

**FILED/EFFECTIVE
ORIGINAL**

ARTICLES OF INCORPORATION

OF

STONEGATE II WATER SYSTEM, INC.

ARTICLE I

NAME

The name of the Corporation (hereinafter called the Corporation) is Stonegate II Water System, Inc.

ARTICLE II

REGISTERED OFFICE, AGENT AND INCORPORATOR

The initial registered office for the Corporation is 4135 Sawtelle Peak Road, Island Park, Idaho, 83429. The initial registered agent is Ronald D. Wells. The incorporator is Ronald D. Wells, P.O. Box 253, Macks Inn, Idaho 83433.

ARTICLE III

NON-PROFIT CORPORATION

This Corporation is organized pursuant to the General Non-Profit Corporation Law of the State of Idaho. The funds of this Corporation, regardless of the source thereof, shall be used exclusively in the promotion of the affairs and purposes of the Corporation in such manner as the Board of Directors may from time to time determine. No part of the net earnings, if any, of this Corporation shall be distributed to or inure to the benefit of any of its members or to the benefit of any private individual.

ARTICLE IV

PURPOSE AND POWERS OF THE CORPORATION

The specific primary purpose for which the Corporation is formed is to carry on the business transactions of the Stonegate II Water System, Inc., and operate the water system of the Stonegate II Subdivision of Fremont County, Idaho.

In furtherance of said purposes this Corporation shall have the power to:

(a) perform all of the duties and obligations related to ownership and maintenance of the Stonegate II Water System, Inc.

(b) fix, levy, collect and enforce payment of any lawful means, all charges or assessments made upon shareholders for maintenance of the Fall River Properties, Inc, to pay all expenses

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in connection therewith and other expenses incident, including all licenses, taxes or governmental charges levied or imposed against the property or the Corporation; to contract for material, or services for maintenance of the Stonegate II Water System, Inc., and to do all things necessary to further these powers.

(c) acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, or otherwise dispose of real or personal property in connection with the affairs of the Corporation.

(d) Borrow money, and only with the assent (by vote or written consent) to two-thirds (2/3) of each class of members to mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred;

(e) have and to exercise any and all powers, rights, and privileges which a Corporation may be organized under the General Non-Profit Corporation Law of the State of Idaho by law may upon now or hereafter have or exercise.

ARTICLE V

MEMBERSHIP

The corporation shall have voting members. The authorized number and qualifications of members or the Corporation, voting and other rights and privileges of members, and their liability to dues, fees and assessments and the method of collection thereof, shall be as set forth in the By-Laws of the Corporation.

ARTICLE VI

BOARD OF DIRECTORS

The business and affairs of the Corporation shall be managed and controlled by a Board of Directors. The original number of Board of Directors shall be three, however, the By-Laws of the Corporation shall provide for an increase or decrease in their number, provided that the number of directors shall not be less than three (3). The names and post office address of the Incorporator and original members of the Board of Directors are as follows:

Name	Address
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Ronald D. Wells	P.O. Box 253, Macks Inn, Idaho 83433
Nathan Gunnell	P.O. Box 113, Macks Inn, ID 83433
Charles W. Kral	1739 Juli Lane, Twin Falls, ID 83301

The Board of Directors shall be elected by the members at the annual meeting of the Corporation to be held on such date as the By-Laws may provide, and shall hold office until their successors

are respectively elected and qualified. The By-Laws shall specify the number of directors necessary to constitute a quorum. The Board of Directors is authorized to make, alter, or repeal the By-Laws of the Corporation.

ARTICLE VII

DISSOLUTION

If this Corporation is dissolved by lapse of renewal of the corporate license, such assets shall be granted, conveyed and assigned to any non-profit corporation, association, trust or other organization organized and operated for such similar purpose or to the member of the Corporation.

ARTICLE VIII

DURATION

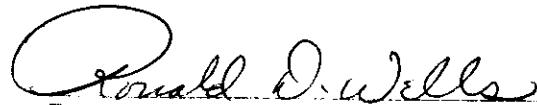
The Corporation shall exist perpetually.

ARTICLE IX

AMENDMENTS

Amendment of these Articles shall require the assent (by vote or written consent) of members representing fifty percent (50%) or more of the voting power.

IN WITNESS WHEREOF, for the purpose of forming this Corporation under the laws of the State of Idaho, I, the undersigned, the Incorporator of this Corporation, have executed these Articles of incorporation this 25 day of October, 2002.



Ronald D. Wells
Incorporator
Ronald D. Wells
P.O. Box 253
Macks Inn, Idaho 83433

ACKNOWLEDGEMENT

STATE OF IDAHO)
)
COUNTY OF FREMONT)

On this 25th day of October, 2002, before me, the undersigned Notary Public in and for said State, personally appeared Ronald D. Lewis 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 affixed my official seal the day and year in this certificate first above written.

Kariann Williams
KARIANN WILLIAMS
Notary Public for Idaho
Residing at:
Commission Expires:

