

Department of State.

**CERTIFICATE OF INCORPORATION
OF**

SHOTGUN #1 WATERWORKS & HOMEOWNERS ASSOC., INC.

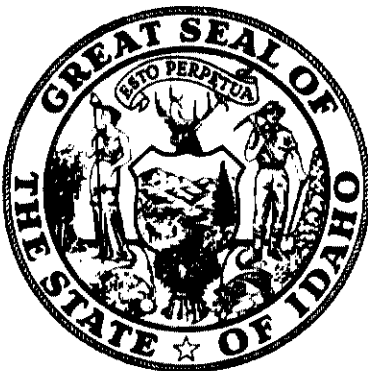
I, PETE T. CENARRUSA, Secretary of State of the State of Idaho, hereby certify that duplicate originals of Articles of Incorporation for the incorporation of _____

SHOTGUN #1 WATERWORKS & HOMEOWNERS ASSOC., INC.

duly signed pursuant to the provisions of the Idaho Nonprofit Corporation Act, have been received in this office and are found to conform to law.

ACCORDINGLY and by virtue of the authority vested in me by law, I issue this Certificate of Incorporation and attach hereto a duplicate original of the Articles of Incorporation.

Dated July 19, 19 91.



Pete T. Cenarrusa

SECRETARY OF STATE

Elizabeth M. Zabala

Corporation Clerk

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SEC. OF STATE

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ARTICLES OF INCORPORATION
OF
SHOTGUN #1 WATERWORKS & HOMEOWNERS ASSOC., INC.

I, the undersigned, being a person of lawful age and being a resident of Fremont County, State of Idaho, do hereby certify that I have this day voluntarily incorporated for the purpose of forming a mutual non-profit cooperative association under the laws of the State of Idaho and particularly Chapter 3 of Title 10, Idaho Code, and do hereby adopt the following Articles of Incorporation, to-wit:

ARTICLE I

NAME AND LOCATION: The name of the association is SHOTGUN #1 WATERWORKS & HOMEOWNERS ASSOC., INC. and its principal place of business is Box 179, Island Park, Idaho 83429.

ARTICLE II

REGISTERED AGENT: The location and post office address of its registered agent's office is Box 179, Island Park, Idaho 83429. The name of its registered agent at such address is Orville A. Jensen.

ARTICLE III

TERM: The term for which the association is organized shall be perpetual.

ARTICLE IV

OBJECTIVES:

1. The purposes for which the association is organized are to own, drill, develop, establish, furnish, equip, operate, repair, and maintain water wells and a domestic water system, including pipelines and rights of way for the transport and delivery of water for domestic purposes and for culinary water to commercial and business establishments to members of the association who are owners of certain improved and unimproved contiguous real property situated in the County of Fremont, State of Idaho, and, to acquire by appropriate purchase, condemnation, or otherwise, the ownership of water, water rights, well, well rights, ditch rights and water privileges in the County of Fremont, State of Idaho, and to develop, establish, furnish, equip, repair, 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 Fremont County, as is more particularly described hereinafter.

2. The association shall have power to take and hold by request, devise, gift, purchase, lease, or otherwise, either absolutely or in trust, for any of its purposes, or any property whether real or personal, insofar as the same may be held by a corporation organized under Chapter 3, Title 30, of the Idaho Code, and acts amendatory thereof, and to convey, sell, mortgage, or dispose of such property, and to invest and

reinvest the proceeds thereof as in the judgment of the Board of Directors will best promote the objectives of the association.

3. The association shall have power to issue certificates of stock but shall not have power to declare dividends and no part of its net income or earnings shall inure to the benefit of any member, director, or individual. The balance, if any, of all monies received by the association from its operation, after the payment in full of all debts and obligations of the association of whatsoever kind or nature, shall be used and distributed exclusively for the non-profit purposes not inconsistent with the objective set forth in Paragraph I of this article.

ARTICLE V

MEMBERSHIP:

1. The members of the association shall be the owners or purchasers in possession of improved or unimproved tracts of residential and business real property in that certain development situated in Fremont County, Idaho, identified as Shotgun Village Estates, Division No. 1, (all of Block 4, and Lots 2 and 3 of Block 3), being a portion of the NW $\frac{1}{4}$ of Sec. 12, T. 13 N., R. 42, E.B.M., Fremont County, Idaho, and property contiguous thereto if such is subsequently developed and improved and provided facilities are adequate to service such additional properties, but then only upon approval of two-thirds of the

membership shall the owners of other adjacent property be admitted to membership with the association upon payment.

2. A single membership shall be established for each lot and shall be voted as such regardless of how ownership thereof may be held. The membership in the association shall transfer as and when the ownership of an improved or unimproved parcel of property in the development transfers and the right of membership to have and to receive a domestic or irrigation 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 lot within the development and which right shall run with the land as an appurtenant right, subject, however, to the 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.

3. Payment of delinquency or the obligation for which the service has been suspended shall entitle the member to prompt restoration of service in the use of its facilities.

4. All members in good standing may be present and participate in the discussions or proceedings of any meeting of the membership of the association and may vote on all questions submitted to them.

5. Roberts Rules of Order, Revised, where applicable, shall determine the conduct of business in all meetings of the

association, its governing body and committees.

ARTICLE VI

OFFICERS OF THE ASSOCIATION: The officers of the association shall be a President, a Vice President, and a Secretary/Treasurer.

ARTICLE VII

BOARD OF DIRECTORS: The Board of Directors shall consist of not less than five (5) members of the association. The members of the Board of Directors shall be elected by majority vote, at the annual meeting of the members to be held on the 3rd Saturday of June of each year.

Vacancies on said Board of Directors shall be filled for any unexpired term by the appointment by the remaining membership of said Board. Five (5) days written notice of any meeting of the association shall be provided unless waived in writing by all members. All actions and decisions of the association and of the Board of Directors shall be recorded by written entries in the permanent records of the association.

Directors, as such, shall not receive any salaries for their services.

ARTICLE VIII

PRINCIPAL PLACE OF BUSINESS: The principal place of business and the place where the principal office of the association shall be hereby designated as Box 179, Island Park, Idaho 83429, or as may be subsequently adopted and designated by

the Board of Directors of said association.

ARTICLE IX

VOTING BY PROXY: The voting by proxy is hereby 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.

ARTICLE X

WATER RIGHT AND MEMBERSHIP: The water right and membership in the association which vests with the ownership of the individual lot within the development and upon payment for stock ownership shall not be divided, split or appropriated so as to give a greater benefit to one improved or unimproved property lot than the others.

ARTICLE XI

EXPULSION OF MEMBERSHIP: No member shall be expelled from the association and no members voting rights shall be cancelled except as herein expressly provided.

ARTICLE XII

VOTING RIGHTS: Voting rights of the association members shall be restricted to those whose properties are within the boundaries of Shotgun Village Estates, Division No. 1 (all of Block 4 and Lots 2 and 3 of Block 3), being a portion of the NW¼ of Sec. 12, T. 13 N., R. 42 E.B.M., Fremont County, Idaho, and who have paid and purchased a share of stock. Unless the

association is notified in writing to the contrary, each stock share in the association may be voted by either spouse if the membership is a community property interest or by anyone of multiple ownership of a single lot or tract of improved or unimproved residential sites or business sites.

ARTICLE XIII

PERSONAL LIABILITY: The members, officers and directors of the association shall not be held individually responsible as such for any debts, contracts, acts, deeds, engagements, or other liabilities of the association to others which arise out of court, contract, or otherwise, and the association shall indemnify and hold harmless its officers or members of and from such personal liability, except for willful negligence, intentional tort, or infidelity to the membership and/or corporation.

ARTICLE XIV

FUNDS AND EXPENSES: Funds collected for water assessment by the association or for water user charges or service charges shall be disbursed only in payment for expenses of the association in establishing, operating, repairing, and maintaining the wells and the water system. No member or individual who owns an interest in the association shall perform any service for the association or be entitled to any payment 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 XV

AMENDMENT: These articles shall be subject to change or amendment after the association commences operation and upon approval of two-thirds majority of the eligible voters.

ARTICLE XVI

INCORPORATOR: The name and address of the incorporator is ORVILLE A. JENSEN, Box 179, Island Park, Idaho 83429.

ARTICLE XVII

DIRECTORS: The number of directors constituting the initial Board of Directors is five (5) and the names and addresses of the persons who are to serve as directors until the first annual meeting of the shareholders or members or until their successors are elected and qualify are:

Orville A. Jensen
Box 179
Island Park, ID 83429

Leland Green
5165 Elizabeth Avenue
Pocatello, ID 83202

Cleve Rice
RFD #1, Box 22
St. Anthony, ID 83445

Elsie Solis
254 Lava Street
Idaho Falls, ID 83402

Harry Hare
1343 Tower Street
Idaho Falls, ID 83404

DATED this 13th day of July, 1991.

Orville A. Jensen
Orville A. Jensen

STATE OF IDAHO

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: ss.

County of Fremont

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On this 13th day of July, 1991, before me,
Dorothy MacKay, a Notary Public in and for said State,
personally appeared ORVILLE A. JENSEN, known to me to be the
person whose name is subscribed to the within and foregoing
ARTICLES OF INCORPORATION, 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.

Dorothy MacKay
Notary Public for Idaho
Residing at: Island Park, Id
My commission expires: 6-10-94

(Seal)