

State of Idaho

Department of State

CERTIFICATE OF INCORPORATION OF

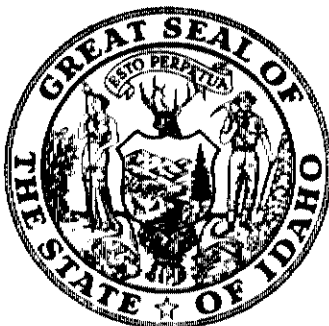
S & N ESTATES WATER CORPORATION

File number C 116768

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 S & N ESTATES 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: October 15, 1996



Pete T. Cenarrusa
SECRETARY OF STATE

By

[Signature]

ARTICLES OF INCORPORATION

OF

S & N ESTATES WATER CORPORATION

A Not For Profit Corporation

OCT 15 11 03 AM '96
SECRETARY OF STATE
STATE OF IDAHO

We the undersigned, hereby voluntarily associate ourselves to form a corporation under the laws of the State of Idaho. Such corporation shall be a mutual water company. We certify as follows:

FIRST: The name of the corporation shall be S & N Estates Water Corporation.

SECOND: This corporation is organized solely for the purpose of delivering culinary water to its stockholders and shall supply water to no one except its stockholders, and only on and for use on the real property hereinafter described. The corporation shall not sell, distribute, or lend water for profit.

For this purpose and in aid thereof, the corporation shall have power to acquire, develop and operate a permanent water supply; to dig, bore, drill and otherwise excavate wells and tunnels; to construct, acquire, and operate pumping plants, water storage and water distributing systems; to purchase, lease, or otherwise acquire and to own, hold, mortgage, pledge, sell and deal in real and personal property of all kinds; to erect buildings and plants; to lend and borrow money; to execute mortgages, deeds of trust and pledges of real and personal property; to subscribe for, purchase, or otherwise acquire, hold, own, pledge, sell, or otherwise dispose of stocks, bonds, collections, conveyances of indebtedness and securities owned by persons, firms,

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IDAHO SECRETARY OF STATE
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or other corporations; and to do all other necessary or convenient things to accomplish the purpose of this incorporation.

The actual cost of management and operation of the business of this corporation shall be met by water rates and charges for the delivery of water to stockholders receiving water throughout the year. Whenever the board of directors deems it advisable to fix rates and charges for water, such rates and charges shall be fixed by equitably prorating the cost of delivering water for that year to the stockholders of the corporation receiving water for that year, which actual cost, in the discretion of the board of directors, may include items for depreciation and for the maintenance and operation of pipelines and pumps and for readiness to deliver water. All such rates and charges shall be fixed in the manner required by law to preserve the private ownership of the water rights of the corporation and the delivery of its water as a mutual water company.

This corporation shall have a lien on its shares of stock for all assessments levied thereon, and shall have a lien on its shares of stock and the appurtenant land for all rates and charges for water furnished to the ownership or owners of shares of stock or persons holding under them. The corporation shall provide for the enforcement of all such liens and the sale of its shares of stock for failure to pay any assessments, rates, or charges, and shall not be required to transfer shares on its books, or to furnish water on account thereof, or to such shareholders or to any persons claiming under them, or to the land to which such shares may at the time be appurtenant, unless and until all assessments, rates and charges are paid, at the time and in the manner provided by these articles, the bylaws and the rules of this corporation. The officer of this corporation making any such sale where the shares sold are appurtenant to land is hereby

constituted the attorney-in-fact for such owner for the purpose and with the power to sever such shares from such land on such sale.

This corporation shall distribute water to its shareholders for use on those certain lands situated in the county of Bannock and more particularly described as follow:

S&N Estates Subdivision, a residential subdivision duly platted and recorded according to the laws of the State of Idaho and Bannock County.

The shares of capital stock of the corporation shall be appurtenant to any lands of the development.

THIRD: The place where the principal place of business of the corporation is to be transacted is 13413 North Moonglow Lane, Pocatello, Idaho 83202, or such other place as determined by corporate resolution.

FOURTH: The duration of the corporation is perpetual.

FIFTH: There shall be three (3) initial directors of the corporation. The names and residences of the directors who were appointed for the first year and to serve until the election and qualification of their successors are as follows:

Thayne C. Smedley
13413 North Moonglow Lane
Pocatello, Idaho 83202

JoAnn Hanners
13390 North Moonglow Lane
Pocatello, Idaho 83202

Richard D. Nelson
13032 North Moonglow Lane
Pocatello, Idaho 83202

The number of directors or officers shall be set forth in the by-laws.

SIXTH: The amount of the capital stock of the corporation shall be ten thousand dollars (\$10,000), divided into 10,000 shares of the par value of one dollar (\$1) each. The stock shall only be of one class, that being culinary water stock. Each lot shall receive one share of culinary water stock.

Each share of the culinary stock shall represent an equal right in and to the water of the corporation without priority of use over any other share. Each lot owner of S & N Estates and its addition shall be required to be a stockholder.

Each owner of stock shall be entitled to one (1) vote on matters affecting culinary water matters. The owners of shares, when they have paid the assessments and the water rates and charges due and payable on their shares, shall be entitled to have the water represented by their shares delivered at outlets on the pipelines of the corporation. The corporation shall not be required to install or extend distribution pipelines.

Where any shares of stock in this corporation shall be appurtenant to land and the land, shall be conveyed without excepting or reserving such shares, and the grantor of such land shall refuse to convey or transfer such shares to his grantee, the corporation may cancel the certificates of the grantor of such land and issue new certificates to his grantee. Such grantee shall then become the legal owner of the shares and shall be entitled to all the rights of a shareholder in this corporation.

SEVENTH: The registered agent shall be:

Thayne C. Smedley
13413 North Moonglow Lane
Pocatello, Idaho 83202

EIGHTH: The names and addresses of the initial board of directors shall be:

Thayne C. Smedley
13413 North Moonglow Lane
Pocatello, Idaho 83202

JoAnn Hanners
13390 North Moonglow Lane
Pocatello, Idaho 83202

Richard D. Nelson
13032 North Moonglow Lane
Pocatello, Idaho 83202

NINTH: The corporation shall be an Idaho nonprofit corporation.

TENTH: The names and addresses of the incorporators are as follows:

Thayne C. Smedley
13413 North Moonglow Lane
Pocatello, Idaho 83202

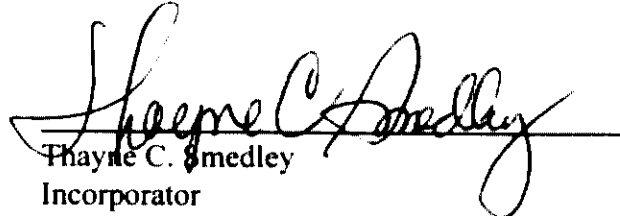
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Richard D. Nelson
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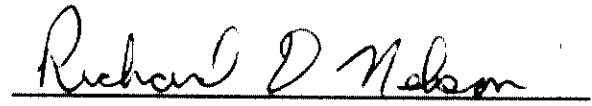
ELEVENTH: Distribution on Dissolution.

Upon dissolution of the Corporation, the Board of Directors shall, after paying or making provision for the payment of all liabilities of the Corporation, distribute all the assets of the Corporation consistent with the purpose of the Corporation (to such organization or organizations as shall at that time qualify as exempt organizations under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended from time to time, in such manner as the Board of Directors shall determine.) Any such assets not so distributed shall be distributed by the district court of the county in which the principal office of the Corporation is then located, exclusively for the purposes or to such organizations, as such court shall determine to be consistent with the purposes of the Corporation.

TWELFTH: Provisions for the regulation of the internal affairs of the Corporation shall be set forth in the Bylaws. The Board of Directors of the Corporation shall be authorized to amend the Corporation's Bylaws at a properly noticed special or regular meeting of the Board of Directors.


Thayne C. Medley
Incorporator


JoAnn Hanners
Incorporator


Richard D. Nelson
Incorporator

STATE OF IDAHO)
)ss
COUNTY OF BANNOCK)

On this 3rd day of ~~May~~ October, 1996, before me, the undersigned Notary Public in and for said County and State, personally appeared Thayne C. Smith, JoAnn Hanners, and Richard D. Nelson known to me to be the persons whose names are subscribed to the foregoing instrument and acknowledged to me that they executed the same.

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



Notary Public

Residing at: Tyler, Idaho

My Commission Expires: May 1999