

ARTICLES OF INCORPORATION

LAVELLI WATER & ROAD ASSOCIATION, INC.

We the undersigned, being full age citizens of the United States, and residents of the United States, and residents of the State of Idaho, do hereby voluntarily associate ourselves for the purpose of forming a non-profit cooperative Association under the provisions of Chapter 3, Title 30, Idaho code, and amendments thereto. We do hereby certify, adopt and set forth Articles of Incorporation as follows:

ARTICLE INAME

The name of this non-profit cooperative Association shall be "LAVELLI WATER & ROAD ASSOCIATION, INC."

ARTICLE IILOCATION AND POST OFFICE ADDRESS

The location and post office address of the registered office of the Association in the State of Idaho is at Route 2, Box 3R, Lenore, Nez Perce County, Idaho.

ARTICLE IIIDURATION

The term of existence of this Association shall be perpetual from the date of filing of the Articles of Incorporation in the office of the Secretary of State of the State of Idaho.

ARTICLE IVPURPOSES

A. To purchase, lease, take, appropriate, hold, own or otherwise acquire, and to maintain and operate water and irrigation rights, and acquire, purchase, lease, take, appropriate, own, hold, build, maintain and operate wells, dams, canals, ditches, flumes, pipelines and all other works necessary or convenient for the

appropriation, diversion, storage, transportation and distribution or use of water for irrigation and domestic uses, and for any other purposes for which water may be applied.

B. To sink wells and shafts, and to make, build and construct, lay down and maintain, reservoirs, cisterns, culverts, filter beds, mains and other pipes and appliances, to acquire licenses, concessions and permits therefor and, in general, to execute and do all other works and things necessary or convenient for obtaining, storing, delivering, measuring and distribution water.

C. To excavate, fill, cut, grade, pave, repave, surface, resurface, macadamize, widen and otherwise work upon, improve or build streets, roads, highways, sidewalks and appurtenances thereto, in whole or in part, including the laying, construction and improvement of curbs, gutters, drains, manholes, catch basins and otherwise to generally build, construct and maintain roads and highways public and private.

D. To levy assessments in such manner and in such amounts as may be provided by the laws of Idaho and in the by-laws of this Association.

E. 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 Association is formed except such as are inconsistent with the expressed provisions of the Idaho Code.

F. 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 Association by the laws of the State of Idaho.

ARTICLE V

CAPITAL

A. This Association shall not have capital stock, but its capital shall be represented by membership certificates.

B. The association shall have members. Membership fees in this Association shall be as determined by the board of directors. The voting power and property rights and interest of each member whose fees are fully paid and who is in good standing shall be equal and each member shall be entitled to one vote only. New members upon admission to this Association shall be entitled to one vote and to share in the property of the Association equally with old members. When a member has paid his membership fee in full he shall receive a certificate of membership. Assessments against members and the determination of their liabilities shall be fixed by the by-laws of this Association.

C. This Association is organized on a non-profit basis for the mutual benefit of its members and consequently will not have profits on which to pay dividends on capital. After all expenses of the Association have been paid, and reasonable reserves, as determined by the board of directors, are set aside, the net earnings of the Association shall be accumulated for the purposes as the board of directors may determine to be for the best interests of the Association.

ARTICLE VI

REGISTERED AGENT

The name of the initial registered agent of the Association is Hank Greber. The address of the initial registered agent of this Association is at Route 2, Box 3R, Lenore, Nez Perce County, Idaho 83541. The mailing address of the Association is at Route 2, Box 3R, Lenore, Nez Perce County, Idaho 83541.

ARTICLE VII

DIRECTORS

The corporation shall have three (3) directors, who shall at all times be citizens of the United States of America; the names and addresses of those persons who shall manage the business of the corporation until the first meeting of the members are:

Hank Greber, Route 2, Box 3R, Lenore, Idaho 83541
Steve English, Route 2, Box 3A, Lenore, Idaho 83541
Mel Walker, 4281 Freeman Creek Road, Lenore, Idaho 83541

ARTICLE VIII

NAMES AND ADDRESSES OF INCORPORATORS

The names and addresses of the incorporators are:

Hank Greber, Route 2, Box 3R, Lenore, Idaho 83541
Steve English, Route 2, Box 3A, Lenore, Idaho 83541
Mel Walker, 4281 Freeman Creek Road, Lenore, Idaho 83541

ARTICLE XI

PROVISIONS FOR BY-LAWS

The Association shall be governed by a duly adopted code of by-laws which shall not be inconsistent with these Articles or inconsistent with the laws of the State of Idaho; the meetings of the members of the Association shall be held and by-laws shall be adopted in accordance with the laws of the State of Idaho subject to the issuance of the Certificate of Incorporation by the Secretary of State.

ARTICLE X

EFFECTIVE DISSOLUTION

In the event of dissolution of the association, the assets shall be distributed to Nez Perce County, Idaho.


ARTICLE XI

AMENDMENT OF ARTICLES

These Articles of Incorporation may be amended by the minimum vote required by the laws of the State of Idaho of the members of the Association, at any regular meeting, or at a special

meeting called for the purpose by a majority of the Board of Directors after thirty (30) days written notice to all members, which notice shall be in conformance with the statutes of the State of Idaho.

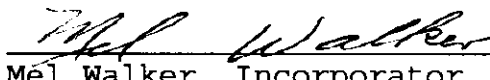
IN WITNESS WHEREOF, we, the undersigned, being all of the incorporators above named, have hereunto set our hands and seals this 24th day of April, 1998.



Hank Greber, Incorporator



Steve English, Incorporator

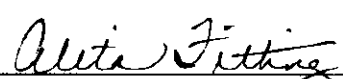


Mel Walker, Incorporator

STATE OF IDAHO)
 :
County of Nez Perce)

On this 24th day of April, 1998, before me, the undersigned, a Notary Public in and for the State of Idaho, personally appeared Hank Greber, 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 in and for the
State of Idaho, residing
at Lewiston, therein.

My commission expires: 2-6-2004

STATE OF IDAHO)
 :
County of Nez Perce)

On this 13th day of Jan, 1999, before me, the undersigned, a Notary Public in and for the State of Idaho, personally appeared Steve English, 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.

Hayman Dugan
Notary Public in and for the
State of Idaho, residing
at Oregon, therein.
My commission expires: 08-16-2000

STATE OF IDAHO)
County of Clearwater :
~~Nez Perce~~)

On this 26 day of January, 1999, before me, the undersigned, a Notary Public in and for the State of Idaho, personally appeared Mel Walker, 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.

Connie Robison
Notary Public in and for the
State of Idaho, residing
at Oregon, therein.
My commission expires: 8-6-2003