

State of Idaho



Department of State

CERTIFICATE OF INCORPORATION

I, ARNOLD WILLIAMS, Secretary of State of the State of Idaho, and legal custodian of the corporation records of the State of Idaho, do hereby certify that the original of the articles of incorporation of

ELK CITY WATER AND SEWER ASSOCIATION, INC.

was filed in the office of the Secretary of State on the **Twenty-fourth** day of **March** A. D. One Thousand Nine Hundred **Sixty-six** and ~~As~~ ^{will be} duly recorded on ~~File No.~~ **microfilm** of Record of Domestic Corporations, of the State of Idaho, and that the said articles contain the statement of facts required by Section 30-103 and Sections 30-1001 to 30-1005, inclusive, Idaho Code.

I FURTHER CERTIFY, That the persons executing the articles and their associates and successors are hereby constituted a corporation, by the name hereinbefore stated, for **perpetual existence** from the date hereof, with its registered office in this State located at **Elk City** in the County of **Idaho** and as such are subject to the rights, privileges and limitations granted to Non-Profit Cooperative Associations as provided in Chapter 10, Title 30, Idaho Code.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the Great Seal of the State. Done at Boise City, the Capital of Idaho, this **24th** day of **March**, A.D., 19 **66**.

Secretary of State.

ARTICLES OF INCORPORATION
of
ELK CITY WATER AND SEWER ASSOCIATION, INC.

We, the undersigned, being full aged citizens of the United States and all of whom are residents of Idaho County, State of Idaho, do hereby voluntarily associate ourselves together for the purpose of forming a non-stock cooperative association under the provisions of Chapter X, Title 30, Idaho Code, and all amendments thereto.

ARTICLE I.

The name of this association shall be ELK CITY WATER AND SEWER ASSOCIATION, INC.

ARTICLE II.

The nature of the business of the association and the objects and purposes for which, or for any of which this association is formed are:

- (a) To associate its members together for their mutual benefit, and to that end to construct, maintain and operate a private water and sanitary sewer system for the supplying of water and sanitary sewer facilities for domestic, livestock and garden purposes to its members, and to engage in any activity related thereto, including, but not limited to, the acquisition of water by appropriation, drilling, pumping and/or purchase, and the purchase, lying, installation, operation, maintenance and repair of wells, pumping equipment, water mains, pipe lines, valves, meters and all other equipment necessary to the construction, maintenance and operation of a water system.

To further engage in any activity related thereto, including but not limited to, the acquisition of sanitary sewer sites for the location, excavation and construction of sewage lagoons and all work necessary and incident thereto, and/or the purchase and the purchase, lying, installation, operation, maintenance and repair of said sewer lagoons, pumping equipment, sewer mains, pipe lines, valves, meters, and all other equipment necessary to the contraction, maintenance and operation of a sanitary sewer system.

- (b) To borrow from any source, money, goods, or services without limitation as to the amount of corporate indebtedness or liability; and to pledge or mortgage

any of its property as security therefore in any manner permitted and provided by law.

- (c) To acquire, and to hold, own and exercise all rights of ownership in and to sell, transfer or pledge shares of capital stock or bonds, or become a member or a stockholder of any corporation or association engaged in any related activities.
- (d) To buy, lease, hold and exercise all privileges of ownership in and to the real and personal property as may be necessary or convenient for the conduct and operation of the business of the association or which may be incidental thereto.
- (e) To establish reserves and to invest the funds thereof in stocks, bonds and other property as the board of directors may deem necessary.
- (f) To levy assessments in such manner and in such amount as may be provided in the by laws of this association.
- (g) To have and exercise all powers, privileges, and rights conferred on corporations by the laws of the State of Idaho and all powers and rights incidental thereto in carrying out the purposes for which this association is formed, except such as may be inconsistent with the express provisions of the act under which this association is incorporated.
- (h) The foregoing shall be construed both as objects and powers and the enumeration thereof shall not be held to limit or restrict in any manner the general powers conferred on this association by the laws of the State of Idaho, all of which are hereby expressly claimed.

ARTICLE III.

The place where the principal business of the association is to be transacted is the unincorporated village of Elk City, County of Idaho, State of Idaho, but the association may maintain offices and places of business at such other places as in the State of Idaho as the board of directors may from time to time determine.

ARTICLE IV.

The period of existence of this association shall be perpetual.

ARTICLE V.

The private property of the members shall not be subject to payment of association debts to any extent whatsoever.

ARTICLE VI.

SECTION 1: This association shall not have capital stock, but its capital shall be represented by membership certificates.

SECTION 2: Under the terms and conditions prescribed in its By-Laws, this association shall admit as members only such persons, groups of persons, or organizations or corporations, owning the property to which the delivery of water or the sanitary treatment of sewage is desired and having a reasonable accessability to the source and a need for water and sanitary sewer service for domestic, livestock and garden purposes from the water and sewer system constructed, maintained, and operated by the association; provided, however, the association shall not be required to admit members if the capacity of its water and sewer system is exhausted or exceeded by the needs of its existing members.

SECTION 3: The membership fee in this association shall be \$25.00.

The voting power and property rights and interest of each member of whose fees are fully paid and who is in good standing shall be equal and each member shall be entitled to one vote only. New members upon their admission in this association shall be entitled to one vote and to share in the property of the association equally with the old members. When a member has paid his membership fee in full he shall receive a certificate of membership. Assessment against members and a determination of their liabilities shall be fixed by the By Laws of the association.

SECTION 4: Twenty-five (25) percent of the members present or represented by proxy at any meeting of members regularly called shall constitute a quorum for the conduct of business at such meeting in accordance with the notice thereof.

SECTION 5: This association is organized on a non-profit basis for the mutual benefit of its members and consequently will not have profits from which to pay dividends on its capital. After all expenses of the association have been paid and reasonable reserves

as determined by the Board of Directors set aside, the net earnings of the association shall be accumulated in a surplus fund for the purpose of replacing, enlarging, extending and repairing the water and sewer system and property of the association, and for such other purposes as the board of directors may determine to be in and for the best interest of the association. The said surplus fund or any portion thereof may from time to time at the discretion of the board of directors be distributed to the members as provided in the By Laws, on the basis of the assessments and charges made and levied against and paid by such members during the year.

ARTICLE VII.

These articles may be amended in any manner permitted or authorized by law by the favorable vote of a two-thirds majority of the members present or represented by proxy at a meeting of the members duly called upon notice for the specific purpose thereof and containing a statement of the proposed amendment.

ARTICLE VIII.

The number of directors shall be five and the names and addresses of those who are to serve as incorporating directors for the first term and until their successors are elected and qualified are:

Gwen D. Shearer, Elk City, Idaho
George Hartman, Elk City, Idaho
H. B. Louis, Elk City, Idaho
Wally York, Elk City, Idaho
Lewis Alley, Elk City, Idaho

IN WITNESS WHEREOF, we, the incorporators, and named herein as first board of directors, have set our hands and seals this 23rd day of March, 1966.

Gwen D. Shearer
George W. Hartman
Harry B. Louis
Wallace B. York
Louis A. Alley

STATE OF IDAHO

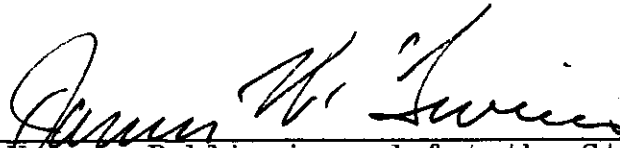
County of

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On this 23rd day of March, 1966, personally appeared before me, a Notary Public in and for the State of Idaho, all of the parties to the foregoing Articles of Incorporation, known to me personally to be such and severally acknowledged, said articles of incorporation to be the act and deed of the signors, respectively, and that the facts therein stated are truly set forth.

Given under my hand and seal of office the day and year aforesaid.

(SEAL)



Notary Public in and for the State of
Idaho; residing at Lewiston
therein.