



CERTIFICATE OF INCORPORATION
OF

SKYLINE WATER CORPORATION

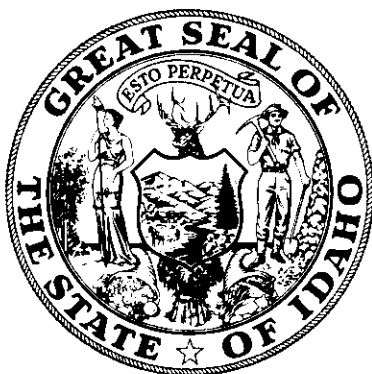
I, PETE T. CENARRUSA, Secretary of State of the State of Idaho, hereby certify that
duplicate originals of Articles of Incorporation for the incorporation of _____

SKYLINE WATER CORPORATION

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 February 6, 19 84.



SECRETARY OF STATE

Corporation Clerk

no 9 3 1 11 30
ARTICLES OF INCORPORATION

OF

SKYLINE WATER CORPORATION

KNOW ALL MEN BY THESE PRESENTS: That we, the undersigned, being natural persons of full age and citizens of the United States of America, in order to form a non-profit corporation for the purposes hereinafter stated, pursuant to the laws of the State of Idaho, do hereby certify as follows:

ARTICLE I

Name

The name of the non-profit corporation shall be "SKYLINE WATER CORPORATION".

ARTICLE II

Registered Office

The location and post office address of the registered office of the corporation shall be 3609 Skyline Drive, Nampa, Idaho 83651.

ARTICLE III

Registered Agent

The name of the registered agent of the corporation is Ernest M. Steelsmith.

ARTICLE IV

Duration

The corporation shall have perpetual existence.

ARTICLE V

Corporate Purposes

The purposes for which said corporation is formed are:

1. To maintain and preserve a water well, together with the distribution system of that water, for domestic and culinary uses, including limited irrigation purposes, and for the providing of domestic, culinary and limited irrigation waters to adjacent real properties.

2. To buy, own, sell, encumber, lease or rent real, personal or mixed property, including water rights, water lines, mains, easements, pumps, pumping fixtures and equipment, water licenses and permits, and franchises, as may be necessary to carry out the purposes and objects of the corporation; provided that the corporation will not incur any indebtedness without first obtaining a two-thirds (2/3) majority vote in the affirmative of the membership present at any such meeting called that purpose.

3. To enter into contracts or obligations of any type or kind which are essential, necessary, desirable or proper to the transaction of the ordinary affairs and purposes of the corporation and to borrow money and otherwise incur indebtedness, without limit as to amount, and whether secured or unsecured, to the extent permitted by law of the State of Idaho; provided that the corporation will not incur any indebtedness without first obtaining a two-thirds (2/3) majority vote in the affirmative of the membership present at any such meeting called that purpose.

4. To encourage the conservation of water by members of the corporation by means of the cooperative efforts of the members of the corporation, and to promote the efficient use of water by the members.

5. To provide for the members of this corporation a stable and continuing supply of water for the domestic use and uses of the members thereof.

And for these purposes the corporation shall have authority:

(a) 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;

(b) To lease and use real and personal property incidental and necessary to the operation of a water system and to enter into any and all contracts that may become necessary to the carrying out of the purposes aforesaid; provided that the corporation will not incur any indebtedness without first obtaining a two-thirds (2/3) majority vote in the affirmative of the membership present at any such meeting called that purpose;

(c) To buy, sell, own, lease and improve real estate incidental and necessary to the operation of the water system which may be required or determined necessary and convenient for the purpose of carrying on any of the objectives of the corporation; provided that the corporation will not incur any indebtedness without first obtaining a two-thirds (2/3) majority vote in the affirmative of the membership present at any such meeting called that purpose;

(d) To buy, sell, and deliver all goods, wares, merchandise, and own all kinds of equipment, apparatus and appliances, reasonably related to and required by the principal business of this corporation; provided that the corporation will not incur any indebtedness without first obtaining a two-thirds (2/3) majority vote in the affirmative of the membership present at any such meeting called that purpose;

(e) To perform any lawful act necessary to the acquisition, ownership, maintenance and expansion of water system or systems, and the distribution of water, and any other lawful act necessary or advisable in the furtherance of the corporation.

ARTICLE VI

Membership

The rights of membership shall extend to a limited number of owners of improved properties adjacent to the domestic water well in the County of Canyon, State of Idaho served by the water system or systems of this corporation; such membership to depend solely upon ownership of said improved properties, and such membership shall be identified with the ownership of said improved properties, and shall not be subject to the approval of the Board of Directors or other members. The rights and interests of all members shall be equal. The present owners of improved properties and entitled to the joint use of the water well shall be immediately entitled to receive one (1) membership certificate as provided hereinafter. Upon the sale or transfer by the owners of any real properties entitled to utilize water from the domestic water well, such membership certificates shall be transferred to the new owner, or purchasing owner, and the new owner shall be fully entitled to all benefits, rights, duties and obligations as the certificate holder.

ARTICLE VII

Membership Certificates

Each member hereof shall receive and hold a certificate for that improved property which he, she or they hold, and such certificate shall entitle the holder thereof to utilize the water well, and the holder of such certificate shall have one (1) vote per each improved property owned by him, her or them; each member is entitled to one (1) vote for each certificate he, she or they own. An improved property shall be defined as each separate tract

upon which a dwelling unit is constructed or being constructed.

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

ARTICLE VIII

Assessments And Charges

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 due date thereof. In the event any member fails to pay the assessments and charges as may be provided by these Articles of Incorporation and By-Laws duly adopted by members of the corporation, within a reasonable time period after demand is made for such payment, the improved real property which has been provided water service under the terms and conditions of these Articles shall be subject to a lien on said real property for the purpose of securing the payment of said water charges and assessments.

Upon payment of any delinquent assessment or charge, together with a reasonable charge for terminating and restoring service, water service 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 prop-

erty, and unless so paid, service may be suspended or if suspended, such suspension shall continue as above provided.

ARTICLE IX

Incorporators

The names and post office addresses of the incorporators herein are as follows:

<u>NAME</u>	<u>POST OFFICE ADDRESS</u>
Joe Schleh	3701 Skyline Dr. Nampa, Idaho 83651
Ernest M. Steelsmith	3609 Skyline Dr. Nampa, Idaho 83651
Dennis Labrum	3717 Sunny Ridge Rd. Nampa, Idaho 83651
Keith Morris	3725 Sunny Ridge Rd. Nampa, Idaho 83651
Ray James	3721 Skyline Dr. Nampa, Idaho 83651

ARTICLE X

Directors

The business of the corporation shall be managed by a Board of Directors consisting of at least three (3) but not more than nine (9) directors. This number of directors may be increased or decreased by proper amendment to the By-Laws. The names and post office addresses of the initial directors named by the incorporators are as follows:

<u>NAME</u>	<u>POST OFFICE ADDRESS</u>
Joe Schleh	3701 Skyline Dr. Nampa, Idaho 83651
Ernest M. Steelsmith	3609 Skyline Dr. Nampa, Idaho 83651
Dennis Labrum	3717 Sunny Ridge Rd. Nampa, Idaho 83651
Keith Morris	3725 Sunny Ridge Rd. Nampa, Idaho 83651
Ray James	3721 Skyline Dr. Nampa, Idaho 83651

The initial directors shall serve until the first election of directors.

ARTICLE XI

By-Laws

The Board of Directors, by a two-thirds (2/3) majority vote in the affirmative of the membership present at any such meeting called for that purpose, shall have the power to adopt By-Laws not inconsistent with these Articles of Incorporation, and to repeal and amend By-Laws in a manner not inconsistent with these Articles of Incorporation. Provided, however, that such vote shall be conditioned upon the presence, at such meeting, of a quorum, which shall be a majority of the eligible votes through members and proxy.

ARTICLE XII

Director Conflict Or Interest

No contract or other transaction between the corporation or any other association or corporation (whether or not a majority of the shares of the capital stock of such other association or corporation is owned by the corporation, or its members) and no act of the corporation shall be in any way affected or invalidated by the fact that any of the directors of the corporation are pecunarily or otherwise interested in, or are directors or officers of such other association or corporation; any director individually, or any firm of which such director may be a member, may be a party to, or may be pecunarily or otherwise interested in, any contract or transaction of the corporation, provided that the fact he he or such firm is so interested shall be disclosed or shall have been known to the Board of Direct-

ors; and any director of the corporation who is also a director or officer of such other corporation or association, or who is so interested, may be counted in determining the existence of a quorum at any meeting of the Board of Directors of the corporation, which shall authorize such contract or transaction, with like force and effect as if he or she were not such director or officer of such other association or corporation or not so interested.

ARTICLE XIII

Non-Profit

The corporation is not organized for pecuniary profit nor shall it have power to issue certificates of stock or declare dividends, and no part of its collections shall inure to the benefit of any member, director, officer or individual; and this corporation is organized as a non-profit, cooperative corporation under the provisions of Chapter 3 of Title 30, Idaho Code, for the sole purpose of carrying on the purposes of the corporation set forth herein.

ARTICLE XIV

Dissolution

In the event of the voluntary or involuntary dissolution of the corporation for any reason, the remaining members of the Board of Directors last elected shall marshal the remaining assets of the corporation, pay all liabilities, and distribute the net balance, if any, to the certificate holders in proportion to the certificates then owned at the time of dissolutionment, and in no event shall any distribution of assets of the corporation be made to any officer or director of the corporation who is not a certificate holder, or to any former member of the corporation.

ARTICLE XV

Approval Required

The foregoing Articles of this corporation and this Article cannot be changed prior to three years from the date of incorporation without the approval of the Federal Housing Administration and thereafter the same may be changed only by an affirmative vote of two-thirds (2/3) of all eligible votes.

IN WITNESS WHEREOF, the undersigned incorporators and directors of the corporation have hereunder set their hands and seals this 3 day of February, 1984.

Joe Schleh
Joe Schleh
Ernest M. Steelsmith
Ernest M. Steelsmith
Dennis Labrum
Dennis Labrum
Keith Morris
Keith Morris
Ray James
Ray James

STATE OF IDAHO)
 : ss
County of Canyon)

On this 3 day of February, 1984, before me, the undersigned, a Notary Public in and for said State, personally appeared JOE SCHLEH, ERNEST M. STEELSMITH, DENNIS LABRUM, KEITH MORRIS, and RAY JAMES, 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 first above written.

(SEAL)

Jan Bouquet
Notary Public for Idaho