchange or purchase, any such real property which the corporation may own, possess or hold option or title of any kind, but is authorized to furnish, provide or sell water only to its members (stockholders).

To purchase, or otherwise acquire, hold, sell, assign, endorse, transfer, mortgage, pledge, hypothecate, or otherwise dispose of and to deal generally in notes, bonds, contracts, stocks, warrants, bills, open accounts, and other evidences of indebtedness of individuals, firms, partnership and corporations, municipal, public and private, except as limited by law; and, to loan its funds, with or without security, on notes, open accounts or otherwise.

To purchase, subscribe for, or otherwise acquire and own, hold use, sell, assign, transfer, mortgage, pledge, exchange, or otherwise

ARTICLES OF INCORPORATION

dispose of real and personal property of every kind and description, including but not limited to shares of stock, bonds, debentures, notes, evidences of indebtedness, and other securities, contracts, or obligations of any corporation or corporations, association or associations, domestic or foreign, and to pay therefor in whole or in part in cash or by exchanging therefor stocks, bonds, or other evidences of indebtedness or securities of this or any other corporation, and while the owner or holder of any such real or personal property, stocks, bonds, debentures, notes, evidences of indebtedness or other securities, contracts, or obligations, to receive, collect, and dispose of the interest, dividends and income arising from such property, and to possess and exercise in respect thereof, all the rights, powers and privileges of ownership, including all voting powers on any stocks, so owned.

To institute, enter into, carry on, assist, promote or participate in financial, commercial, mercantile, industrial and other business, or non business, works, enterprises, undertakings and operations.

To enter into, make and perform and carry out contracts of every sort and kind with any person, firm, association or corporation, municipality, body politic, country, territory, district, state and government.

To buy, take, lease, rent, option or in any other manner acquire, own, hold, possess, sell, exchange, lease, convey, transfer, rent, mortgage, give liens against, or in any other manner dispose of or encumber real estate necessary to the purposes and objectives of the corporation and any and all estates and interests therein, whether within or without the State of Idaho.

ARTICLES OF INCORPORATION

To apply for, secure, acquire by assignment, transfer, purchase, or otherwise, and to exercise, carry out and enjoy any charter, license, power, authority, franchise, concession, rights or privileges, which any government or authority or any corporation or other public body may be empowered to grant; and to pay for, aid in and contribute toward carrying the same effect, and to appropriate any of the corporation's shares of stock bonds, and assets to defray the necessary costs, charges and expenses thereof.

To acquire, and pay for in cash, the good-will, rights, assets and property and to undertake or assume the whole or any part of the obligations or liabilities of any person, firm, association or corporation.

In the purchase or acquisition, solicitation of gifts, donations and grants of property, business, rights or franchises, or for additional working capital, or for any other object in or about its business or affairs, and without limit as to amount to incur debt, and to raise, borrow, and secure the payment of money in any lawful manner, including the issue and sale or other disposition of bonds, debentures, obligations, negotiable and transferable instruments and evidences of indebtedness of all kinds, whether secured by mortgage, pledge, deed of trust or otherwise.

To carry on any other business, which may seem to the corporation capable of being conveniently carried on in connection with its business or calculated directly or indirectly to enhance the value of or render profitable any of the corporation's property or rights.

To do each and every thing necessary, suitable, useful or advisable for the accomplishment of any one or more of said objects, or which shall, at any time, appear to be conducive to or expedient for the benefit of said corporation in connection therewith.

ARTICLES OF INCORPORATION

To do each and all things set forth herein to the same extent and as fully as natural persons might do or could do in the State of Idaho, and in any other state, country or place.

To have one or more offices and to carry on all or any of its operation and business and without restriction or limit as to amount, and to purchase, or otherwise acquire, to hold, own, to mortgage, sell, convey, or otherwise acquire, to hold, own, to mortgage, sell, convey, or otherwise dispose of real property necessary to the objectives of the corporation, such personal property of every class and description in any of the states and districts of the United States.

The foregoing clauses shall be construed as objects, purposes and powers; and it is hereby expressly provided that any enumeration of specific powers shall not be held to limit or restrict in any manner the powers of this corporation.

In general, to carry on any other purpose in connection with the foregoing, and to have and exercise all the powers conferred by the laws of Idaho upon corporations.

The corporation shall hold, control, maintain and operate said water system for the use and benefit of the members as defined herein, to the end that each of said members shall, upon compliance with the terms and conditions of the By-Laws and the rules and regulations adopted by the corporation pursuant thereto, receive an adequate and pure water supply from said system for domestic use; and if through failure of natural supply, major catastrophe or increase in demands, the said water system shall become unusable or inadequate, the corporation and its officers and directors shall expend, augment, or replace said system as deemed necessary and appropriate.

ARTICLES OF INCORPORATION

Upon the qualification of any person as a member hereunder, he shall furnish a copy of this corporation's Articles and By-Laws and also a copy of the rules and regulations then in force and effect and pertaining to said water system and the furnishing of said water or service to the users thereof.

The corporation shall further have the power:

(1) To adopt regulations pertaining to the measuring of water and the type and maintenance of meters, if any; the manner of connecting existing mains with the property of the members, including the specification of the size and type of material to be used and the location and depth of the service line; the reasonable restriction upon the use of water by members where such restrictions are necessary to conserve the supply or to permit repairs of replacements.

(2) To adopt such further regulations as may in the discretion of the officers and directors be deemed necessary or expedient for the proper operation of the system.

(3) To fix an initial hook-in charge, if necessary.

(4) From time to time to fix rates to be charged users of water from the system or levy assessments, or both, in an amount in the discretion of the officers and directors which shall be sufficient to realize necessary income for the operation, repair and maintenance (including replacement of pumping plant) of said water system and the accumulation of a reserve fund in such amount as the corporation, officers and directors, in their discretion shall deem expedient and advisable in view of possible demands upon said corporation for replacements and emergencies occurring in the course of operation.

(5) To pay any and all taxes, levies and assessments of any kind and nature levied by every governmental or taxing body, if any.

ARTICLES OF INCORPORATION

(6) To obtain and pay for in such amounts as the officers and directors shall deem prudent, insurance of such type and covering such contingencies including any and all liability of the corporation, its members, officers and/or directors, as shall be available and as to the officers and directors, in their discretion shall seem wise or expedient.

(7) To employ such agents, servants, attorneys or other professional assistance as the officers and directors, in their discretion shall deem reasonably necessary or desirable in the operation of said water system or corporation.

(8) To abandon the said Water System upon the advent or any reliable source of public supply to the property described herein.

(9) To adopt and enforce regulations and measures deemed in the discretion of the corporate officers or directors to be necessary; to compel compliance with other regulation adopted by them; and the power given hereunder shall include the right to refuse to furnish water to a member and to cut off the service thereto in the event of failure of said member to comply with the regulations of the By-Laws or to pay for service of water furnished in the manner provided by regulations, or refusal to pay membership dues or assessments.

(10) The officers and directors hereunder shall serve without compensation; provided, however, that in the event one of their member shall be authorized and designated by the officers and directors to keep the records herein provided for, or a part thereof, and shall assume such duty, the officers and directors may provide for the payment to such member of such reasonable compensation as they may from time to time determine.

ARTICLES OF INCORPORATION

V.

In furtherance, and not in limitation of the powers conferred by statute, the board of directors is expressly authorized;

To make and alter By-Laws of this corporation, to fix the amount to be reserved as working capital and to authorize and cause to be executed mortgages and liens upon the real and personal property of this corporation.

If the By-Laws so provide, to designate two or more of its members to constitute an executive committee, which committee shall for the time being, as provided in said resolution or in the By-Laws of this corporation, have and exercise any or all of the powers of the board of directors in the management of the business and affairs of this corporation, and have power to authorize the seal of this corporation to be affixed to all papers which may require it.

The board of directors shall have power and authority at any meeting to sell, lease, or exchange all of the property and assets of this corporation, including its good-will and its corporate franchises, upon such terms and conditions as its board of directors deem expedient, and for the best interest of the corporation, upon approval by a majority of the members entitled to vote.

This corporation may in its By-Laws confer powers upon its directors in addition to the foregoing, and in addition to the powers and authorities expressly conferred upon them by statute.

No income shall be distributed to members of the association, and no dividend shall be paid to members hereof, members, officers and directors may be reimbursed for expenses or paid for services rendered or performed.

The board of directors shall consist of three (3) directors

ARTICLES OF INCORPORATION

whose terms shall be for a period of five (5) years. The board of directors shall nominate and elect the President, Vice President and Secretary/Treasurer of the corporation.

The board of directors shall be selected by vote of the membership, however, remaining members of the board may appoint a member to serve as directors if a vacancy should occur for the expiration of any unfulfilled term or until the next regular annual meeting whichever comes first.

Election of board members shall be as directed and in accordance with the By-Laws of the corporation.

VI.

Qualification of and Election of Board Members - Members who are Class II members who are in good standing, are qualified to serve as directors subject to the following qualifications:

Each owner or combination of owners owning a single parcel shall cast one (1) vote. Persons owning multiple parcels in the subdivision shall be entitled to cast one (1) vote per parcel. Owners of property shall be construed to mean persons holding legal or equitable title to the property in said subdivision or contract purchaser thereof. No person other than a Class II member, owner of property in good standing with assessments due and charges duly paid, shall be eligible to hold the office of director or officer and a conveyance of title or a contract to convey title shall work as a forfeiture of office. Only one (1) officer or director may be selected from one family or one property owner unit, combine, partnership, group or entity. The term of office, other than for the initial directors, shall be for a term of five (5) years.

ARTICLES OF INCORPORATION

VII.

Members - There shall be two (2) classes of members.

Class I - The first class shall be those owners of property as hereinafter described in Larson Subdivision who utilize the lateral irrigation ditch for irrigation purposes but who do not utilize waters provided from the dedicated well as water which has been previously provided by the municipality of Boise, Idaho.

Class II - The second class of members shall consist of those owners of property as hereinafter provided, who utilize waters from the dedicated well and who also utilize for irrigation purposes the lateral irrigation ditch hereinbefore described.

Members who are members of the first class shall have voting rights on matters only pertaining to and relating to issues regarding the lateral irrigation system, regulations or other matters relating and pertaining thereto and shall be permitted to cast their vote for election of board members and general matters of corporate business, but excluding matters dealing or pertaining exclusively with waters provided by the dedicated well.

The second class of members shall be permitted to vote on every and all matters presented to members at large.

VIII.

Membership - Persons owning property in the Larson Subdivision, Ada County, Idaho as record by official plat of said subdivision recorded in the office of the County Recorder of that County in Book 12 of Plats at page 667 and who utilize the lateral irrigation ditch system and/or waters provided by dedicated well shall be members subject to the class designation as hereinbefore enumerated. A member shall be any person who shall, from time to time, be the owner, either legal or equitable, or the contract purchaser, of any

ARTICLES OF INCORPORATION

of the property hereinbefore described having a building plot area of not less than 5,000 square feet, and who utilizes either the lateral irrigation ditch system or the domestic waters provided by the dedicated well, or both; provided that any person qualified as a member hereunder, who shall cease to own the interest herein specified in the required amount shall cease to be a member. Persons selling, transferring by sale or testamentary disposition or disposition by law or equity or in any otherwise shall cease to be a member and his successor in interest shall be duly qualified as a member. No other person or member shall transfer, convey, withhold or otherwise pledge or dispose of his membership rights separately from the land benefited hereby.

Each and every member herein, before he shall be entitled to water services, shall execute in writing his application therefor, which said application shall include an acceptance of all the terms and conditions herein stated, those stated and declared in the By-Laws, and the rules, regulations, schedules and requirements which from time to time may be adopted by the association, the members, its officers and/or directors hereof.

IX.

Membership in the association shall be evidenced by membership rosters and membership certificates which shall be issued to qualified members indicating the appropriate membership classification.

X.

Assessments may be levied upon all members or classes of members alike. Class I members shall only be assessed for lateral irrigation ditch use, maintenance, repair or improvements or other such assessment relating and pertaining to said lateral irrigation

ARTICLES OF INCORPORATION

ditch system and other general corporate assessments as may be necessary. Class II members shall be assessed for all matters relating and pertaining to the association.

The board of directors is hereby authorized and empowered to fix the amount of any such assessment upon each member or members within each class of membership from time to time by rule, regulation and other appropriate action as directed by the By-Laws and may, from time to time, establish time for payment or intervals of payment upon such nature and by such methods as the directors may prescribe. Assessments may be made enforceable by action or by forfeiture of membership or both upon notice given in writing twenty (20) days before commencement of such action or forfeiture. Assessments may be secured by a lien upon the real property of an owner within the subdivision to which membership rights are appurtenant.

XI.

The private property of the directors, officers or members of the association shall not be subject to the payment of corporate debts to any extent whatsoever.

XII.

The name and address of each of the officers and their offices, is as follows:

1. President, Pete Dorsey
6001 Denton Street
Boise, Idaho
2. Vice President, LeVard Hansen
6012 Clinton Street
Boise, Idaho
3. Secretary/Treasurer, John Redington
6008 Clinton Street
Boise, Idaho

XIII.

This corporation reserves the right to amend, alter, change or

repeal any provisions contained in these Articles of Incorporation in the manner now or hereafter prescribed in statute, and all rights conferred upon members herein are granted, subject to this reservation.

XIV.

Upon the winding up and dissolution of this corporation, after paying or adequately providing for the debts and obligations of the organization, the remaining assets, if any, shall be distributed totally to members then qualified as water users, but not the persons claiming an interest by virtue of lateral ditch use and only as permitted by the Idaho Non-profit Corporation Act.

WE, THE UNDERSIGNED, being each one of the original directors and members of the Larson Subdivision Water and Lateral Ditch Water Users Association, Inc., for the purposes of forming a corporation to do business both within and without the State of Idaho, and in pursuance of the laws of the State of Idaho, do make and file these Articles of Incorporation, hereby declaring and certifying that the facts herein stated are true and according have hereunto set our hands and seal this 12th day of February, 1981.

F. L. Pete Derry

James J. Hansen

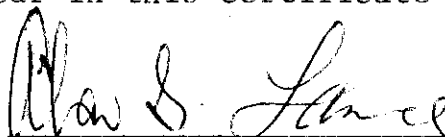
James Redington

ARTICLES OF INCORPORATION

STATE OF IDAHO)
) ss.
County of Ada)

On this 12th day of February, 1981 before me, the undersigned, a Notary Public in and for said State, personally appeared F. L. (PETE) DORSEY, JOHN REDINGTON, and LEVARD HANSEN, known to me to be the persons whose names are subscribed to and who executed and signed the within and foregoing Articles of Incorporation of the Larson Subdivision Water and Lateral Ditch Water Users Association, Inc. and being first duly sworn, executed the same in triplicate.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.



Notary Public for Idaho
Residing at Meridian

ARTICLES OF INCORPORATION

P. 15 e

V E R I F I C A T I O N

I, JOHN REDINGTON, Secretary of the Larson Subsdvision Water and Lateral Ditch Water Users, Inc., do hereby verify that the attached notice was posted near and at the door of the law Firm of Foley & Lance.


John Redington

STATE OF IDAHO)
County of Ada) ss.

On this 12th day of February, 1981, before me, the undersigned, a Notary Public in and for said State, personally appeared JOHN REDINGTON, an individual, known to me to be the person whose name is subscribed to the within instrument, and acknowledged to me that he executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

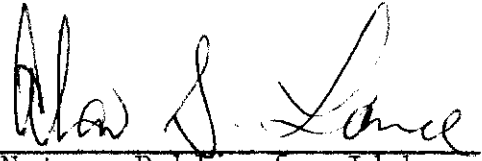

Notary Public for Idaho
Residing at Meridian, Idaho

EXHIBIT "A" Cont.

PUBLIC NOTICE

NOTICE IS HEREBY GIVEN TO THE PUBLIC that there shall be a general meeting of all persons interested in LARSON SUBDIVISION WATER AND LATERAL DITCH WATER USERS, INC., a proposed non-profit organization, to be formed pursuant to the laws of the State of Idaho, and to have as its primary purpose and function to insure adequate and wholesome water supplies for the members of the corporation and to provide to its members irrigation waters as lateral ditch users and for any further specific purpose, AND THIS DOES HEREBY GIVE NOTICE that an election of directors of such proposed non-profit corporation will be held at 2:00 P.M. on February 12, 1981, at the law offices of FOLEY & LANCE, 35 East Idaho, Meridian, Idaho.

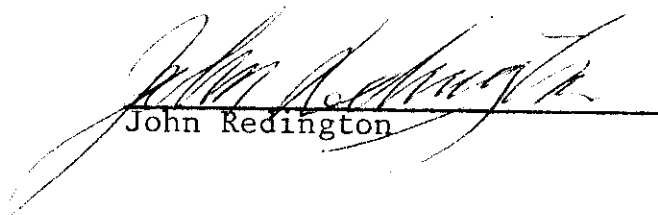
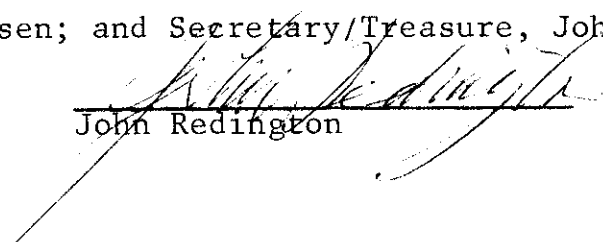

John Redington

EXHIBIT "A"

I, JOHN REDINGTON, Secretary of the Larson Subdivision Water and Lateral Ditch Water Users Association, Inc., do hereby verify that I attended the meeting of the Larson Subdivision Water and Lateral Ditch Water Users Association, Inc held on February 12, 1981, at 2:00 P.M. and did therein participate and record the proceedings and that the terms of election of the Directors of such association are the same as set forth: President, Pete Dorsey; Vice President, Levard Hansen; and Secretary/Treasure, John Redington.


John Redington

STATE OF IDAHO)
) ss.
County of Ada)

JOHN REDINGTON, being the person whose name appears above herein did this 12th day of February, 1981, before me a Notary Public subscribe his name thereto.

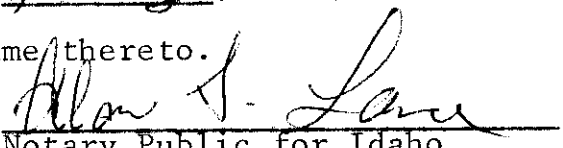

Notary Public for Idaho
Residing at Meridian, Idaho

EXHIBIT "B"