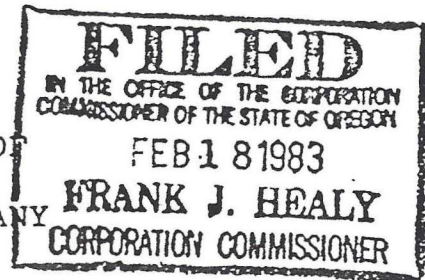


RESTATED
NONPROFIT

ARTICLES OF INCORPORATION OF
PONDEROSA PINES WATER COMPANY



The Articles of Incorporation of Ponderosa Pines Water Company, an Oregon nonprofit corporation ("Corporation"), are hereby reformed and restated, effective as of April 29, 1977, as follows:

ARTICLE I

The name of Corporation is Ponderosa Pines Water Company and its duration shall be perpetual.

ARTICLE II

Corporation is organized for the purpose of owning and operating a mutual domestic water distribution system and providing water to Ponderosa Pines, a duly recorded subdivision in Deschutes County, Oregon, and of meeting the requirements of Section 501(c)(12) of the Internal Revenue Code of 1954.

ARTICLE III

Section 1. Eligibility. All owners of Units as defined in the Ponderosa Pines Master Design and other users of water supplied by Corporation within Ponderosa Pines shall be members of Corporation.

Section 2. Appurtenance. Membership shall be appurtenant to (and may not be separated from) ownership of a Unit in Ponderosa Pines or, in the case of other users, shall

be appurtenant to their operation within Ponderosa Pines.

Section 3. Voting Rights. Each Unit owner shall have one vote per Unit owned in Ponderosa Pines. Owners who own a Unit jointly (whether as tenants in common, joint tenants or tenants by the entirety) shall have a single vote for each Unit. Each member other than a Unit owner shall have one vote.

ARTICLE IV

Corporation shall be operated as a mutual water company for the mutual benefit of its members, who shall have the right to receive water services from Corporation at rates substantially equal to Corporation's cost for such service. Funds received by Corporation in excess of those needed to meet its current losses and operating expenses may be retained only to the extent of Corporation's reasonable needs for normal business purposes such as retiring indebtedness; maintenance, improvement and expansion of Corporation's water distribution system or maintaining reserves for necessary purposes.

ARTICLE V

Upon dissolution, the assets of Corporation, after the payment of all debts and obligations, will be distributed to all members and former members of Corporation, in proportion to their business done with the corporation, as shall be more particularly provided in Corporation's bylaws.

ARTICLE VI

These restated and reformed articles of incorporation supersede the heretofore existing articles of incorporation of Corporation.

Handwritten: *Handwritten Copy*
Donald L. Bell

STATEMENT OF
RESTATED ARTICLES OF INCORPORATION OF
PONDEROSA PINES WATER COMPANY

This statement is made pursuant to ORS 61.385(3).

1. The name of the corporation is Ponderosa Pines Water Company ("Company").

2. The attached Restated Articles of Incorporation were duly adopted by a vote of the members of Company at a meeting held January 24, 1983, at which a quorum was present. The Restated Articles of Incorporation received at least two-thirds of the votes which members present at such meeting or represented by proxy were entitled to cast.

Dated this 25 day of January, 1983.

Donald L. Bell
President

Marjorie B Bell
Secretary

State of Oregon)
) SS
County of Deschutes)

I, DONALD L. BELL, being first duly sworn, hereby verify that I have examined the foregoing, and, to the best of my knowledge and belief, it is true and complete.

Donald L. Bell

SUBSCRIBED and sworn to before me this 25th day of January, 1983.

Carol J. [Signature]
Notary Public for Oregon
My commission expires: 11/26/85