



Department of State

**CERTIFICATE OF INCORPORATION
OF**

HOOLEY SPRINGS 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 HOOLEY SPRINGS
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 January 8, 19 88.



SECRETARY OF STATE

Corporation Clerk

ARTICLES OF INCORPORATION
OF
HOOLEY SPRINGS WATER USERS ASSOCIATION, INC.
A Nonprofit Corporation

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The undersigned, acting as incorporator of a corporation under the Idaho Business Corporation Act and under the Idaho Nonprofit Corporation Act, adopts the following Articles of Incorporation for such corporation.

ARTICLE I.

Name

The name of the corporation is Hooley Springs Water Users Association, Inc.

ARTICLE II.

A Nonprofit Corporation

This corporation is a nonprofit corporation as defined in the Idaho Nonprofit Corporation Act.

ARTICLE III.

Duration

The period of duration of this corporation is perpetual.

ARTICLE IV.

Purposes

The purpose or purposes for which this corporation is organized are: to engage in the business of construction, owning, maintaining and operating an agricultural stock watering system and any other activity which a nonprofit corporation may lawfully conduct in Idaho.

ARTICLE V.

Membership

The corporation shall have no capital stock nor issue any other evidence of ownership. Each member of the corporation shall have one vote in matters of corporate business and governance for each trough site owned by that member to which water is provided by the corporation. The initial number of such sites is _____ and may be increased by the Board of Directors upon admittance of any new members through expansion of the service area. New members may be admitted as provided in the Bylaws. A member may have any number of troughs he desires at each site, but each site must be specifically approved by the Board of Directors and only one vote shall be granted per site.

A. Membership Appurtenant to Land. Membership in the corporation shall be based upon ownership of land or an interest therein to which the corporation provides stock watering facilities and water, and to the owners of real property in any other tracts of real property as may from time to time be added to the service area of the corporation by the Board of Directors. Such membership shall be appurtenant to said real property and cannot be assigned nor transferred apart from the ownership of said property. New members of the corporation shall be subject to approval or disapproval by the Board of Directors or members as provided in the Bylaws other than a person who becomes a member by reason of acquisition of property to which rights have already become appurtenant through membership granted to the prior land owner.

The initial members shall be:

Jack Webster

Blaine Grover

Randy Grover

James Thomas

Bill Thomas

Dean Shenton

Jack McGary

Pat McGary

Arlo Grover

Bill Shively

Jim Shively

Kyle Stoddard

U. L. Grover & Sons

Medicine Lodge Grazing Association, Inc., an Idaho corporation

B. Water Rights. Each member shall have an equal right in and to the water, water rights, water storage facilities and other water rights, privileges or benefits of the corporation, without priority of use over any other member of the corporation.

C. Costs of Management and Operation. Costs of operating, managing and maintaining the business of the corporation shall be met by water rates and charges for the delivery of water to the members. Whenever the Board of Directors deems it advisable to fix rates and charges for water, said rates and charges shall be fixed by equitably pro-rating the cost of delivering water for that year among all members, which costs, in the discretion of the Board, may include items for depreciation and maintenance of pipelines and for readiness to deliver water. Said rates and charges may not include any profit margin for distribution to the members of the corporation. However, they may include items

calculated to allow the corporation, from time to time, to enlarge or improve the water system, or to meet such extraordinary expenses as may, from time to time, occur. All such rates and charges shall be fixed in the manner required by any applicable laws, Bylaws of the corporation and resolutions of the Board of Directors, all so as to preserve the private ownership of the water rights of the corporation and the delivering of its water as a nonprofit water corporation to its members. The initial assessment on members, until changed by the Board of Directors, shall be \$10.00 per trough site per year.

D. Nonpayment of Charges and Assessments. Members shall pay all assessments when due without any deduction on account of any other claim which the member may claim to have against the corporation. The amount of any assessment, together with the cost of collection of such assessment and interest as allowed by law shall be secured by a lien upon the real property to which such assessed membership is appurtenant. The Board of Directors may file in the Clark County Recorder's Office, as appropriate, a Notice of Assessment stating the amount of such assessment and all incurred or anticipated collection costs, a description of the real property against which it has been assessed and the name of the recorded owner thereof. When so filed, such assessment shall become a lien upon the real property to which the membership rights are appurtenant and may be foreclosed in like manner as a mortgage on the real property and as provided by Idaho law, except that such

lien shall be subject and subordinate to and shall not affect the rights of the holder of the indebtedness secured by any prior recorded mortgage. No amendment of the Articles of Incorporation may affect the rights of the holder of any such mortgage recorded prior to the effective date of any such amendment. Suspension of services and use of the facilities provided by the corporation shall be permitted for any period of time that charges or assessments due and owing the corporation from its members remain unpaid, after five days notice of delinquency is given to such delinquent member. Provided, that such suspension shall apply only to those members who have not paid and that upon payment in full of said charges and assessments there shall be a prompt restoration of service to said member. The corporation may refuse to transfer on its records any membership or right thereof while such charges and assessments remain unpaid by its holder, and it may suspend such member's privilege of voting in the corporation for the period such charges and assessments remain unpaid.

ARTICLE VII.

Initial Registered Office and Agent

The initial registered office of the corporation is in care of Jack Webster, Dubois, Idaho 83423. The name of the initial registered agent at said address is Jack Webster.

ARTICLE VIII.

Initial Board of Directors

The business and affairs of the corporation shall be managed and controlled by a Board of Directors. A director shall

be a member of the corporation. The initial Board of Directors shall consist of three (3) persons. However, the Bylaws of the corporation may provide for an increase or decrease in their number, provided that the number of directors shall not be greater than nine (9) nor less than three (3). The initial Board of Directors shall consist of the following persons who shall serve as directors until their successors are elected and qualify:


| <u>NAME</u> | <u>ADDRESS</u> |
|----------------------|----------------------------|
| Jack Webster | Dubois, Idaho 83423 |
| <u>James Thomas</u> | <u>Dubois, Idaho 83423</u> |
| <u>Blaine Grover</u> | <u>Dubois, Idaho 83423</u> |

ARTICLE IX.

Incorporator

The name and address of the incorporator is Jack Webster, Dubois, Idaho 83423.

IN WITNESS WHEREOF I have hereunto set my hand this 31st day of December, 1987.



 Jack Webster

STATE OF IDAHO)
 County of Bonneville) ss.

On this 5th day of January, 1988, before me, the undersigned, a Notary Public in and for the State of Idaho, personally appeared JACK WEBSTER, known to me to be the person whose name is subscribed to the foregoing 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.

(SEAL)

Scott A. Seligson
Notary Public for the State of Idaho
Residing at: Idaho Falls
My Commission Expires: 10-27-93

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