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State of Idaho

Department of State

CERTIFICATE OF INCORPORATION OF

HAUSER RIDGE ESTATES UPPER WATER 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 HAUSER RIDGE ESTATES UPPER WATER 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: December 26, 1991



Pete T. Cenarrusa

SECRETARY OF STATE

Sheryl Dawkins

Corporation Clerk

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SECRET STATE
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ARTICLES OF INCORPORATION

OF

HAUSER RIDGE ESTATES UPPER WATER ASSOCIATION, INC.

KNOW ALL MEN BY THESE PRESENTS that we, the undersigned incorporators, all of whom are citizens of the United States and the State of Idaho and of legal age, have this day voluntarily associated ourselves together for the purpose of forming a non-profit corporation under the laws of the State of Idaho and do hereby make, acknowledge and declare the following to be our Articles of Incorporation:

ARTICLE I

The name of this corporation shall be:

HAUSER RIDGE ESTATES UPPER WATER ASSOCIATION, INC.

ARTICLE II.

This corporation shall be a non-profit corporation and shall have no capital stock. No dividends or pecuniary profits of the corporation shall be declared or paid to its members.

ARTICLE III

The duration of this corporation shall be perpetual.

ARTICLE IV

This corporation is formed for the objects and purposes of operating, maintaining, repairing and improving the upper water system in Hauser Ridge Estates. Hauser Ridge Estates is hereby defined to be those twenty-one (21), ten (10) acre parcels locate in Section 1, Township 51N, Range 6W, Boise Meridian, Kootenai County, Idaho, as shown by that certain record of survey recorded in Book 1 of Surveys, page 82, Instrument No. 791877, records of Kootenai County, Idaho, a copy of which is attached hereto and incorporated herein as Exhibit "A". The upper water system is hereby defined as the well, water pumps, water lines, reservoir and appurtenances which provide domestic water service to parcels 14,15,17,18,19,20, and 21 in Hauser Ridge Estates.

This corporation shall have the power to:

A. Acquire and own real estate and personal property including, but not necessarily limited to, water rights, licenses, and permits, water lines, water mains, pumps, pumping fixtures, reservoirs and related equipment, and easements and any other item that may become instrumental for the purposes for which the corporation is organized;

B. Supervise, manage, distribute, control and supply domestic 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;

C. Make assessments and charges to members for water and water system appurtenances furnished in connection therewith which assessments and charges shall be disbursed by the corporation only in payment for expenses of such water system and appurtenances including acquisition costs, and other expenses of the corporation;

D. Secure payment of assessments and charges by placing a lien upon the real property to which membership rights are appurtenant and collect the same by action; and

E. Perform any lawful act necessary to the acquisition, ownership, maintenance and expansion of the water system, distribution of water and any other lawful act necessary advisable in furtherance of the corporation.

ARTICLE V

The management of the affairs of this corporation shall be vested in its members pursuant to Idaho Code Section 30-314(c).

ARTICLE VI

The members of this corporation shall be the record owners of parcels 14,15,17,18,19, 20 and 21 in Hauser Ridge Estates, once those parcels are connected to the upper water system in Hauser Ridge Estates. This shall include any person or persons having fee simple title to any parcel, but shall exclude persons or entities having any interest merely as security for the performance of any obligation. If a parcel is sold under a Contract of Sale, which contract or notice thereof is recorded, the contract purchaser, rather than the fee owner shall be considered the owner and, therefore, the member. There shall be one (1) membership for each parcel connected to the upper water system, whether owned in community, jointly or separately. Each member shall have one (1) vote.

ARTICLE VII

A quorum for the conduct of any meeting of members shall be one-half (1/2) plus one (1) of the members. All matters regarding the maintenance, repair or improvement of the upper water system shall require approval by a two-thirds (2/3) majority of the members present at any meeting at which a quorum is present.

ARTICLE VIII

The members of the corporation may from time to time fix the amount and method of collection of assessments and charges to members of the corporation. In the event of the failure of a member to pay an assessment or charge, the corporation may, after notice, suspend water service to the parcel owned by the member. Upon payment of the delinquent assessment or charge, together with a reasonable charge for terminating and restoring service, if established by the members, water service must be promptly restored. In addition, the corporation may claim a lien against the real property owned by its members to secure payment of assessments and charges, and may file notice thereof with the Kootenai County Recorder, and may sue to collect the same.

ARTICLE IX

The street address of the initial registered office of the corporation is:

N. 10055 Mobbs Road, Post Falls, ID 83854

The name of the initial registered agent of the corporation is:

William H. Parker

ARTICLE X

The name and street address of the principal organizer of this corporation is:

Swank and McPoland, a partnership
P.O. Box 1138
Hayden Lake, ID 83835

ARTICLE XI

The name and street addresses of the incorporators of this corporation are:

William H. Parker
N. 10055 Mobbs Road
Post Falls, ID 83854

Susan Foutz
N. 10170 Hauser View Rd.
Post Falls, ID 83854

IN WITNESS WHEREOF: we, the undersigned, being the incorporators hereinabove mentioned, hereunto set our hands to duplicate originals hereof this 23 day of December, 1991.

William H. Parker

Susan Foutz
Susan Foutz

STATE OF IDAHO)
) ss.
County of Kootenai)

On this 23 day of December, 1991, before me, the undersigned Notary Public in and for said state, personally appeared William H. Parker, known or identified to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same.

WITNESS my hand and official seal

Paul L. Kroger

Notary Public for Idaho
Residing at: POST FALLS, ID
My commission expires: 12/02

STATE OF IDAHO)
) ss.
County of Kootenai)

On this 23 day of December, 1991, before me, the undersigned Notary Public in and for said state, personally appeared Susan Foutz, known or identified to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that she executed the same.

Witness my hand and official seal.

Paul R. Kroeger

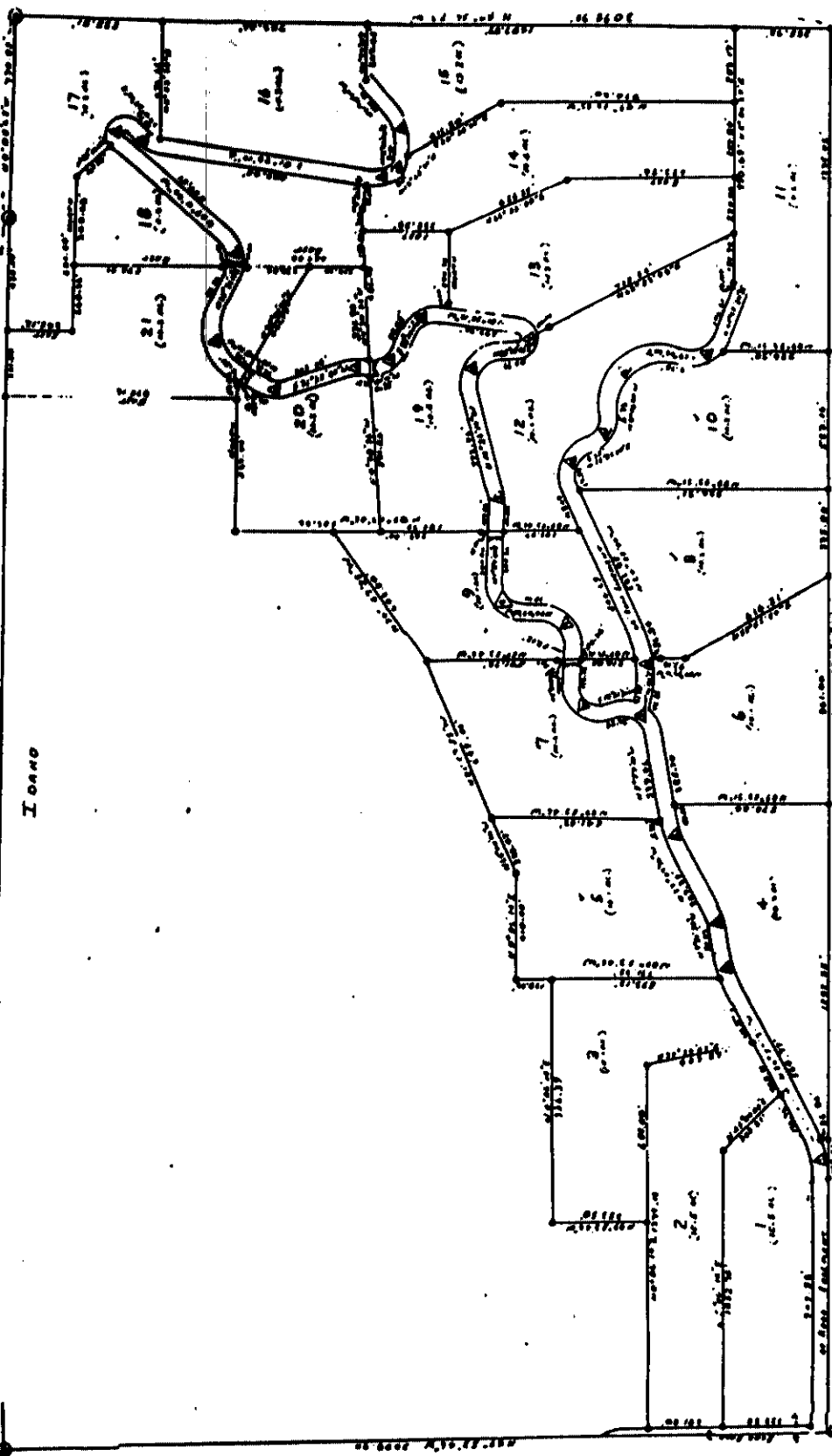
Notary Public for Idaho
Residing at: Post Falls, ID
My commission expires: 1/2/93



WASHINGTON

4000' 0" 0" 0" 0"

TOANO



NOTE: All numbers along the river are the same as the numbers on the map. The numbers on the map are the same as the numbers on the map.

- River Bank
- River Channel
- River Bank

Distances are shown on the map.