

State of Idaho

Department of State

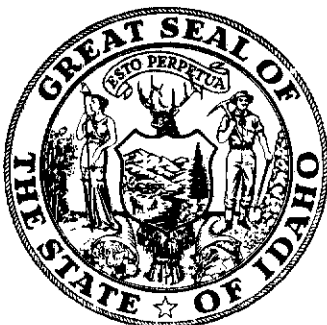
CERTIFICATE OF INCORPORATION OF

SUNCREST HEIGHTS WATER USERS' ASSOCIATION, INC.
File number C 119450

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 SUNCREST HEIGHTS 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 9, 1997



Pete T. Cenarrusa
SECRETARY OF STATE

By *Louisa Herold*

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SECRETARY OF STATE
STATE OF IDAHO

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SECRETARY OF STATE
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SECRETARY OF STATE
STATE OF IDAHO

ARTICLES OF INCORPORATION
OF
SUNCREST HEIGHTS WATER USERS' ASSOCIATION, INC.

KNOW ALL MEN BY THESE PRESENTS: That we, the undersigned persons, all of whom are citizens of the United States of America and of full age, have this day voluntarily associated ourselves together for the purpose of forming a non-profit corporation without capital stock, under and pursuant to Chapter 10, Title 30 of the Idaho Code, and we do hereby make, acknowledge and declare the following to be our articles of incorporation.

ARTICLE I

The name of this corporation shall be SUNCREST HEIGHTS WATER USERS' ASSOCIATION, INC.

ARTICLE II

This corporation is a non-profit corporation and shall have no capital stock; and no dividends or pecuniary profits shall be declared to the members thereof.

ARTICLE III

The objects and purposes for which this corporation is formed are as follows:

IDAHO SECRETARY OF STATE
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1. To acquire and own real estate and personal property, including water rights, water lines, mains, easements, pumps, pumping fixtures and equipment, water licenses and permits, franchises and any other property item or effect that may become instrumental for the purposes of which the corporation is organized.

2. To supervise, manage, distribute, control and supply water to the members of the corporation, and to acquire, maintain, control, expand, improve and repair water sources and systems and conduct all business necessary or instrumental to the same.

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

4. To perform any lawful act necessary to the acquisition, ownership, maintenance, and expansion of a water system or systems, and the distribution of water.

5. To examine any ditch, piping or conduit through which water is distributed to members of the Association and make an estimate as to the cost of the necessary repairs and improvements thereon and the maintenance thereof for the succeeding season, which costs and charges shall be assessed prorata to each member in the manner described below in Article VII. The improvement, repair and maintenance of any such piping, lateral or distributing ditch, including the underground line running from Pat Lane along Kimball Avenue to the Suncrest Heights Subdivision, shall be the responsibility of the Association and shall be under the

direction of the directors of the Association. No such improvement, repair or maintenance shall be performed on any piping, lateral or distributing ditch on any right of way owned by the Canyon Highway District without prior approval and permit granted by the Canyon Highway District, except on an emergency basis, such as damage to the right of way or to restore the supply of water to the members.

ARTICLE IV

The location and post office address of the registered office and principal place of business of said corporation shall be Mills & Company Realty, 901 West Main, Middleton, Idaho 83644. The registered agent at said address shall be Alan Mills.

ARTICLE V

The duration of this corporation shall be perpetual.

ARTICLE VI

Each owner of Lots 3, 4 and 5 of Block 1, and Lots 4 and 5 of Block 2 of Suncrest Heights Subdivision in Canyon County, Idaho, or any other lot served by the water system or systems of the corporation shall be eligible for membership in the corporation. Such membership shall at all times be identified with the owner of the improved property or improved properties and no membership shall be subject or conditioned upon approval of the Board of Directors or other members. There shall be one voting right for each improved property served

by the system and owned by the members, whether owned in community, jointly or separately. Voting rights and membership and continuation thereof shall be dependent upon the ownership of an improved property served by a water system of the corporation and there can be no expulsion of a member or cancellation of voting rights of such member so long as he is so qualified.

Voting may be by proxy in writing, dated and signed by a member; provided, however, no such proxy shall be valid beyond eleven (11) months after its execution, nor binding upon a transferee of any improved property from the person executing such proxy.

ARTICLE VII

Assessments and charges of the corporation shall be made as to each improved property owned by a member and in the event of the failure of a member to pay assessments and charges, the corporation may suspend water service to such improved property during the time any assessment or charge is unpaid following the due date thereof. Upon payment of a delinquent assessment or charge, together with a reasonable charge for terminating and restoring services, services must be promptly restored.

Unpaid assessments or charges, including reasonable charges for terminating and restoring service if service has been terminated, must be paid by a transferee of a membership or a member acquiring another improved property, and unless so paid, service may be suspended or if suspended, such suspension shall continue as above provided.

ARTICLE VIII

Nothing in these Articles shall be construed as restricting the ownership of improved property and no provision shall be made in the by-laws of the corporation which shall so restrict ownership.

ARTICLE IX

The business of this Association shall be managed by a Board of Directors of not less than three nor more than nine directors, the number, qualification, terms of office, manner of election, powers and duties of such directors shall be such as may be prescribed by law, these articles and such by-laws as may from time to time be in force.

ARTICLE X

The following named persons shall serve as a Board of Directors until their successors are duly elected and qualified, to-wit:

HARMON JOHNSON

912 12th Avenue South, Ste. A
Nampa, Idaho 83686

ALAN MILLS

901 West Main
Middleton, Idaho 83644

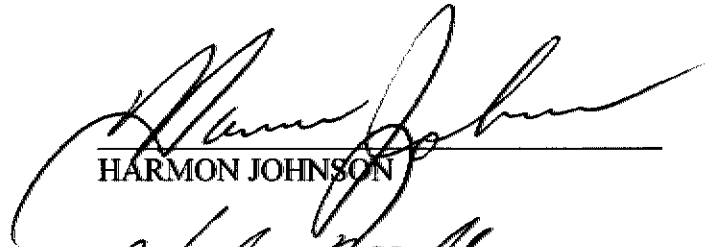
REED TAYLOR

1104 12th Avenue South
Nampa, Idaho 83651

ARTICLE XI

The Association may be dissolved by unanimous written consent or corporation resolution approved by not less than two-thirds (2/3) vote. Upon dissolution of the Association, other than incident to a merger or consolidation, the assets of the Association shall be dedicated to an appropriate public agency to be used for purposes similar to those for which this Association was created. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed and assigned to any non-profit corporation, association, trust or other organization to be devoted to such similar purposes.

IN WITNESS WHEREOF, the undersigned have set their hands and seals this ____ day
of March, 1997.



HARMON JOHNSON



ALAN MILLS



REED TAYLOR