

ARTICLES OF INCORPORATION
OF
COMMUNITY WATER COMPANY OF GREEN VALLEY
An Arizona Nonprofit Corporation

KNOW ALL MEN BY THESE PRESENTS:

That we, the undersigned, have this day associated ourselves together for the purpose of forming a nonprofit corporation under and pursuant to Article 16, Title 10, Chapter 1, of the Arizona Revised Statutes, and we do hereby adopt these Articles of Incorporation.

ARTICLE I

The name of the corporation shall be

COMMUNITY WATER COMPANY OF GREEN VALLEY

ARTICLE II

The principal place of business of the corporation shall be in the unincorporated area of Pima County, State of Arizona, known as Green Valley, and until changed by the Board of Directors from time to time, its location shall be at 1451 South LaCanada Drive, Green Valley, Arizona.

ARTICLE III

This corporation is organized not for profit and no part of its net earnings shall inure to the benefit of any member. The objects and purposes to be transacted and carried on are:

a) To purchase or otherwise acquire, develop, operate and maintain a domestic water distribution system in the area set forth in Article II.

b) To own, by purchase or otherwise, lease, rent or in any other manner lawfully acquire, sell, rent, lease or assign to any other person, firm, corporation, county or municipality, any and all facilities necessary for the development, acquisition, transportation, delivery and sale of water, including, but not limited to, wells, dams, water mains and pipelines; to acquire and/or sell franchises and certificates of convenience and necessity; to construct, build, maintain and operate a water acquisition, transmission and distribution system; to buy and sell water and water rights from and to individuals, firms, corporations, counties or municipalities; to own, operate, maintain and control such meters and other appliances and pumps as may be beneficial or expedient in conducting its business aforesaid.

c) To acquire, hold, lease, encumber, and convey or otherwise dispose of, real and personal property of every kind and description, whether located within or without the State, and to take such property by will, bequest or gift; to assume any obligations, enter into any contracts, or do any acts incidental to the transaction of its business or expedient for the attainment of its corporate purposes; and to borrow money and issue notes and other evidences of indebtedness, and secure the payment or performance of its obligations by mortgage, deed of trust, or other method.

d) To levy dues, charges and assessments upon its members for the acquisition, construction, operation, maintenance, repair and betterment of its facilities, and for the payment of the lawful obligations of the corporation, subject to limitations set forth in the bylaws of the corporation, if any.

e) To engage anywhere in the United States in any lawful business or activity related to the general nature of the business to be transacted by the corporation as set forth in Article III hereinabove.

f) To act as partner or joint venturer or in any other legal capacity in any transaction related to the general nature of the business to be transacted by the corporation as hereinabove set forth.

g) To indemnify all of its directors and officers and former directors and officers to the maximum extent allowed under A.R.S. §10-198.

h) To adopt bylaws of the corporation and from time to time to amend them.

i) To have and exercise all the rights and powers now or hereafter from time to time granted to corporations by law.

ARTICLE IV

The corporation shall be a nonprofit corporation and shall have no capital stock and no dividends or pecuniary profits shall be paid to any private individual and all of its earnings shall be used to further purposes of this corporation. The corporation shall have members rather than stockholders, and the qualifications for the rights and duties of membership shall be as provided in the bylaws of the corporation. The bylaws may provide for the qualification and manner of admission of membership, membership fees and dues, expulsion and suspension from membership, restoration, transfer and assignment of membership, and all matters relating to the control, qualification and continuation of membership in the corporation, all to be consistent with the objects, purposes and

authorities of the corporation. Each member shall be subject to assessments and to collections of assessments in accordance with the provisions of said bylaws. The bylaws of the corporation may provide and may from time to time be amended so as to provide for such prohibitions or restraints upon dividends and distributions or other disposition of assets upon liquidation of the corporation so as to qualify the corporation for tax exemption under Federal and State law, as the same may from time to time be altered or amended.

ARTICLE V

The name, post office address and residence of each of the incorporators of the corporation are as follows:

Burn Bannister 481 E. Paseo Chuparosas Green Valley, Arizona	William M. Snyder 108 El Limon Green Valley, Arizona
Charles F. Bonnet 351 Calle Lecho Green Valley, Arizona	Fred H. Dettmar 311 E. Paseo Chuparosas Green Valley, Arizona
John S. Hayes 258 E. Paseo Chuparosas Green Valley, Arizona	B. George Baldwin 575 Paseo Lazo Circle Green Valley, Arizona
Victor C. Folsom 112 W. Esperanza Blvd. Green Valley, Arizona	Nat R. Winslow 394 Calle De Las Flores Green Valley, Arizona
Fred C. Humphreys 135 Calle Del Diablo Green Valley, Arizona	

ARTICLE VI

The control and management of the business and affairs of the corporation shall be vested in a Board of Directors constituted as specified in the bylaws of the corporation, but the said Board in any event shall consist of not less than five (5) and not more than fifteen (15) Directors. The Directors shall

be elected by the membership from their number at the annual meeting of the membership and, unless the bylaws of the corporation provide to the contrary, shall hold office for a period of one year or until their successors shall have been elected and qualified. The qualifications of a Director of this corporation shall be as provided by the bylaws of this corporation.

The bylaws may provide for the creation of an executive committee to consist of no less than three (3) Directors, the membership of which shall be appointed and from time to time changed or reappointed by resolution of the Board of Directors. Said executive committee may be empowered by the bylaws of the corporation to have and exercise any and all powers of the Board of Directors in the management of the business and affairs of the corporation and to authorize the seal of the corporation to be affixed to all papers which may require it.

Until their successors are elected and qualified at an organizational meeting to be held during the second calendar month following the month of receipt of the corporate charter from the Arizona Corporation Commission, at a meeting held on August 8, 1975 at Green Valley Arizona, the incorporators were elected to constitute the first Board of Directors of this corporation.

ARTICLE VII

The officers of the corporation shall consist of the following: a President, a Vice-President, a Secretary, and a Treasurer, who shall be elected annually at the annual meeting of the corporation unless otherwise specified in the bylaws. Except for the office of Secretary, only Directors of the corporation shall be eligible to serve as officers. The first officers of the corporation shall be elected at the first meeting

of the Board of Directors following the organizational meeting of the incorporators to be held during the second calendar month following the month of receipt of the corporate charter at Green Valley, Arizona, and shall hold office until their successors are elected and qualified. Additional officer positions may be established from time to time as provided in the bylaws of the corporation. In addition, the bylaws may make provision for the employment of a manager, subordinate employees, and assistants to elected officers. There shall be no requirement that the manager or any such employees or assistants be members of the corporation.

ARTICLE VIII

The time of commencement of the corporation shall be the date upon which a certificate of incorporation thereof is issued by the Arizona Corporation Commission, and the time of termination of the corporation shall be twenty-five years from the said date, unless the corporate existence be renewed or extended in accordance with law.

ARTICLE IX

The highest amount of voluntarily assumed indebtedness or liability, direct or indirect, to which the corporation may at any time subject itself shall be computed in accordance with the laws of the State of Arizona and the rules and regulations of the Arizona Corporation Commission regarding nonprofit corporations.

ARTICLE X

The private property of the members shall be exempt

from the debts of the corporation, but memberships shall be assessable as provided in Article IV hereinabove.

ARTICLE XI

William D. Baker, whose address is 2300 Valley Bank Center, Phoenix, Arizona 85073, and who has been for longer than the last three years and now is a bona fide resident of the State of Arizona, is hereby appointed statutory agent of the corporation for the service of notices and process upon the corporation.

ARTICLE XII

The Board of Directors of this corporation is hereby empowered to adopt the bylaws of the corporation at the first meeting of the Board of Directors following the organizational meeting of the incorporators, and at any annual meeting of the Board of Directors, or at any special meeting of the Board of Directors called expressly for that purpose, to amend the bylaws, providing with respect to amendments that written notice of the proposed change shall be posted and published not less than two weeks prior to the meeting at which such amendment is to be considered.

ARTICLE XIII

Unless the bylaws provide to the contrary, the annual meeting of the members of the corporation shall be held on the second Saturday of February of each year following the year of incorporation and the annual meeting of the Board of Directors shall be held on the same day, immediately following adjournment of the annual membership meeting.

ARTICLE XIV

It is contemplated that there will be a time period after the creation of this corporation when it will not yet be possible for persons to qualify under the bylaws of the corporation as members thereof. During such period, the incorporators shall serve as directors of this corporation. Until such time as persons can qualify under the bylaws of the corporation as members thereof, the directors of the corporation shall have and exercise all powers of the Board of Directors and also of the membership of the corporation.

IN WITNESS WHEREOF, we have hereunto set our hands at GREEN VALLEY, Arizona, on 1 September, 1975.

Burn Bannister
Burn Bannister

Charles F. Bonnet
Charles F. Bonnet

John S. Hayes
John S. Hayes

Victor C. Folsom
Victor C. Folsom

Fred C. Humphreys
Fred C. Humphreys

William M. Snyder
William M. Snyder

Fred H. Dettmar
Fred H. Dettmar

B. George Baldwin
B. George Baldwin

Nat K. Winslow
Nat K. Winslow

STATE OF ARIZONA)
County of Pima) ss.

On September 1, 19 75, before me, the undersigned Notary Public, personally appeared BURN BANNISTER, CHARLES F. BONNET, JOHN S. HAYES, VICTOR C. FOLSOM, FRED C. HUMPHREYS, WILLIAM M. SNYDER, FRED H. DETTMAR, B. GEORGE BALDWIN and NAT R. WINSLOW, known to me to be the persons whose names are subscribed to the foregoing instrument and acknowledged to me that they executed the same for the purposes therein expressed.

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

My Commission Expires:

My Commission Expires September 23, 1977

Linda Gardner
Notary Public