



CERTIFICATE OF INCORPORATION
OF

BOISE HOLCOMB SUBDIVISION NO. 2 WATER USERS ASSOCIATION, INC.

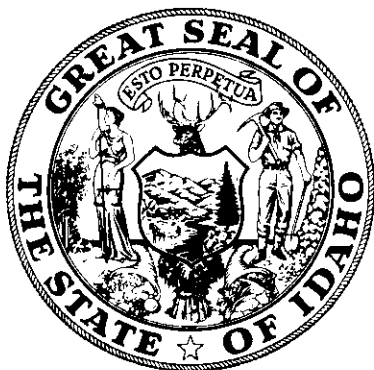
I, PETE T. CENARRUSA, Secretary of State of the State of Idaho, hereby certify that
duplicate originals of Articles of Incorporation for the incorporation of _____

BOISE HOLDOMB SUBDIVISION NO. 2 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 November 9, 19 83.



SECRETARY OF STATE

Corporation Clerk

ARTICLES OF INCORPORATION
OF
BOISE HOLCOMB SUBDIVISION NO. 2
WATER USERS ASSOCIATION, INC.

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SECRETARY OF STATE

WE, THE UNDERSIGNED, Full age citizens of the United States, owners of lots in Boise Holcomb Subdivision No. 2 Water Users Association, Inc. in Boise County, Idaho, do hereby voluntarily associate ourselves together for the purpose of forming a nonprofit corporation under the provisions of Chapter 3, Title 30, Idaho Code Annotated, and amendments thereto.

ARTICLE I

The name of this Association shall be the Boise Holcomb Subdivision No. 2 Water Users Association, Inc.

ARTICLE II

The purposes for which this Association is formed are:

A. To associate its members together for their mutual benefit, and to that end to construct, improve, own, maintain and operate, cooperatively with the Boise Holcomb No. 1 Association, Inc., a private water system for the supplying of water for household, domestic and pet watering purposes for its members, and to engage in any activity related thereto, including, but not limited to, the acquisition of water by appropriation, drilling, pumping and/or purchase, and the purchase, ownership, installation, operation, replacement, maintenance, and repair of wells, pumping equipment, mains, pipe lines, valves, meters and all other equip-

ment necessary to the construction, maintenance and operation of the 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 permitted by law, provided that such funds may be used only to carry out the necessary functions and purposes of the Association.

C. To acquire, and to hold, own and exercise all 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 if such is necessary to carry out the functions of the Association.

D. To buy, lease, hold or exercise all privileges of ownership in and to the real or personal property necessary or convenient for the conduct and operation of the business of the Association, or incidental thereto.

E. To establish reserves and to invest the funds therein in stocks, bonds or other property as the board of directors may deem advisable, provided that such funds and the earnings derived therefrom shall be used solely to pay expenses incurred by the Association to carry out its purposes.

F. To set fees and levy assessments in such manner and in such amount as may be provided by the board of directors consistent with the by-laws, provided that said funds are used solely

to pay expenses incurred by the Association to carry out its purposes.

G. To have and exercise all powers, privileges and rights conferred on nonprofit corporations by the laws of the State of Idaho not inconsistent with the above stated purposes or the provisions of Chapter 3, Title 30 of the Idaho Code.

H. No substantial part of the activities of this Association shall consist of carrying on propaganda or otherwise attempting to influence legislation, and this Association shall not participate in any political campaign.

ARTICLE III

The street address of the Association's registered office and the name of its initial registered agent at such address are:

H. R. Watkins, 737 N. 7th Street, Boise, Idaho 83702

The Association may maintain offices and conduct its 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 Association shall be perpetual. This Association is a nonprofit corporation created pursuant to Idaho Code, Title 30, Chapter 3.

ARTICLE V

Subject to the Association's power to assess its members, the private property of the members shall not be subject to payment of Association debts to any extent whatsoever, nor shall

the members be personally liable for the Association's debts or obligations.

ARTICLE VI

Section 1. This Association shall not have capital stock, but membership, ownership and voting rights shall be evidenced by membership certificates.

Section 2. Under the terms and conditions prescribed in its by-laws this Association shall admit as members only those persons, groups of persons, organizations or corporations holding the legal title to, or having an equitable interest in, a lot located in Boise Holcomb Subdivision No. 2 in Boise County, Idaho, to which water service is available, which lots are:

Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 25, 26,
27, 28 and 29.

Membership is appurtenant to ownership of such lots in Boise Holcomb Subdivision No. 2. Voting is limited to one vote per lot. The membership of every person or entity having a qualifying interest in a lot to which water service is available shall be evidenced by a certificate of membership issued in the name of one of such persons or entities designated by the others. In absence of such designation the certificate shall be issued in the name of the person or entity to which 1983 real property tax assessment notices for that lot are sent. Any notice, including assessment notices, sent by the Association to members with respect to a lot shall be adequate if deposited in the United States mail addressed

to the person or entity in whose name the certificate of membership for that lot is issued at the address designated on such certificate or such other address as that person may subsequently designate in writing to the Association secretary.

Section 3. The joint voting power and property rights and interests of all of the members having an interest in any lot in good standing shall be equal to the joint voting power and property rights and interest of those members having an interest in any other lot in Boise Holcomb Subdivision No. 2 to which water service is available.

Section 4. The members holding one-tenth (1/10) of the votes entitled to be cast, present in person or represented by proxy, at any meeting of members shall constitute a quorum for the conduct of business at such meeting.

Section 5. This Association is organized on a nonprofit basis for the mutual benefit of its members and consequently will not have profits from which to pay dividends to members. 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 in a surplus fund for the purpose of replacing, enlarging, extending and repairing the facilities and property of the Association; and for such other purposes as the Board of Directors may determine to be for the best interests of the Association consistent with its purposes.

ARTICLE VII

Section 1. The Board of Directors is authorized to levy assessments upon all members to pay the costs incurred by the Association in order to carry out its purposes. The Board of Directors, in its discretion, may establish separate classes of assessments. All costs assessed to each class shall be borne equally by each lot within the class. The Board of Directors shall, from time to time in its discretion, fix the amount of assessments and determine when such assessments are to be paid. Payment of assessments shall be enforceable by the Board by action or by the forfeiture of membership or both, upon notice given in writing 20 days before commencement of such action or forfeiture. Assessments shall be secured by a lien on the lot to which such membership is appurtenant as provided in Section 2.

Section 2. The amount of any assessment assessed with respect to a lot, and any late payment penalty, plus interest on such assessment at a rate of ten percent (10%) per annum simple interest (or such other rate as the Board of Directors may designate from time to time), and costs, including reasonable attorneys' fees, shall become a lien upon such lot upon recording in the Boise County, Idaho records of a notice of assessment stating the amount of the delinquency, the interest and costs which have accrued thereon, the legal description of the lot against which it has been assessed, and the name of the record owner thereof. Such notice shall be signed by an officer of the

Association and acknowledged. Upon recordation it shall create a lien upon the lot described therein, in the amount set forth. The lien shall continue until fully paid or otherwise satisfied. When the lien has been fully paid or satisfied a release of the lien shall be recorded. Such lien may be foreclosed in the same manner as is provided in the laws of the State of Idaho for the foreclosure of a mortgage on real property. A certificate executed and acknowledged by any two (2) members of the Board stating the indebtedness secured by the liens upon any lot created hereunder shall be conclusive upon the Association and the owners thereof as to the amount of such indebtedness as of the date of the certificate, in favor of all persons who rely thereon in good faith. Such certificate shall be furnished to any owner upon request at a reasonable fee.

ARTICLE VIII

The domestic water system serving Boise Holcomb Subdivision No. 1 and part of the lots located in Boise Holcomb Subdivision No. 2 consists of:

Lot 13, Boise Holcomb Sub. No. 1 ("well site"), well and pump house located on the well site, storage tank, water lines and dedicated easements for such facilities.

All of these facilities, when conveyed by Boise Holcomb, Inc., shall be owned by Boise Holcomb No. 1 Association, Inc. and Boise Holcomb Subdivision No. 2 Water Users Association, Inc. Said associations shall jointly determine and budget the costs of owning, operating, maintaining and replacing said system and such

costs shall be equitably divided between The associations based on the number of lots in each subdivision to which water service is available. Water shall only be used for household, domestic and pet watering purposes, which restriction may be enforced by the Board of Directors by any lawful means. The Board of Directors of this Association and of Boise Holcomb No. 1 Association, Inc., may jointly reduce the amount of water that may be used if, in their judgment, such is necessary in order to protect the integrity and operation of the water system; or if the water supply is not sufficient. Such reduction must be borne equally by all lots in both subdivisions served by the system. If the two associations cannot agree as to any matter each shall appoint an independent arbitrator upon request from the other, which two arbitrators shall appoint a third independent arbitrator, which three arbitrators, by majority vote, shall decide the dispute. Their decision shall be binding on the Associations.

ARTICLE IX

These Articles and the By-laws may be amended in any manner permitted or authorized by law provided that such amendment is approved by a majority of the eligible votes the members cast at the annual meeting or at a special meeting duly called upon notice specifying the purposes thereof and containing a statement of the proposed amendment. Any such amendment during the first year must be approved by Farmers Home Administration. Notwith-

standing any other provision contained herein any amendment to Articles VII or VIII must be approved by Boise Holcomb No. 1 Association, Inc.

ARTICLE X

The Association shall be managed by its Board of Directors. The Board of Directors may appoint one or more committees with such power and authority as may be delegated in the Boards resolution establishing the Committee. The number of the first Board of Directors shall be three and the names and addresses of those who are to serve as the initial Board of Directors for the first term and until their successors are elected and qualified are:

<u>NAME</u>	<u>ADDRESS</u>
<u>John Kurdy</u>	<u>3700 Sycamore Dr., Boise, ID.</u>
<u>Larry B. Evans</u>	<u>9910 Skycliff, Boise, ID.</u>
<u>Brian Brastad</u>	<u>2750 Eastgate Dr., Boise, ID.</u>

The number of directors other than the initial Board of Directors shall be set by the By-laws.

IN WITNESS WHEREOF, We, the incorporators and named herein as the first Board of Directors, have set our hands and seals this

10th day of May, 1983.

Conrad B. Brown
Sam B. Brown
Owner of Lot 1,
Boise Holcomb Sub. #2

Owner of Lot 2,
Boise Holcomb Sub. #2

Owner of Lot 3,
Boise Holcomb Sub. #2

Sam B. Brown
Owner of Lot 4,
Boise Holcomb Sub. #2

Owner of Lot 5,
Boise Holcomb Sub. #2

Harold D. Howard
Owner of Lot 7,
Boise Holcomb Sub. #2

Owner of Lot 9,
Boise Holcomb Sub. #2

Maria R. Portugal
Owner of Lot 6,
Boise Holcomb Sub. #2

David D. Daprem
Owner of Lot 8,
Boise Holcomb Sub. #2

Simone L. Sore
Owner of Lot 10,
Boise Holcomb Sub. #2

Owner of Lot 11,
Boise Holcomb Sub. #2

Diana J. Engmark
Earl Engmark
Owner of Lot 26,
Boise Holcomb Sub. #2

Owner of Lot 25
Boise Holcomb Sub. #2

Star H. Eychison
Gayle Eychison
Owner of Lot 27
Boise Holcomb Sub. #2

BOISE HOLCOMB, INC.

Owner of Lot 28
Boise Holcomb Sub. #2

Attest:

By _____
Its President Secretary
Owner of Lots
Boise Holcomb Sub. #2

Owner of Lot 29, Boise Holcomb #2

STATE OF IDAHO)
) ss.
County of Ada)

On this _____ day of _____, 1983, before me, the undersigned, a Notary Public in and for said County and State, personally appeared _____, known to me to be the person whose name is subscribed to the foregoing instrument and who acknowledged to me that we executed the same.

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

Notary Public for State of Idaho
Residing at:

Owner of Lot 5,
Boise Holcomb Sub. #2

Tennett P. Howard
Owner of Lot 7,
Boise Holcomb Sub. #2
Tennett P. Howard
x Kirk J. Anderson
Owner of Lot 9,
Boise Holcomb Sub. #2

Owner of Lot 11,
Boise Holcomb Sub. #2

Diana J. Engmark
Earl Engmark
Owner of Lot 26
Boise Holcomb Sub. #2

Owner of Lot 28
Boise Holcomb Sub. #2

Owner of Lot 29, Boise Holcomb #2

Maria R. Portezal
David J. Johnson
Owner of Lot 6,
Boise Holcomb Sub. #2

David J. Johnson
Owner of Lot 8,
Boise Holcomb Sub. #2

Samuel S. [unclear]
Owner of Lot 10,
Boise Holcomb Sub. #2

Owner of Lot 25
Boise Holcomb Sub. #2

Owner of Lot 27
Boise Holcomb Sub. #2

BOISE HOLCOMB, INC.

Attest:
By H. H. Watkins Its President
Barry Marcus Secretary
Owner of Lots 2, 3, 5, 11, 25, 27, 28, 29
Boise Holcomb Sub. #2

STATE OF IDAHO)
) ss.
County of Ada)

On this _____ day of _____, 1983, before me, the undersigned, a Notary Public in and for said County and State, personally appeared _____, known to me to be the person whose name is subscribed to the foregoing instrument and who acknowledged to me that we executed the same.

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

Notary Public for State of Idaho
Residing at:

STATE OF IDAHO)
) ss
County of Ada)

On this 4th day of November, 1983, before me, the undersigned, a Notary Public in and for said County and State, personally appeared KIRK ANDERSON, known to me to be one of the partners in the partnership of Property Investment Group and the partner or one of the partners who subscribed said partnership name to the foregoing instrument, and acknowledged to me that he executed the same in said partnership name.

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

(SEAL)

Anita Biagg
Notary Public for Idaho
Residing at Boise, Idaho