

# State of Idaho

## Department of State

### CERTIFICATE OF INCORPORATION OF

SANCO, 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 the above named corporation, duly signed pursuant to the provisions of the Idaho Business 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: April 6, 1992



*Pete T. Cenarrusa*

SECRETARY OF STATE

By

*[Signature]*

RECEIVED  
SEC. OF STATE **ARTICLES OF INCORPORATION**

'92 APR 6 AM 11 39

OF  
**SANCO, INC.**

The undersigned incorporators, desiring to form a corporation pursuant to the provisions of the Idaho Business Corporation Act, adopt the following Articles of Incorporation:

**ARTICLE I:** The name of the corporation is **SANCO, INC.**

**ARTICLE II:** The purposes of the corporation are to construct, install, develop, manage, operate and to otherwise be engaged in the Business of one or more commercial and residential sewage disposal systems.

**ARTICLE III:** The period of duration of the corporation is perpetual.

**ARTICLE IV:** The address of the corporation's initial registered office in the State of Idaho is 4405 Loop Road, Cocolala, Idaho 83813, and the name of its initial registered agent at such address is George Poor.

**ARTICLE V:** The aggregate number of shares the corporation shall have authority to issue is Fifty Thousand (50,000). The total authorized number of shares shall be without par value. The corporation is authorized to issue only one class of stock. Stock shall be issued and transferable only to natural persons who are not non-resident aliens.

**ARTICLE VI:** The number of directors constituting the

initial board of directors is Two (2), and the names and addresses of the persons who are to serve as directors until the first annual meeting of the shareholders or until their successors are elected and qualified are:

<u>Name</u>	<u>Address</u>
GEORGE POOR	4405 Loop Road Cocollala, Id 83813
DONNA BRANDT	4405 Loop Road Cocollala, Id 83813

ARTICLE VII: The names and addresses of each incorporator are:

<u>Name</u>	<u>Address</u>
GEORGE POOR	4405 Loop Road Cocollala, Id 83813
DONNA BRANDT	4405 Loop Road Cocollala, Id 83813

ARTICLE VIII: In the event a stockholder desires to sell his shares of stock, he shall first give written notice of his intent to do so to the other stockholders. The notice must specify the price, the terms of payment, and any other conditions of sale or transfer. For one hundred eighty (180) days after receipt of notice, the other stockholders shall have the right to purchase the shares offered for sale by giving written notice thereof on the terms stated in the notice and at a price which is the lesser of the following:

- a. The price stated in the notice; or
- b. The price agreed upon by the selling and purchasing parties if an agreement can be reached; or
- c. In the event the parties cannot agree upon a pur-

chase price, the purchase price shall be determined by appraisal. The selling and purchasing parties shall bear the costs and expense of the appraisal equally.

If the value as determined through an independent appraisal is not satisfactory to either the selling or the purchasing party, the value of the shares to be purchased shall be determined by arbitration, as follows:

The purchasing party and the selling party shall each name an arbitrator. If the two arbitrators cannot agree on a value, they shall appoint a third arbitrator and a decision of the majority shall be binding upon all parties. Arbitration shall be in accordance with the rules of the American Arbitration Association, as such rules may be in effect at the time of arbitration, and as modified by the provisions of Idaho Code Section 7-901 et seq. The cost of arbitration shall be borne entirely by the party dissatisfied with the value as determined through independent appraisal.

The terms of payment of the purchase price shall be the terms agreed upon by the selling and purchasing parties, if an agreement can be reached. If the parties cannot agree, the purchase price shall be paid with twenty-five percent (25%) down in cash within ten days of the determination of the value of the shares to be purchased, and the balance shall be evidenced by a Promissory Note signed by the purchasing party. The note shall bear interest at a rate equal to the Federal Housing Authority rate of interest at the time of sale, and shall provide for

monthly payments of principal and interest over three years, commencing thirty days after payment of the down-payment. The note shall provide that in the case of default, at the election of the holder, the entire sum of the principal and interest will be immediately due and payable, and for the payment by the maker of reasonable attorney's fees to the holder in the event suit is commenced because of any default.

EXECUTED in duplicate on this 2 day of April, 1992.

*George E. Poor*  
GEORGE POOR

*Donna Brandt*  
DONNA BRANDT

STATE OF IDAHO                                 )  
  ) ss.  
County of Bonner                             )

This day personally appeared before me, the undersigned Notary Public, GEORGE POOR and DONNA BRANDT, known to me to be the persons whose signatures are subscribed to the within Articles of Incorporation, and acknowledged to me that they executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 2nd day of April, 1992.

*Catherine L. Dullea*  
Notary Public  
Residing at Sandpoint  
Comm. Exp. 11/9/93