



Department of State.

CERTIFICATE OF INCORPORATION

I, PETE T. CENARRUSA, 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

BEAR ISLAND ESTATES WATER ASSOCIATION, INC.

was filed in the office of the Secretary of State on the nineteenth day of September A.D., One Thousand Nine Hundred seventy-two and will be /duly recorded on ~~Film 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, 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 Idaho Falls, Idaho in the County of Bonneville

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 19th day of September, A.D., 19 72.

Pete T. Cenarrusa
Secretary of State.

Corporation Clerk.

ARTICLES OF INCORPORATION
OF
BEAR ISLAND ESTATES WATER ASSOCIATION, INC.

KNOW ALL MEN BY THESE PRESENTS:

That we, the undersigned, being of legal age and being citizens of the United States of America, do hereby, as incorporators thereof, form a non-profit corporation under the laws of the State of Idaho, according to and in compliance with the provisions of Idaho Code Section 30-117 (A), and we do hereby adopt Articles of Incorporation as follows:

ARTICLE I.

Name

The name of this Corporation shall be BEAR ISLAND ESTATES WATER ASSOCIATION, INC.

ARTICLE II.

Duration

The duration of this Corporation shall be perpetual.

ARTICLE III.

Purposes

The purposes of this Corporation are:

- a. To own, drill, develop, establish, furnish, equip, operate, and maintain a water well and domestic water system, including pipe lines, easements and rights of way, and real and personal property of every kind and character necessary in the conduct of its business, for the transport and delivery of water to the members of the Corporation who are owners of certain improved contiguous real property situated in Jefferson County, Idaho.
- b. To borrow money and to draw, make, accept, endorse, assign, guarantee, execute and issue notes, checks, drafts,

negotiable and other instruments for the payment of money and to mortgage or pledge its property to secure such obligations.

c. To have, exercise and enjoy all powers now or hereafter granted to corporations organized under the laws of the State of Idaho, and particularly all the powers and privileges granted to non-profit corporations under the laws of the State of Idaho, and amendments thereto, and to engage in any other activity and to do any act or other thing necessary to carry into effect the aforementioned purposes.

d. This Corporation shall be a non-profit, non-political and non-sectarian organization.

ARTICLE IV.

Membership

Section 1. The members of the Corporation shall be the owners or purchasers of thirty-five (35) lots comprising Bear Island Estates Division No. One to Jefferson County, Idaho, the plat of which subdivision has been duly filed and recorded in the Office of the Recorder of Jefferson County, Idaho in Book Two of Plats at Page Nine, Instrument No. 15939, and which said subdivision is more particularly described as follows:

Lots One (1) through Thirty-five (35) inclusive, in Block One (1) of Bear Island Estates, Division No. One (1) to the County of Jefferson, State of Idaho.

plus such additional property contiguous thereto, if such is subsequently developed and improved, as may be hereafter included upon approval of the Board of Directors of the Corporation, provided facilities are adequate to serve the additional property.

Section 2. Membership in the Corporation shall transfer as and when the ownership of lots served by the Corporation transfer, and the right of members to have and receive water to

his or her property from the facilities of the Corporation shall remain constant with the owners or purchasers of each separate lot within the development, and shall run with the land as an appurtenant right, subject, however, to suspension of services or use of the facilities of the Corporation for the period of time that bills or obligations due the Corporation are not paid. Payment of delinquency on 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 Directors' approval nor approval by other members, excepting, however, the right of the members to approve inclusion of additional property as provided in Section 1 above. New members shall be entitled to vote and share in the property of the Corporation with the old members in accordance with all the provisions of these Articles of Incorporation.

Section 3. The water right and membership in the Corporation which vests with the ownership of the individual lots within the development shall not be divided, split or appropriated so as to give a greater benefit to one property than another.

ARTICLE V.

Voting

Section 1. Each membership certificate shall entitle the owner thereof to one (1) vote and shall evidence equal rights with every other membership certificate of the Corporation.

Section 2. Voting by proxy is authorized; however, such proxy shall be in writing and no proxy shall be valid beyond eleven (11) months and shall not be binding upon the purchaser of property from the grantor of the proxy.

Section 3. No member shall be expelled from the Corporation and no member's voting rights shall be cancelled

except as may be expressly provided in these Articles or proper amendment thereto.

Section 4. No provisions restricting the ownership of lots shall be adopted either by amendment of these Articles of Incorporation or by any provision contained in any Bylaws of the Corporation.

ARTICLE VI.

Assessments

The Board of Directors shall be authorized to levy and collect assessments to finance the operation of the system, and the owners or purchasers of each lot served by the Corporation shall pay an equal and proportionate amount of the total of all such assessments. Funds collected for water assessments by the Corporation for dues or service charges shall be disbursed only in payment for expenses of the Corporation in establishing, operating and maintaining the system. No member shall perform any service for the Corporation or be entitled to any pay or compensation therefor, except upon the approval by majority action of the Board of Directors.

ARTICLE VII.

Principal Place of Business

The principal place of business and place where the principal office of the Corporation shall be is hereby designated as Route 5, Box 348, Idaho Falls, Idaho.

ARTICLE VIII.

Amendments

These Articles shall not be subject to change or amendment for one (1) year after date of incorporation or one (1) year after the Corporation commences operation, whichever is later, except upon approval of a two-thirds (2/3) majority of the eligible members and with the approval of the Farmers Home Administration

and/or Veterans Administration, and thereafter shall be amended only by majority action of two-thirds (2/3) of all eligible members of the Corporation.

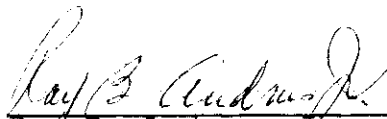
ARTICLE IX.

Incorporators

The name and address of each incorporator is:

<u>Name</u>	<u>Address</u>
Ray B. Andrus, Jr.	Route 5, P. O. Box 205 Idaho Falls, Idaho 83401
Faye M. Andrus	Route 5, P. O. Box 205 Idaho Falls, Idaho 83401
Reese T. Casperson	1060 Elmore Avenue Idaho Falls, Idaho 83401
Von Del Andrus	640 West 6th Drive Mesa, Arizona 85202
Lyle Oram	1405 Jefferson Avenue Idaho Falls, Idaho 83401

Dated this 16th day of September, 1972.




Ray B. Andrus, Jr.



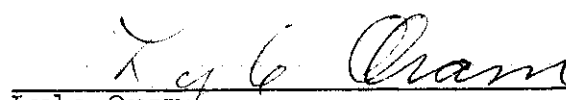
Faye M. Andrus



Reese T. Casperson



Von Del Andrus

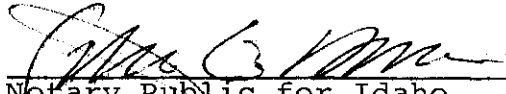


Lyle Oram

STATE OF IDAHO)
) ss.
County of Bonneville)

ON THIS 16th day of September, 1972, before me, the undersigned, a Notary Public in and for said State, personally appeared RAY B. ANDRUS, JR. and FAYE M. ANDRUS, his wife, REESE T. CASPERSON, VON DEL ANDRUS and LYLE ORAM, known to me to be the persons whose names are subscribed to the within and foregoing instrument and acknowledged to me that they 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.



Notary Public for Idaho
Residing at Idaho Falls, Idaho

(SEAL)