

State of Idaho

Department of State

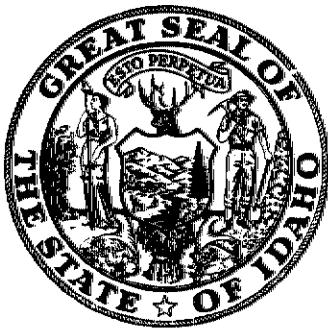
CERTIFICATE OF INCORPORATION OF

SIERRA WATER CORPORATION
File number C 110188

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 SIERRA 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: April 10, 1995



Pete T. Cenarrusa
SECRETARY OF STATE

By *Sherry DeWitt*

APR 10 3 01 PM '95
SECRETARY OF STATE

**ARTICLES OF INCORPORATION
OF
SIERRA WATER CORPORATION**

The undersigned, acting as the incorporators ~~of~~ ^{of} the corporation, under the Idaho Nonprofit Corporation Act, adopt the following Articles of Incorporation for such corporation.

FIRST: The name of this corporation is SIERRA WATER CORPORATION.

SECOND: The period of its duration shall be perpetual.

THIRD: The purpose or purposes for which the corporation is organized are to deliver water for domestic household uses and irrigation of lawns and gardens to its members. The members shall comprise the owners of Lots 1 through 20, inclusive, of SIERRA SUBDIVISION NUMBER 1, according to the plat thereof on file and of record in Book 28 of Plats at Pages 1765 and 1766, Instrument No. 826724, records of the Ada County Recorder, Ada County, Idaho together with the following three parcels of real property more particularly described below:

Parcel A

A portion of the southwest quarter of Section 8, T. 4 N., R. 1 E., B.M., Ada County, Idaho more particularly described as follows:

Commencing at the southwest corner of said Section 8,
Thence N 88°44'00" E, along the southerly
boundary of said Section 8, a distance of
1331.83 feet to a point being the
southeast corner of Lot 12 of SIERRA
SUBDIVISION NUMBER 1, according to the
plat thereof, filed in Book 28 of Plats at
Page 1765, records of Ada County, Idaho,
Thence N 00°15'00" W along the extended
easterly boundary of said SIERRA

SUBDIVISION NUMBER 1, a distance of 1170.24 feet to a point,
Thence N 89°45'39" W a distance of 106.00 feet to a point, said point being the real point of beginning,
Thence N 00°15'00" W a distance of 119.85 feet to a point on the south boundary of state highway No. 44,
Thence westerly along the southerly boundary of State Highway No. 44, on a curve to the left with a length of 80.15 feet, radius of 22798.31 feet, central angle of 0°12'05" and a long chord bearing and distance of N 89°39'25" W a distance of 80.15 feet to a point being the intersection of the south boundary of said State Highway No. 44, and the east boundary of Riverview Street,
Thence S 00°15'00" E along the easterly boundary of Riverview Street a distance of 120.00 feet to a point,
Thence S 89°45'39" E a distance of 80.15 feet to a point being the real point of beginning.

Parcel B

A portion of the Southwest quarter of Section 8, T. 4 N., R. 1 E., B.M., Ada County, Idaho, more particularly described as follows:

Commencing at a point, said point being the Northeast corner of Lot 20 of SIERRA SUBDIVISION NO. 1, as platted in Ada County Records in Book 28 at Page 1765, also said point being the Real Point of Beginning;

Thence N 89°45'39" W, along the northerly boundary of said Lot 20, 186.15 feet to a point being the northwest corner of said Lot 20;

Thence N 0°15'00" W, along the easterly boundary of Riverview Street, 80.00 feet to a point;

Thence S 89°45'39" E, parallel to the northerly boundary of said Lot 20, 186.15 feet to a point;

Thence S 0°15'00" E, parallel to the easterly boundary of said Riverview Street, 80.00 feet to a point, being the Real Point of Beginning.

EXCEPT therefrom the following described property:

A portion of the southwest quarter of Section 8, T. 4 N., R. 1 E., B.M., Ada County, Idaho, more particularly described as follows:

Commencing at the northeast corner of Lot 20 of SIERRA SUBDIVISION NO. 1 according to the plat thereof, filed in Book 28 at Page 1765, Official Records of Ada County, Idaho;

Thence N 00°15'00" W along the extended easterly boundary of said SIERRA SUBDIVISION NO. 1, 70.00 feet to a point, the Real Point of Beginning;
Thence N 89°45'39" W, 106.00 feet;
Thence N 0°15'00" W, 10.00 feet;
Thence S 89°45'39" E, 106.00 feet;
Thence S 0°15'00" E, 10.00 feet to the Real Point of Beginning.

Parcel C

Part 1 of Parcel C

A portion of the southwest quarter of Section 8, T. 4 N., R. 1 E., B.M., Ada County, Idaho, more particularly described as follows:

Commencing at the southwest corner of said Section 8;

Thence N 88°44'00" E, along the southerly boundary of said Section 8, 1331.83 feet to a point being the southeast corner of Lot 12 of SIERRA SUBDIVISION NO. 1, according to the official plat thereof, filed in Book 28 at Page 1765, Records of Ada County, Idaho;

Thence N 00°15'00" W, along the extended easterly boundary of said SIERRA SUBDIVISION NO. 1, 1170.24; feet to a point, said point being the Real Point of Beginning;

Thence N 00°15'00" W, along the extended easterly boundary of said SIERRA SUBDIVISION NO. 1, 119.23 feet to a point on the southerly boundary of State Highway 44,

Thence westerly along the southerly boundary of State Highway 44 on a curve to the left with a length of 106.00 feet, radius of 22798.31 feet, central angle of 0°15'59" and a long chord bearing a distance of N 89°25'21" W 106.00 feet to a point;

Thence S 00°15'00" E 119.85 feet to a point;
Thence S 89°45'39" E 106.00 feet to a point being the Real Point of Beginning; and

Part 2 of Parcel C

A portion of the southwest quarter of Section 8, T. 4 N., R. 1 E., B.M., Ada County, Idaho, more particularly described as follows:

Commencing at the northeast corner of Lot 20 of SIERRA SUBDIVISION NO. 1 according to the plat thereof, filed in Book 28 at Page 1765, Official Records of Ada County, Idaho;

Thence N 00°15'00" W along the extended easterly boundary of said SIERRA SUBDIVISION NO. 1, 70.00 feet to a point, the Real Point of Beginning;
Thence N 89°45'39" W, 106.00 feet;
Thence N 0°15'00" W, 10.00 feet;
Thence S 89°45'39" E, 106.00 feet;
Thence S 0°15'00" E, 10.00 feet to the Real Point of Beginning.

Each of the 20 lots comprising SIERRA SUBDIVISION NUMBER 1 and each of the three individual parcels of real property labeled as Parcels A, B and C are hereinafter collectively called the Lots or singularly called a Lot. Any adjustment of the boundaries of the Lots between the Lot owners such as an owner or owners acquiring a portion of another Lot because of an encroachment or to settle a boundary dispute shall not increase the entitlement of water from the corporation to the owner whose Lot has been increased in size or decrease the entitlement of water from the corporation to the owner whose Lot has been decreased in size. The new reconfigured boundaries of each Lot in such a case shall be considered a single Lot as if originally described above.

Members of the corporation shall be those persons or entities holding fee simple title to a Lot including contract buyers but excluding those holding a security interest in a Lot for the performance of an obligation. Provided, however, a mortgagee of any priority or other security holder in actual possession of a Lot

as a result of foreclosure or otherwise and any person taking title through such a mortgagee or other security holder by purchase at foreclosure sale or otherwise shall be a member.

The corporation shall, in addition to the above authority and not by limitation thereof, have the authority to acquire, develop and operate a water supply; to dig, bore, drill or otherwise excavate wells; to construct acquire and operate pumping plants, water storage and water distribution system; 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 structures; to lend and borrow money; to execute mortgages, deeds of trusts and pledges of real and personal property; and to do all things necessary or convenient to accomplish the above purposes and to have all powers as provided by the laws of the State of Idaho relating to nonprofit corporations.

FOURTH: The owners of each Lot shall be members of the corporation. No other person or entity shall be a member of the corporation. No member of the corporation shall have any right to use water provided by the corporation on any other land other than the member's Lot. A member may not sell, transfer or otherwise dispose of that person's or entity's membership in the corporation other than to the person, persons or entities holding fee simple title to that member's Lot. No person shall be admitted as a member in the corporation without his or her consent; provided, however, if the owner of a Lot does not consent to become a member in the corporation that owner shall not be entitled to receive water from the corporation.

FIFTH: All members shall have the same rights and obligations with respect to dissolution, redemption and transfer and in all other matters except: (1) in time of scarcity of water and (2) in voting their membership. In the event there shall be insufficient water available to the corporation so as to provide each member with water for both domestic household uses and irrigation of lawns and gardens, then the Board of Directors of the corporation may restrict the water delivered to those Lots identified as parcels A, B and C of Article Third to the use of water for solely domestic in house use and the use of water for the irrigation of lawns and gardens or any other use outside the interior boundaries of the residence on those three Lots shall be prohibited. With respect to voting, if there is more than one owner of a Lot then those members shall collectively have only one vote.

SIXTH: The Board of Directors of the corporation shall have the authority to levy assessments on all members. Each assessment against members shall be equal. The By-Laws of the corporation shall set forth the manner of fixing the amount of the assessment and the method by which the assessment is collected and may make the assessments payable at such times or intervals and upon such notice as set forth in the By-Laws. Assessments shall be made enforceable by action or by the forfeiture of membership, or both, upon notice given in writing 20 days before commencement of such action or such forfeiture. A membership which is forfeited shall no longer be permitted to use any water of the corporation.

SEVENTH: The names and addresses of the individuals who are to serve as the initial directors are:

Janet I. Anderson
47 S. Riverview St.
Eagle, ID 83616

Charles G. Ferguson
175 S. Riverview St.
Eagle, ID 83616

Jeffery S. Younger
149 S. Riverview St.
Eagle, ID 83616

Mary M. Eggers
199 S. Riverview St.
Eagle, ID 83616

William S. Powers, Jr.
33 S. Riverview St.
Eagle, ID 83616

EIGHTH: The street address of corporation's initial registered office and the name of its initial registered agent at that office are:

Mary M. Eggers
199 S. Riverview St.
Eagle, ID 83616

The name and address of each incorporator is:

Janet I. Anderson
47 S. Riverview St.
Eagle, ID 83616

Charles G. Ferguson
175 S. Riverview St.
Eagle, ID 83616

Jeffery S. Younger
149 S. Riverview St.
Eagle, ID 83616

Mary M. Eggers
199 S. Riverview St.
Eagle, ID 83616

William S. Powers, Jr.
33 S. Riverview St.
Eagle, ID 83616

NINTH: 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 purposes 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.

DATED This 9th day of April, 1995.

Janet I. Anderson
Janet I. Anderson

Jeffrey S. Younger
Jeffrey S. Younger

William S. Powers, Jr.
William S. Powers, Jr.

Charles G. Ferguson
Charles G. Ferguson

Mary M. Eggers
Mary M. Eggers

STATE OF IDAHO)
County of Ada) : ss.
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The undersigned, notary public, does hereby certify that on this 9th day of April, 1995 personally appeared before me Janet I. Anderson, Mary M. Eggers, Jeffrey S. Younger, William S. Powers, Jr., Charles G. Ferguson, who being by me each first duly sworn, declare that they are the persons who executed the foregoing document as incorporators and the statements therein contained are true.

Mary M. Eggers
Notary Public for Idaho
Residing at Bonne, Idaho
My Commission Expires 3/14/97