

ARTICLES OF INCORPORATION  
OF  
DREAM VILLAGE WATER ASSOCIATION, INC.

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STATE OF IDAHO

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KNOW ALL MEN BY THESE PRESENTS; We, the undersigned, being three persons of lawful age, and all being residents of Jefferson County, State of Idaho, do hereby certify that we have this day voluntarily associated ourselves together for the purpose of forming a mutual non-profit cooperative association under the laws of the State of Idaho and particularly Chapter 10 of Title 30 Idaho Code, and do hereby adopt the following Articles of Incorporation, to-wit:

ARTICLE ONE

The name of the association is DREAM VILLAGE WATER ASSOCIATION, INC. And though incorporated, shall have no capital stock and shall be composed of members rather than shareholders, and whose rights and interests shall be equal.

ARTICLE TWO

The period of its duration is perpetual.

ARTICLE THREE

The purpose for which the association is organized are to own, drill, develop, establish, furnish, equip, operate and maintain a water well and domestic water system, including pipelines and rights of way for the transport and delivery of culinary water to the members of the association who are owners of certain improved contiguous real property situated in the County of Jefferson, State of Idaho, and to acquire, by

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appropriate purchase, condemnation, or otherwise, the ownership of water, water rights, ditch rights and water privileges in the County of Jefferson, State of Idaho, and to develop establish, furnish, equip, operate and maintain a water system for the use and benefit of the members of the association who are owners of real property situated in Jefferson County, Idaho, as is more particularly described hereinafter.

#### ARTICLE FOUR

The members of the association shall be the owners or purchasers in possession of improved tracts of residential real property in that certain development situated in Jefferson County, Idaho, identified as DREAM VILLAGE SUBDIVISION described as follows:

(See Attached Exhibit "A")

a single membership shall be established for each lot except lots 12 and 13 hold one (1) share and shall be voted as such regardless of how ownership thereof may be held; that membership in the association shall transfer as and when the ownership of an improved property in the development transfers and the right of membership to have and to receive a domestic water supply to each residence and its adjacent area from the facilities of the association shall remain constant and equal with the owners of each separate improved property within the development and which right shall run with the land as appurtenant right, subject however, to suspension of services or use of the facilities of the association for the period of time that bills or obligations due the association are not paid. Payment of delinquency or the obligation for which service

has been suspended shall entitle the member to prompt restoration of service and use of its facilities. Membership shall not be subject to Board of Trustees' approval nor approval by other members. It is expressly provided, however, that any mortgagee or deed of trust, grantee of any of the improved premises who may acquire the property by operation of law, such as through a mortgage, or deed of trust, foreclosure, may have the water and services of the domestic water system restored to the premises without correcting the default of the prior member; but the association shall have a continuing personal claim against such prior member for such costs.

#### ARTICLE FIVE

The water right and membership in the association which vests with the ownership of the individual improved properties within the development shall not be divided, split or appropriated so as to give a greater benefit to one improved property than the others.

#### ARTICLE SIX

No member shall be expelled from the association and no member's voting rights shall be canceled except as herein expressly provided.

#### ARTICLE SEVEN

Voting rights of the association members shall be restricted to those whose properties have been improved and such rights shall be proportionate to the number of improved properties served by the system and owned or being purchased by the

member or members. Unless the association is notified in writing to the contrary, each membership in the association may be voted by either spouse if the membership is a community property interest or by any one of multiple ownership of a single lot or tract of improved residential sites.

#### ARTICLE EIGHT

The location and post office address of the Associations's registered offices shall be 4105 E. 605 N., Rigby, Idaho. The registered agent shall be Linda Eames at said address.

#### ARTICLE NINE

Voting by proxy is authorized; however, such proxy shall be in writing and no proxy shall be valid beyond eleven months and shall not be binding upon the purchaser of property from the grantor of the proxy.

#### ARTICLE TEN

No provisions restricting the ownership of improved properties shall be adopted either by amendment of these Articles of Incorporation or by a provision contained in any By-Laws of the association.

#### ARTICLE ELEVEN

Funds collected for water assessments is by the association or for dues or service charges shall be disbursed only in payment for expenses of the association in establishing, operating and maintaining the water system. No member or individual

who owns an interest in a membership in the association shall perform any service for the association or be entitled to any pay or compensation therefore except upon the approval of the Board of Directors, the authority and direction thereof being set forth in the minutes of a meeting of said Board.

## ARTICLE TWELVE

Provisions for the regulation of the internal affairs at the association shall be under the provision of duly adopted By-Laws and by the majority action of the Board of Directors which Board shall consist of three (3) persons who are members or who own an interest in a membership of the association, who shall be elected by majority vote, at the annual meeting of the members to be held on the second Monday of January of each year, who shall serve until the next annual meeting or until their successors are elected and qualified. Vacancies on said Board shall be filled for any unexpired term by appointment of the remaining members. The initial Board of Directors shall consist of the following:

1. Susan Lindsay, 4106 E. 605 N., Rigby, Idaho 83442
2. Gary Schroeder, 4120 E. 605 N., Rigby, Idaho 83442
3. Kelly Elkington, 604 N. 4103 E, Rigby, Idaho 83442

## ARTICLE THIRTEEN

Upon dissolution of the Association the Associates may not make distribution except as authorized by Sections 30-3-109, 30-3-113, 30-3-114 or 30-3-115, Idaho Code and Section 501(c)(3) of the U.S. Internal Revenue Code.

Executed in duplicate this 25 day of June, 1999.

Marsha Miller  
Address: 4104 E. 605. N Rigby Id.  
83442

STATE OF IDAHO )  
SS  
COUNTY OF JEFFERSON )

On this 25 day of June, 1999, before me, a Notary Public in and for said State, personally appeared Marsha Miller known to me to be the persons whose names are subscribed to the within instrument, and acknowledged to me that they executed the same.

Suzanne Burns  
Notary Public for Idaho



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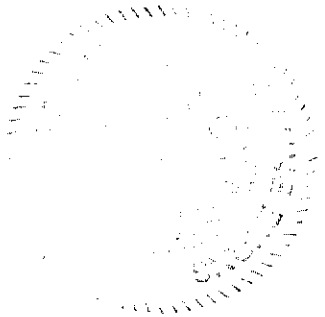
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STATE OF IDAHO )  
SS  
COUNTY OF JEFFERSON )

Synda J. Eames  
4105 E 605 NO  
Rigby Id. 83442

On this 25 day of June, 1999, before me, a Notary Public in and for said State, personally appeared Synda J. Eames known to me to be the persons whose names are subscribed to the within instrument, and acknowledged to me that they executed the same.

Suzanne Burns  
Notary Public for Idaho Rigby Comm Expires 11-23-04



Address: \_\_\_\_\_

name Kathleen Killian

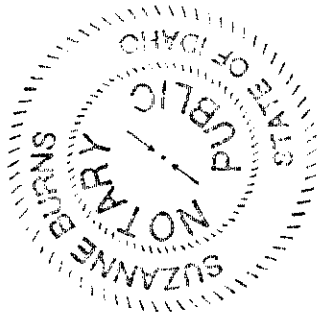
Address 4116 E. 605 N.

STATE OF IDAHO

SS

COUNTY OF JEFFERSON )

On this 29 day of June, 1999, before me, a Notary Public in and for said State, personally appeared Kathleen Killian known to me to be the persons whose names are subscribed to the within instrument, and acknowledged to me that they executed the same.



Suzanne Burns  
Notary Public for Idaho  
Residing at Payson  
My Commission Expires: 11-23-04

STATE OF IDAHO )

SS

COUNTY OF JEFFERSON )

On this \_\_\_\_\_ day of \_\_\_\_\_, 1999, before me, a Notary Public in and for said State, personally appeared \_\_\_\_\_ known to me to be the persons whose names are subscribed to the within instrument, and acknowledged to me that they executed the same.

\_\_\_\_\_  
Notary Public for Idaho