

State of Idaho

Department of State

CERTIFICATE OF INCORPORATION OF

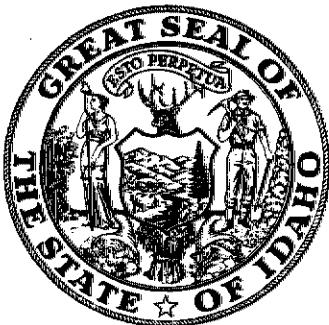
SEWER HOLDINGS IN TRIUMPH, INC.

File number C 116970

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 SEWER HOLDINGS IN TRIUMPH, 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: October 31, 1996



Pete T. Cenarrusa
SECRETARY OF STATE

By *Don Smock*

Oct 31 8 49 AM '96
SECRETARY OF STATE
STATE OF IDAHO

ARTICLES OF INCORPORATION
OF

Sewer Holdings In Triumph, Inc.

IDAHO SECRETARY OF STATE
DATE 10/31/1996 0900 36059
LIC # NO OK # CUST# 71978
INC NONP 30.00
30.00=

KNOW ALL MEN BY THESE PRESENTS: THAT WE, the undersigned, each being a natural person of full age, at least two thirds of whom are citizens of the United States of America, or its territories or possessions, do hereby voluntarily associate ourselves for the purpose of forming a private corporation under the laws of the State of Idaho, Idaho Code, Title 30, Chapter 3. We do hereby certify, declare and adopt the following Articles of Incorporation.

Article 1. The name of this corporation shall be:

Sewer Holdings In Triumph, Inc.

Article 2. This corporation shall have perpetual existence. However, in the event of dissolution of this corporation, all assets of the corporation shall be transferred to a like non-profit corporation for the benefit of the sewer users in Triumph.

Article 3. This corporation shall be a non-profit, membership corporation.

Article 4. The nature of the business and the object and purpose of this corporation shall be as follows:

- a. To form a corporation under Title 30, Chapter 3 of the Idaho Code, for the purpose of providing an association to which all users of the Sewer Holdings in Triumph sewer facilities, hereinafter referred to as "users", located in the non-incorporated town of Triumph, Blaine County, Idaho, shall belong for the purpose of maintaining and operating a sewer facility (hereinafter referred to as "Sewer Holdings in Triumph").
- b. To form an organization in which the rights, privileges, burdens, responsibilities and interests of property ownership of all users shall be based upon the property ownership of certain parcels of real property presently using the existing sewer facilities of Sewer Holdings in Triumph and any other property owners of parcels of real property that may hereafter become users of said existing sewer facilities. This corporation shall have all powers incidental to a corporate structure except as its powers are restricted in the Bylaws of this Corporation.
- c. To receive and accept, to take and to hold, directly or indirectly, by bequest, devise, gift, purchase or lease either absolutely or in trust any real or personal

property without limitation as to amount or value for any of the purposes and objectives set forth in these Articles of Incorporation.

- d. The corporation shall actively foster, promote and advance the interests of its members. It shall have the power to transfer or assign such duties, obligations or responsibilities to other persons or entities as may be permitted by the Idaho Corporation Law.
- e. The corporation shall have the power to levy regular or special assessments to fulfill the obligations and purposes set forth in these Articles of Incorporation.

2. In addition to the foregoing, where not inconsistent with the Laws of the State of Idaho and in particular Title 30, Chapter 3, the corporation shall have the following powers:

- a. The authority set forth in Title 30 of the Idaho Code relating to the organization and conduct of general business corporations.

- b. To buy, sell, acquire, hold or mortgage, or enter into security agreements, pledge, lease, assign, transfer, trade and deal with all kinds of personal property, goods, wares and merchandise of every kind, nature and description.

- c. To buy, sell, lease, let, mortgage, exchange or otherwise acquire or dispose of lands, lots, houses, buildings, and real property, hereditaments and appurtenances of all kinds and wheresoever situated, and of any interest and rights therein, to the same extent as natural persons might or could do, and without limit as to amount.

- d. To borrow money, to draw, make, accept, enforce, transfer and execute promissory notes, debentures and other evidences of indebtedness, and for the purpose of securing any of its obligations or contracts, to convey, transfer, assign, deliver, mortgage and/or pledge all or any part of the property or assets, real or personal, at any time owned or held by this corporation.

- e. To have one or more officers to carry on all or any art of its operations and business, and to do all any everything necessary, suitable, convenient or proper for the accomplishment of any of the purposes, or the attainment of any one or more of the objects herein named, or which shall at any time appear conducive or expedient for the protection or benefit of the Association, and which now or hereafter may be authorized by law, and this to the same extent and as fully as natural persons might or could do, as principals, agents, contractors, trustees or otherwise, and either alone or in connection with any firm, person, association or corporation.

- f. The foregoing clauses are to be construed both as objects and powers. As hereby expressly provided, and enumeration herein of the objects, powers and purposes

shall not be held to restrict in any manner the general powers of the corporation. The corporation shall have the power to do all acts that are necessary and convenient to obtain the objects and purposes herein set forth to the same extent and as fully as any natural person could or might do, within the framework of these Articles of Incorporation, and the general corporation laws of the State of Idaho.

Article V. In no event shall any income or assets of the corporation be distributed to or inure to the benefit of any member, director or officer hereof, either directly or indirectly, other than bona fide expenses in carrying out the instructions and directions of the Board of Directors and the officers in order to accomplish and achieve the purposes and objectives of the corporation.

Article VI. The registered agent and the address of the registered office for service of process is: Gordon K. Willaims, Triumph Hotel, 563 E. Fork Rd., (Triumph) Hailey, ID 83333; mailing address: P.O. Box 487, Ketchum, ID 83340.

Article VII. 1. The corporation shall not issue any capital stock, but may issue membership certificates to each user hereof under the terms and conditions hereinafter set forth. Each User proposed for the Sewer Holdings in Triumph sewer facilities by virtue of being a property owner of a parcel of real property presently using said sewer facilities and for so long as he or she is such a property owner, and any property owners of parcels of real property that may hereafter be accepted as a user of said sewer facilities, shall be deemed a member of the Association. The association membership of each property owner shall be appurtenant to said parcel of real property and shall not be transferred, pledged or alienated in any way except upon the transfer of title to said parcel of real property, and then only to the transferee of title to said real property. Any attempt to make a prohibited transfer shall be void. Any transfer of title to said real property shall operate automatically to transfer said membership to the new property owner/user.

2. There shall be one class of membership designated as Class A membership. Class A members shall originally be all property owners of parcels of real property now using the existing sewer facilities of Sewer Holdings in Triumph, and shall be entitled to one vote for each parcel of real property owned. The property owner of each parcel of real property may, by notice to the Association, designate a person (who need not be the property owner/user) to exercise the vote for such User. Said designation shall be revocable at any time by notice to the Association by the property owner/user. Such powers of designation and revocation may be exercised by the guardian of a property owner's estate or by his or her conservator, or in the case of a minor having no guardian, by the parent entitled to his or her custody, or during the administration of a property owner's estate, by his or her executor or administrator where the latter's interest in said property is subject to administration in his estate.

3. In any election of members of the Board, every Property owner entitled to vote at such an election shall have the right to cumulate his votes and give one candidate, or

divide among any number of candidates, a number of votes equal to the number of votes to which that Property owner is entitled in voting upon other matters multiplied by the number of directors to be elected. The candidates receiving the highest number of votes, up to the number of the Board members to be elected, shall be deemed elected. Any Member of the Board of Directors may be removed from office by a vote of a majority of the members entitled to vote at an election of directors; provided, however, that unless the entire Board is removed, an individual director shall not be removed if the number of votes cast against his removal exceeds the quotient arrived at when the total number of votes cast is divided by one plus the authorized number of directors. If any or all directors are so removed, new directors may be elected at the same meeting.

4. **Suspension of Voting Rights:** There shall be no violation of the Rules once adopted by the Board after Notice and Hearing. If any property owner/user, his family, or any licensee, lessee or invitee violates the Rules, the Board may impose a special assessment upon such person of not more than Fifty Dollars (\$50.00) for each violation and if such violation continues after notice thereof to such property owner/user, up to Fifty Dollars (\$50.00) per week, and/or may suspend the right of such person to use the sewer facilities, under such conditions as the Board may specify, for a period not to exceed ninety (90) days for each violation. Before invoking any such assessment or suspension, the Board shall give such person Notice and Hearing. Any assessment imposed hereunder which remains unpaid for a period of ten (10) days or more, shall become a lien upon the property owner's parcel of real property benefiting from the sewer facilities upon its inclusion in a notice of assessment.

5. This Article (Article VII) shall not be amended without the vote or written consent of the Property owners of not less than eighty (80) percent of the combined number of property owner/users.

Article VIII. Each user shall be liable for payment of all regular and special assessments provided for in the Annual Budget for operating and maintaining the sewer facilities and for payment and discharge of the liabilities of the corporation as provided for in these Articles or as set forth in the Bylaws, or Rules and Regulations of the corporation.

Article IX. Except as provided in Article VII of these Articles and as provided in the By-Laws, the By-Laws of this corporation may be altered, amended or new By-Laws adopted at any regular or any special meeting of the corporation called for that purpose by the affirmative vote of two-thirds (2/3) of the votes entitled to be cast by the members present at such meeting.

Article X. For the purpose of specifying in detail the rights, responsibilities, duties and obligations of the Board of Directors, the officers, or other employees and agents of the Association and the members thereof, including the obligation of the members for payment of assessments, the By-Laws shall be the governing document.

Article XII. The names and post office addresses of the incorporators are as follows the initial Board of Directors named by the incorporators to serve until the first election of Directors are as follows:

NAME	ADDRESS
Gordon K. Williams	P.O. Box 487, Ketchum, ID 83340
Craig Meyers	P.O. Box 1297, Hailey, ID 83333
Wendy Collins	Star Route, Triumph, Hailey, ID 83333

EXECUTED IN TRIPLICATE this 22ND day of OCTOBER, 1996.

King & Sons of London.

Jordan K. Williams

STATE OF IDAHO)
) ss:
COUNTY OF BLAINE)

On this 22 day of Oct, 1994, before me, a Notary Public in and for the State of Idaho, County of Blaine, personally appeared Gordon K. Williams, known to me to be the persons whose names are subscribed to the foregoing Articles of Incorporation of Sewer Holdings in Triumph, Inc., and acknowledged to me that he executed the same.

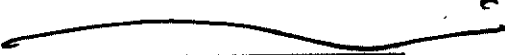
Given under my hand and seal, the same day and year in this certificate first above written.

Notary Public in and for the State of Idaho
Residing: NAILEY
Commission expires: 12.

STATE OF IDAHO)
) ss:
COUNTY OF BLAINE)

On this 22 day of OCT, 1994, before me, a Notary Public in and for the State of Idaho, County of Blaine, personally appeared Craig Meyers, known to me to be the persons whose names are subscribed to the foregoing Articles of Incorporation of Sewer Holdings in Triumph, Inc., and acknowledged to me that he executed the same.


Given under my hand and seal, the same day and year in this certificate first above written.


Notary Public in and for the State of Idaho
Residing: HAILO
Commission expires: 12/1

STATE OF IDAHO)
) ss:
COUNTY OF BLAINE)

On this 22 day of OCT, 1994, before me, a Notary Public in and for the State of Idaho, County of Blaine, personally appeared Wendy Collins, known to me to be the persons whose names are subscribed to the foregoing Articles of Incorporation of Sewer Holdings in Triumph, Inc., and acknowledged to me that he executed the same.

Given under my hand and seal, the same day and year in this certificate first above written.


Notary Public in and for the State of Idaho
Residing: HAILO
Commission expires: 12/1