

ARTICLE OF INCORPORATION  
OF  
SALISBURY WATER SYSTEM, INC.

**FILED/EFFECTIVE**  
JAN 29 PM 2:25  
STATE OF IDAHO

KNOW ALL MEN BY THESE PRESENTS: That I, the undersigned, being of lawful age and a resident of Bonneville County, State of Idaho, acting as incorporator of a cooperative nonprofit corporation under the Idaho Nonprofit Corporation Act, adopt the following Articles of Incorporation for said nonprofit corporation.

ARTICLE I

NAME OF THE CORPORATION

The name of the nonprofit corporation shall be Salisbury Water System, Inc. (hereinafter referred to as the Corporation).

ARTICLE II

PERIOD OF DURATION

The period of its duration is perpetual.

ARTICLE III

PURPOSE

The purpose or purposes for which the Corporation is organized are for the purposes of designing, developing, owning, and maintaining a water system, including a distribution system for the members of the Corporation and for the transaction of any or all lawful business for which nonprofit corporations may be incorporated under the Idaho Nonprofit Corporation Act and which are defined in the Corporation's bylaws.

IDAHO SECRETARY OF STATE

01/30/2001 09:00  
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## ARTICLE IV

### INITIAL DIRECTORS

The following individuals shall serve as directors:

Noel A. Talcott, Jr., President  
860 Yorktown Road  
Poquoson, VA 23662

Steven A. Talcott, Treasurer  
3265 Taffrail Lane  
Oxnard, CA 93035

Norman D. Dorering, Secretary  
2040 Monticello Dr.  
Idaho Falls, ID. 83404

## ARTICLE V

### CORPORATION OFFICE

The principle office of the Corporation shall be at 2040 Monticello Dr., Idaho Falls, ID 83404, County of Bonneville, State of Idaho. The Corporation may have such other offices as may from time to time be designated by its members or its board of directors.

## ARTICLE VI

The registered agent is Norman D. Doering, and whose address is 2040 Monticello Dr. Idaho Falls, ID. 83404.

## ARTICLE VII

### INCORPORATOR(S)

The incorporator for Salisbury Water System, Inc., is Jean Gloria Talcott, 1440 Juniper Dr., Idaho Falls, ID 83404.

## ARTICLE VIII

### POWERS OF CORPORATION

The powers of the Corporation shall be those as allowed by the Idaho Nonprofit Corporation Act and the Corporation's bylaws.

## ARTICLE IX

### MEMBERSHIP

The Corporation shall be composed of members as defined by the Corporation's bylaws. The rights, duties, and obligations of membership shall be defined in the Corporation's bylaw's. Membership shall run appurtenant with the land. Membership in the Corporaiton may be terminated voluntarily in accordance with the procedures established by law and the Corporation's bylaws. Distribution of a member's capital account upon voluntary termination shall be made in accordance with Article V herein and the Corporation's bylaws.

The Board of Directors may authorize assessments to be levied upon the members in accordance with the Idaho Nonprofit Corporation Act and the Corporation's bylaws. Assessments are enforceable by civil action or by the forfeiture of membership, or both, upon notice given in writing twenty (20) days before commencement of such action. Notice shall be by certified mail. Assessments against members may be secured by a lien upon real property to which membership rights are appurtenant or upon any monies in the member's capital account. Services by the Corporation and/or a member or members voting privileges may be suspended in accordance with the Corporation's bylaws.

## ARTICLE X

### BOARD OF DIRECTORS

The board of directors shall initially consist of three (3) or more individuals. The Corporation shall have a president, a secretary, a treasurer, and such other officers as are provided for in the Corporations's bylaws or are appointed by the board of directors. The terms of office and the duties of the board of directors shall be in accordance with the Idaho Nonprofit Corporation Act and the Corporation's bylaws.

As authorized by the Corporation's bylaws, a person or persons who may or may not be members, may be authorized to exercise some or all of the powers which would otherwise be exercised by the board of directors. To the extent so authorized any such person or persons shall have the duties and responsibilities of the directors, and the directors shall be relieved to that extent from such duties and responsibilities.

## ARTICLE XI

### REMOVAL OF DIRECTORS

The membership may remove a director, either with or without cause, as provide by the Idaho Nonprofit Corporation Act and the Corporations's bylaws.

## ARTICLE XII

### BYLAWS

The board of directors or members of the Corporation shall adopt the initial bylaws for the Corporation. The bylaws may

contain any provision for regulating and managing the affairs of the Corporation that is not inconsistent with law or the Articles of Incorporation.

#### ARTICLE XIII

##### AMENDMENTS

All amendments to either the Articles of Incorporation or the bylaws shall be done in accordance with the Idaho Nonprofit Corporation Act and the Corporation's bylaws.

#### ARTICLE XIV

##### OPERATIONS OF CORPORATION

The operations of the Corporation shall be conducted in accordance with the Idaho Nonprofit Corporation Act and the Corporation's bylaws.

#### ARTICLE V

##### CAPITAL / DISTRIBUTION

The operations of the Corporation shall be so conducted that all members will, through their membership, furnish capital for the corporation as provided by the Corporation's bylaws. No interest or dividends shall be paid or payable by the Corporation on any capital furnished by its members. The Corporation is obligated to account on a membership basis to all its members for all amounts received and receivable from the furnishing of service and from other sources in excess of operating costs and expenses properly chargeable against the furnishing of service. The Corporation is obligated to pay by credits to a capital account for each member

all such amounts in excess of operating costs and expenses and monies allocated by the board of directors to dedicated funds for any or all of the following purposes: emergencies; future upgrades of equipment and/or facilities including but not limited to furniture and fixtures; testing of the water and/or distribution system; other services and projects as determined to be in the best interests of the Corporation.

The books and records of the Corporation shall be set up and kept in such a manner that at the end of each fiscal year the amount of capital so furnished by each member is clearly reflected and credited in an appropriate record to the capital account of each current member.

In the event of dissolution or liquidation of the Corporation, after all outstanding indebtedness of the Corporation shall have been paid, outstanding capital credits shall be retired without priority on a prorated basis before any payments are made on account of property rights of members.

If, at any time prior to dissolution or liquidation, the board shall determine that if the financial condition of the Corporation will not be impaired thereby, the capital credited to the member's accounts may be retired in full or in part.

ARTICLE XVI

DISSOLUTION OF THE CORPORATION

Dissolution of the Corporation shall be in accordance with the Idaho Nonprofit Corporation Act.

DATED this 28<sup>th</sup> day of December, 2000.

Norman D. Doering  
Norman D. Doering  
Incorporator and Director

Noel A. Talcott  
Noel A. Talcott, Incorporator

Steven A. Talcott  
Steven A. Talcott, Incorporator