



**CERTIFICATE OF INCORPORATION
OF**

PONDEROSA HOME SITES WATER SYSTEM, 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: **June 05, 1991**



Pete T. Cenarrusa

SECRETARY OF STATE

by: *Elizabeth M. Galala*

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ARTICLES OF INCORPORATION

OF

PONDEROSA HOME SITES WATER SYSTEM, INC.

The undersigned have this day voluntarily joined together and, by these Articles of Incorporation, unite and associate ourselves together for the purpose of forming a nonprofit corporation under the laws of the State of Idaho, Section 30-301, et seq, Idaho Code, as follows:

I.

The name of this corporation shall be PONDEROSA HOME SITES WATER SYSTEM, INC.

II.

The corporation is a nonprofit corporation.

III.

The term for which this corporation shall exist shall be perpetual.

IV.

The name of the registered agent, and the street address and post office address of the registered office, of this corporation shall be Gerald Terhune, 6890 West Garfield Bay Road, Sagle, Bonner County, Idaho 83860.

V.

The objects and purposes for which this corporation is formed shall be and are exclusively nonprofit, such objects and purposes

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being:

(1) Supplying water for domestic and commercial purposes in or near the Ponderosa Home Sites subdivision, in order to serve a public use and promote the health, safety, prosperity, security and general welfare of the inhabitants in or near such subdivision.

(2) To receive from any and all available sources funds for the maintenance and operation of such activities.

(3) To hold title, legal or equitable, to property of any nature in trust for itself or for carrying out of any purpose incidental to its powers, and to sell or encumber any such property, real or personal.

(4) To solicit, receive and expend the proceeds of fees, donations, bequests and legacies for any purpose for which this corporation is formed.

(5) To enter into such contracts and to incur such obligations as are consistent with its powers, objects and purposes, but the private property of the officers, directors and members of the corporation shall be exempt from the debts of the corporation, and no officer, director or member shall be individually or collectively liable or responsible for any debts or liabilities of the corporation.

(6) It is intended that this corporation shall qualify as a nonprofit corporation under the laws of the State of Idaho.

(7) All of the properties and assets of this corporation

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shall be, and are, irrevocably dedicated to nonprofit purposes, and no part of the monies, properties or assets of this corporation, upon dissolution or otherwise, shall inure to the benefit of any private person or individual or any member of this corporation.

(8) Upon the dissolution of the corporation, the Board of Directors shall, after paying or making provision for the payment of all of the liabilities of the corporation, dispose of all of the assets of the corporation exclusively for the purposes of the corporation in such manner, or to such organization or organizations organized and operated exclusively for charitable, educational, or scientific purposes, and shall at the time qualify as an exempt organization or organizations under Section 501(c)(3) of the Internal Revenue Code of 1954 (or the corresponding provision of any future United States Internal Revenue Law), as the Board of Directors shall determine. Any of such assets not so disposed of shall be disposed of by the District Court of the County in which the principal office of the corporation is then located, exclusively for such purposes or to such organization or organizations as said Court shall determine, which are organized and operated exclusively for such purposes.

(9) It is the intention of the incorporators hereof that the foregoing clauses shall be construed both as objects and powers, and the foregoing enumeration of specific objects and powers shall not be construed to limit or restrict in any manner the

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powers of this corporation, but said corporation shall have the power to do all and everything necessary, suitable, convenient or proper for the accomplishment of its purposes, for the attainment of any one or more of its objects hereinabove enumerated or incidental to the purposes and objects hereinafter named, and which are permitted under the laws of the State of Idaho under which this corporation is organized, to the same extent and as fully as a natural person might or could do.

VI.

The governing body of this corporation shall be managed and conducted by a Board of Directors of not less than three (3) persons, the exact number of persons to serve on such Board to be specified in the bylaws.

VII.

The Board of Directors of this corporation may meet and transact the business hereof either at the principal place of business herein designated, or at such other place as may be designated by the Board of Directors.

VIII.

The bylaws of this corporation may be repealed, amended, altered, or new bylaws adopted at any annual meeting, or any special meeting of the members called for that purpose, by a vote representing not less than a majority of the members, or by the written consent, duly acknowledged, in the same manner as conveyances of real property are required to be acknowledged, of

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a majority of the members, which written consent may be in more than one instrument. Furthermore, the Board of Directors of this corporation shall have the power to repeal, amend and alter the bylaws of the corporation, and to adopt new bylaws, by vote of not less than a majority of the members of said Board of Directors; provided, that the Board of Directors shall not make or alter any bylaws fixing the conditions of membership, meetings of members, the qualifications, number, classification, term of office, manner of filling vacancies or compensation of members of the corporation or members of the Board.

IX.

Membership in this corporation shall be evidenced by a membership certificate. Each member shall be entitled to one vote on any matter calling for a vote of the members. Membership certificates may not be assigned without the prior written approval of the Board of Directors. Provisions for membership shall be prescribed in the bylaws.

X.

The names and addresses of the Directors constituting the initial Board of Directors are:

<u>NAME</u>	<u>ADDRESS</u>
Edwin L. Bell	6896 West Garfield Bay Road Sagle, Idaho 83860
Gerald Terhune	6890 West Garfield Bay Road Sagle, Idaho 83860.
Verl E. Thayer	57 Saddlebow Road Bell Canyon, California 91307

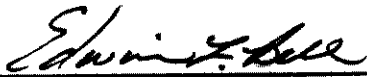
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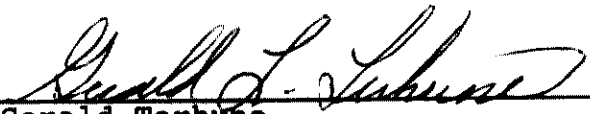
XI.

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

<u>NAME</u>	<u>ADDRESS</u>
Edwin L. Bell	6896 West Garfield Bay Road Sagle, Idaho 83860
Gerald Terhune	6890 West Garfield Bay Road Sagle, Idaho 83860

DATED: 6-3-1991, 1991.


Edwin L. Bell


Gerald Terhune

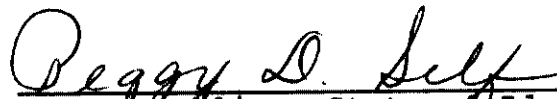
STATE OF IDAHO)

ss

County of Bonner)

On this 3 day of June, 1991, before me, the undersigned, a Notary Public in and for said State, personally appeared EDWIN L. BELL, known to me to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same.

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


Notary Public - State of Idaho
Residing at Sandpoint therein.
My commission expires: 7-30-93.

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STATE OF IDAHO)

ss

County of Bonner)

On this 3 day of June, 1991, before me, the undersigned, a Notary Public in and for said State, personally appeared GERALD TERHUNE, known to me to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same.

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

Peggy L. Self
Notary Public - State of Idaho
Residing at Sandpoint therein.
My commission expires: 7-30-93.