



Department of State.

CERTIFICATE OF INCORPORATION

I, PETE T. CENARRUSA, Secretary of State of the State of Idaho, and legal custodian of the corporation records of the State of Idaho, do hereby certify that the original of the articles of incorporation of

ANDERSON CIRCLE WATER CORPORATION

was filed in the office of the Secretary of State on the 19th day
of May A. D. One Thousand Nine Hundred Seventy-eight and
will be
is/duly recorded on ~~Film No.~~ microfilm of Record of Domestic Corporations, of the State
of Idaho, and that the said articles contain the statement of facts required by Section 30-103 and
Sections 30-1001 to 30-1005, inclusive, Idaho Code.

I FURTHER CERTIFY, That the persons executing the articles and their associates and
successors are hereby constituted a corporation, by the name hereinbefore stated, for
perpetual existence from the date hereof, with its registered office in this State located at
Boise, Idaho in the County of Ada
and as such are subject to the rights, privileges and limitations granted to Non-Profit Coopera-
tive Associations as provided in Chapter 10, Title 30, Idaho Code.

IN TESTIMONY WHEREOF, I have hereunto
set my hand and affixed the Great Seal of the
State. Done at Boise City, the Capital of Idaho,
this 19th day of May
A.D., 1978 .

Secretary of State.

ARTICLES OF INCORPORATION
OF
ANDERSON CIRCLE WATER CORPORATION

KNOW ALL MEN BY THESE PRESENTS: That we, the undersigned, all being citizens of the United States, and being of legal age, have this day voluntarily associated ourselves together for the purpose of forming a non-profit corporation under and by virtue of Idaho Code Section 117A, and for that purpose, we do hereby certify as follows, to-wit:

ARTICLE I

NAME

That the name of this non-profit corporation shall be "ANDERSON CIRCLE WATER CORPORATION".

ARTICLE II

EXISTENCE

That the term of the existence of this non-profit corporation shall be perpetual.

ARTICLE III

PLACE OF BUSINESS

That the registered office of this non-profit corporation and the principal place for transaction of its business is hereby designated as 1535 Ralfroy, City of Boise, County of Ada, State of Idaho.

ARTICLE IV

PURPOSES

The objects and the purposes for which this non-profit corporation is formed are, to do business in the State of Idaho and in any other state, territory or country, as principal, agent or other-

wise, and to the same extent as a natural person, any and every of the things herein set forth.

In furtherance of the general powers conferred by the laws of the State of Idaho, and not in limitation thereof, we do hereby expressly provide that the corporation shall have the power:

A. To own, hold and manage domestic water and water rights including, but not necessarily limited to, domestic water and water rights for:

Lots 1 through 8 of Tract B, Block 3, and Lots 1 through 21, Tract A, Block 3, of Roy V. Anderson Subdivision, according to the official Plat thereof, filed in Book 11 of Plats at Page 3080, records of Ada County, Idaho.

and to distribute the water for domestic and culinary purposes to members of the corporation who are record title holders of the specified homes on the real property hereinabove described; and to own, hold, manage, develop, construct, operate, maintain and improve a domestic water distribution system including pipelines, storage tanks and other personal property and easements and rights-of-way as may be necessary in the conduct of its business for the purposes herein specified.

B. To enter into, make, perform and carry out contracts of every kind, amount and character with any person, firm, association or corporation;

C. To purchase, own, sell, convey, acquire by operation of law or otherwise, real and personal property of every kind and character, relating to the ownership and operation of the water rights for:

Lots 1 through 8 of Tract B, Block 3, and Lots 1 through 21, Tract A, Block 3, of Roy V. Anderson Subdivision, according to the official Plat thereof, filed in Book 11 of Plats at Page 3080, records of Ada County, Idaho.

D. To borrow money from any person, firm or association, and to draw, make, accept, endorse, assign, guarantee, execute and issue

notes, checks, drafts, negotiable and other instruments for the payment of money and to secure payment thereof by any lawful manner or means;

E. To make assessments and charges to members for water and water system appurtenances furnished in connection therewith, which assessments and charges shall be disbursed by the corporation only in payment for expenses of such water system and water system appurtenances;

F. To build, repair, reconstruct, locate or relocate any and all necessary buildings of any kind or character and at any place proper or convenient to carry on any or all of the business of said corporation;

G. To enter into any sort of partnership with any person, corporate or otherwise;

H. To do and perform every act and thing necessary to carry out the above enumerated purposes, or which may be calculated, directly or indirectly, to advance the interest of the company, or to enhance the value of its holdings and property of every kind and character, which such act is not repugnant to law;

I. To also have, in addition to the said foregoing powers, all authority, powers and rights necessary to the operation of a domestic water company, which rights are not repugnant to the laws of the State of Idaho and any amendments thereof;

ARTICLE V

DIRECTORS

The number of Directors of this corporation shall be five (5); provided, however, that the number of Directors can be changed by a majority vote of the voting members at any annual meeting thereof, but in no event shall there be less than the number of Directors permitted by law.

ARTICLE VI

CERTIFICATES OF MEMBERSHIP

A. MEMBERSHIP.

One (1) Certificate of Membership shall be issued to and stand in the name of the record title holder of each home located in the Roy V. Anderson Subdivision, which Subdivision is more fully described as follows:

Lots 1 through 8 of Tract B, Block 3, and Lots 1 through 21, Tract A, Block 3, of Roy V. Anderson Subdivision, according to the official Plat thereof, filed in Book 11 of Plats at Page 3080, records of Ada County, Idaho.

When one member owns two or more homes in said Subdivision, such person shall be entitled to receive a like number of Membership Certificates, one for each home so owned.

B. TRANSFER.

The outstanding certificates of the corporation shall only transfer as, when and with the transfer of ownership of homes served by the corporation, and the right of the members to have and receive water on his or her property from the facilities of the corporation shall remain constant with the record title holder of each separate home within the development, and shall run with the land as an appurtenant right, subject, however, to suspension of services or of use of the facilities of the corporation for the period of time that bills or obligations of the corporation are not paid.

To the extent that bills or obligations to the corporation are not paid by the respective members, such bills and obligations shall constitute a lien on the home or homes, owned by such delinquent member. Payment of delinquency on the obligation for which service has been suspended shall entitle the member to prompt restoration of service and use of the corporation's facilities.

Members shall not be subjected to Board of Directors approval nor approval of other members. New members shall be

entitled to vote and share in the property of the corporation equally with the old members in accordance with all the provisions of these Articles of incorporation.

C. RIGHTS UNDIVISIBLE.

The water rights and membership in the corporation which vests with the ownership of the individual homes within the development shall not be divided, split or appropriated so as to give a greater benefit to one property than the other.

VOTING RIGHTS.

Only those members of the corporation who are record title holders of an "IMPROVED HOME", as the term is hereinafter described, shall be granted voting rights as a member of this corporation. When one member owns two or more improved homes, he shall be entitled to cast a like number of votes, one for each home so owned.

For purposes of these Articles and the By-Laws, the term "IMPROVED HOMES" shall be defined to include only those homes, reflected on the official Plat of said Subdivision, which homes are actually receiving water from the corporation. A member holding such an "IMPROVED HOME" shall be denominated as a "voting member". Not less than ten (10) days prior to any meeting of the members of this corporation, the Secretary of the corporation shall determine and certify to all members a list of all voting members of the corporation.

The voting rights herein described may not be abridged for so long as a voting member shall be a record owner of an improved home in said Subdivision.

In all elections for Directors of this corporation, every voting member shall have the right to vote, in person or by proxy, the number of Membership Certificates owned by him for as many persons as there are Directors to be elected or, to cumulate his said certificates and give any one candidate as many

votes as the number of Directors to be elected multiplied by the number of his Certificates of Membership shall equal, or, to distribute them on the same principal among as many candidates as he shall think fit, and such Directors shall not be elected in any other manner. No proxy shall be valid for longer than eleven (11) months from the date of execution thereof, nor shall a proxy be valid or binding on the purchaser of property from the grantor of such proxy.

ARTICLE VII

MEMBERS LIABILITY

The private property of the members of the corporation shall not be subject to any payment of corporate debts to any extent whatsoever.

ARTICLE VIII

AMENDMENT

The corporation reserves the right to amend, endorse, or repeal any provision contained in these Articles of Incorporation. Unless otherwise provided by the laws of the State of Idaho, a majority vote of the members represented in person or by proxy at any annual meeting of the membership, or at any special meeting duly called for that purpose, may so amend, endorse or repeal any provision of these Articles.

Provided, however, that whenever a proposed amendment to the Articles or By-Laws would alter or repeal one of the "Eleven Points", as promulgated by the Department of Housing and Urban Development, such proposal must be adopted by not less than a two-thirds (2/3) majority of the membership, and provided, further, that if such an amendment is so approved during the corporation's first fiscal year of existence, said amendment shall not become effective until the same has been approved by the Farmer's Home Administration (FHA).

ARTICLE IX

ASSESSMENTS

The voting membership shall be authorized to set the amount of, levy and collect assessments to finance the operation of the corporate water system.

ARTICLE X

INCORPORATORS

The name, address and number of certificates subscribed by each incorporator is:

<u>NAME</u>	<u>ADDRESS</u>	<u>NUMBER OF SHARES</u>
Dale A. Miracle	1535 Ralfroy Boise, Idaho	1
Don Edward Tucker	1550 Salem Boise, Idaho	1
Edward R. Fulcher	1533 Ralfroy Boise, Idaho	1
Dorothy Putman	1605 Targee Street Boise, Idaho	1
Dianne L. Kroush	1601 Targee Street Boise, Idaho	1

IN WITNESS WHEREOF, we have hereunto set our hand and seal this

16th day of May, 1978.

Dale A. Miracle

Don Edward Tucker

Edward R. Fulcher

Dorothy Putman

Dianne L. Kroush

STATE OF IDAHO

County of Ada

} ss.

On this 16th day of May, 1978, before me, a Notary Public in and for said State, personally appeared *Dale A. Miracle, Don Edward Tucker, Edward R. Fulcher, Dorothy Patman & Dianne L. Kroush*, known to me to be the persons whose names are subscribed to the within instrument, and acknowledged to me that they 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.

Phyllis Zori
Notary Public for Idaho
Residing at Boise, Idaho