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ARTICLES OF INCORPORATION OF WINTERHAWK WATER ASSOCIATION INC.

The undersigned, in order to form a nonprofit corporation under the provisions of Idaho Nonprofit Corporation Act, Title 30, Chapter 3, Idaho Code, submits the following articles of incorporation to the Idaho Secretary of State.

ARTICLE I. NAME OF CORPORATION, OFFICE

- 1.1 **Corporate Name.** The name of the corporation shall be Winterhawk Water Association Inc. (hereinafter "Association").
- 1.2 **Corporate Office.** The initial office of the Corporation shall be located at 171 Ladyhawk Drive, Sandpoint, ID 83864.

ARTICLE II. PURPOSE AND POWERS OF CORPORATION

- 2.1 **Purpose.** The Association is formed for the specific purpose of managing a shared water system ("Water System") and related water rights for those owners ("Lot Owners") of the parcels described in Exhibit A.
- 2.2 **General Authority.** The Association shall have and shall exercise all rights and powers necessary and convenient to carry out its purpose including those general powers set forth in the Idaho Nonprofit Association Act, and to enforce and carry out the provisions of the Shared Well Water Agreement And Water Well Pipeline Easements, entered into on December 6, 2012, and recorded as instrument number 837029, on December 17, 2012, in the records of Bonner County, Idaho, and the First Amendment thereto, recorded contemporaneously herewith ("Agreement"), and the Bylaws of the Association.

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- 2.3 **Duties.** The Association through its Board of Directors, shall have the authority to: (a) enforce the Agreement; (b) make improvements to the Property; (c) levy and collect assessments from the Members; (d) enter into contracts as may be necessary or desirable to carry out the provisions of the Agreement, these Articles of Incorporation and Bylaws; (e) open and close bank accounts in the Association's name; (f) establish procedures and policies necessary or deemed desirable to provide for the general welfare, in accordance with the spirit and letter of this Agreement; and (g) place liens on the real property of Lot Owners who fail to pay dues, assessments, fines and penalties, and to enforce such liens through judgment and foreclosure.
- 2.4 **Authority to Assess Dues.** The Association shall have the authority to assess dues to each member for the purpose of conducting its business, including, but not limited to, administrative costs, attorney costs and fees, accountant costs and fees, fees assessed by government agencies, and the cost of insurance. These dues shall be considered for purpose of common maintenance, including payment for electricity for the use of the shared Water System. Dues shall be assessed and paid pursuant to Idaho Code § 55-3201 et. seq., and the Association may file liens in accordance therewith.
- 2.5 **Bylaws.** The Association shall adopt and maintain Bylaws.

ARTICLE III. INITIAL DIRECTORS

The initial Directors shall be:

Cheryl Alvarez, 1333 Navello Terrace, El Cajon CA 92021, who shall serve a three-year term.

Ray Grove, 171 Ladyhawk Drive, Sandpoint, ID 83864, who shall serve a two-year term.

Carole Grove, 171 Ladyhawk Drive, Sandpoint, ID 83864, who shall serve a one-year term.

ARTICLE IV. INITIAL REGISTERED AGENT

The initial registered agent shall be Ray Grove, whose address (registered office) is 171 Ladyhawk Drive, Sandpoint, ID 83864.

ARTICLE V. INCORPORATOR

The incorporators are Cheryl and Stanley Alvarez, whose address is 1333 Navello Terrace, El Cajon CA 92021, and Carole and Ray Grove, whose address is 171 Ladyhawk Drive, Sandpoint, ID 83864.

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ARTICLE VI. MEMBERSHIP ASSOCIATION

- 6.1 **Voting Members.** The Association shall consist of voting members.
- 6.2 **Membership Rights.** Membership shall be exclusive to Lot Owners listed in Exhibit A. Adjacent lot owners who have a right to emergency usage of the Water System are not members. These Articles shall run with the land and act as covenants associated therewith.
- 6.3 **Transfer of Membership.** A Member shall not transfer, pledge, convey or alienate the Association membership except to a bona fide successor in interest of the ownership of the Lot. A sale of a Lot by real estate contract shall constitute a valid transfer of membership to the buyer. A prohibited transfer is void.
- 6.4 **Voting Rights.** Each Parcel described in Exhibit A is entitled to one vote. If a parcel is subdivided, the total of the parcel at the time of execution of these Articles shall continue to have only one vote. The owners of all portions of such a subdivided lot shall vote as Co-Owners.
- 6.5 **Co-Owners.** Where co-owners exist, they may designate in writing, with the Secretary, who among them shall cast the Lot's vote. A designation shall remain of record until revoked. Any co-owner may revoke a designation in a writing submitted to the Secretary. Fractional votes are not permitted. In the absence of a designation, the Secretary shall accept the vote of any co-owner attending a meeting in person or by proxy. If co-owners disagree on a vote or a dispute arises as to authority of a co-owner to cast a vote, the Secretary shall record the Lot's vote as "present." All co-owners may attend and otherwise participate in Association meetings.
- 6.6 **Majority Vote.** Except as otherwise set forth herein, or in the Agreement, a majority of votes of the Members, at a duly called meeting of the Members, shall be the action of the Association.
- 6.7 **Proxy Voting.** A Member may give his or her proxy to another Member. Such proxy shall be (a) in writing; (b) signed by the giver; (c) defining the particular meeting or time period in which the proxy may be exercised; and (d) delivered to the Secretary prior to the membership meeting. "Proxy" means an authorization for a person to vote another person's membership shares.
- 6.8 **Quorum**. A quorum shall consist of Members representing 4 Lots in attendance at the start of a membership meeting. Once a quorum has been established it shall be deemed to continue until adjournment.
- 6.9 **Actions Reserved to the Members.** The following actions are reserved to the Members, voting at a duly noticed meeting of the Association:
 - 6.9.1 **Elect and Remove Directors.** The Members shall have the exclusive authority to elect directors. Members may remove directors, and the Board may also remove directors.

- 6.9.2 **Approve Budget.** The Members shall adopt an annual budget and any supplemental budgets of the Association. The Members may amend the budget presented by the Board.
- 6.9.3 **Resolve a Deadlock of the Board.** If the Board refers a matter to the Members because of a deadlock on the Board or otherwise, the Members shall have the right and duty to resolve the matter by majority vote.
- 6.9.4 **Right to Inspect Books.** Members shall the right to inspect the financial records of the Association at a reasonable time and upon reasonable notice to the Board.
- 6.9.5 **Dissolve the Association.** The Members shall have the exclusive authority to dissolve the Association by the majority required to amend the Agreement.

ARTICLE VII. BOARD OF DIRECTORS

- 7.1 Management Vested in the Board of Directors. The Board shall govern the Association, manage the Association's property, recommend an annual budget to the Members, establish and collect assessments, enforce the Rules and Regulations, and take any other lawful action to advance the interests of the Association. Board may, but is not required to seek the approval of the Members before taking an action not specifically reserved for the membership.
- 7.2 **Board of Directors.** The Board shall consist of no less than three (3) Directors who shall serve staggered three-year terms. Directors shall be appointed by a majority vote of the Members at an annual meeting, to be held in June of each year. The Directors may, by majority vote, enlarge the Board. The Board, by resolution, may decrease the number of Directors but only upon the expiration of the term of the Director whose position is to be eliminated, and to not less than three Directors. The Board shall maintain a staggered appointment system that insures at least one Director is appointed each year. Directors may serve consecutive terms.
- 7.3 **Removing Directors.** A Director may be removed for any reason, or no reason at all, by the unanimous vote of the remaining Directors or by a majority of members.
- 7.4 **Officers.** The Board shall annually elect its officers. There shall be a President, Vice President, Secretary and Treasurer. One person may serve as both Secretary and Treasurer. Officers shall be elected by a majority of Directors voting at a duly called meeting of the Directors. An officer may be removed from office at any time, for any reason, by a majority of the elected Directors. Such removal shall be evidenced by a resolution, executed by a majority of the Directors and delivered to the Secretary and the officer being removed. The officer's authority shall terminate upon delivery of said resolution to the Secretary.
- 7.5 **Action of the Board.** The action of the Board shall be the action of the Corporation.

ARTICLE VIII. AMENDMENTS

The Directors, by majority vote, may amend these Articles at any time.

ARTICLE IX. DISSOLUTION AND DISTRIBUTION OF ASSETS UPON DISSOLUTION

- 9.1 **Requirements for Dissolution.** The Association may be dissolved upon the unanimous consent of the Board of Directors voting at a duly noticed meeting of the Board.
- 9.2 **Statutory Provisions.** Except as otherwise provided above, Dissolution shall be accomplished in compliance with § 30-3-110 et. seq., Idaho Code.

ARTICLE X. NONDISCRIMINATION POLICY

The Association shall not discriminate against any person in the provision of services or facilities because of race, color, religion, sex, familial status, or national origin, or other legally protected characteristic. The term "familial status" means the status of parental or guardianship relationships or pregnancy.

ARTICLE XI. INDEMNIFICATION

The Association shall indemnify and hold harmless its directors, officers, and employees from personal liability for monetary damages, court costs and attorney fees in any suit or proceeding, other than an action by or in the right of the Association, if such person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the Association. This provision is intended to comply with, and shall be interpreted in conformity with the indemnification provisions of § 30-3-88, Idaho Code.

The incorporators execute and bind themselves and their properties by signing on the following pages.

PARCELS H & I

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

Stanley Gene Alvarez

Incorporator

Cheryl Ethel Alvarez

Incorporator

STATE OF CALIFORNIA

COUNTY OF SAN DIEGO

) SS.

On this <u>29</u> day of March, in the year of 2023, before me, a Notary Public for the state of California, personally appeared **Stanley Gene Alvarez** and **Cheryl Ethel Alvarez**, known or identified to me to be the persons whose names are subscribed to the within instrument, and acknowledged to me that he/she executed the same.

NOTARY PUBLIC

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

P. WHITE COMM. #2284726 Notary Public - California

San Diego County My Comm. Expires May 6, 2023

PARCELS J & K

Carole W. Grove

Incorporator

Ray A. Grove

Incorporator

STATE OF IDAHO COUNTY OF BONNER

SS.

On this 3 day of March, in the year of 2023, before me, a Notary Public for the state of Idaho, personally appeared Carole W. Grove and Ray A. Grove, known or identified to me to be the persons whose names are subscribed to the within instrument, and acknowledged to me that he/she executed the same.

NOTARY PUBLIC

ALISON M. DUNBAR
NOTARY PUBLIC - STATE OF IDAHO
COMMISSION NUMBER 69806
MY COMMISSION EXPIRES 4-21-2023

EXHIBIT A PARCEL H

A tract of land in the West Half of the Northeast Quarter of the Southeast Quarter (W½NE¼SE¼) of Section 26, Township 57 North, Range 3 West, Boise Meridian, Bonner County, Idaho, more specifically described as follows:

Commencing at the Northeast corner of said SE¼ (1/4 Corner common to Sections 25 and 26, which point is an Iron Pipe with a 2" Brass Cap set by R. C. Tucker, Idaho PE/PLS 1947); thence South 89° 52' 29" West along the North line of said SE¼ a distance of 658.11 feet (N. 89° 49' 01" W., 658.17 feet by Main survey, and N. 89° 32' 17" W., 658.42 feet by Glahe survey) to a 5/8" Iron Rod w/yellow plastic cap set by L. A. Glahe, Idaho PLS 5713 (2007) as the Northeast corner of said W½NE¼SE¼ (also as the Northwest corner of Lot 2 of the Plat of V. Hunt Estates, recorded in Book 8 of Plats, page 168 in the records of Bonner County); thence South 00° 25' 43" West along the East line of said W½NE¼SE¼ a distance of 125.03 feet (S. 00° 45' 24" W., 124.94 feet by Main survey, and S. 01° 01' 31" W., 125.60 feet by Glahe survey) to an existing 7/8" Iron Rod set by R. L. Main, Idaho PLS 790 (1977); thence South 89° 50' 47" West a distance of 102.93 feet (N. 89° 49' 01" W., 102.89 feet by Main survey) to an existing 5/8" Iron Rod set by R. L. Main, Idaho PLS 790 (1977); thence South 89°52' 33" West a distance of 287.45 feet (N. 89° 49' 01"W., 287.45 feet by Main survey) to an existing 5/8" Iron Rod set by R. L. Main, Idaho PLS 790 (1977), which point is the TRUE POINT OF BEGINNING;

Thence South 89° 49' 59" West a distance of 162.62 feet (S. 89° 49' 01" W., 162.67 feet by Main survey) to an existing 7/8" Iron Rod set by R. L. Main, Idaho PLS 790 (1977); thence North 75° 40' 51" West a distance of 27.70 feet (Northwesterly by original deed) to a ½" Iron Rod set by A. V. Kiebert, Idaho PLS 974 (1987) on R.O.S. #446422; thence South 01° 21' 25" West a distance of 151.28 feet (S. 01° 24' 25" W. by R.O.S. #446422) to a ½" Iron Rod set by A. V. Kiebert, Idaho PLS 974 (2011); thence South 64° 38' 08" East a distance of 186.73 feet to a ½" Iron Rod set by A. V. Kiebert, Idaho PLS 974 (2011); thence South 32° 06' 31" East a distance of 42.16 feet to a ½" Iron Rod set by A. V. Kiebert, Idaho PLS 974 (2011); thence South 974 (2011); thence North 90° 25' 96" East a distance of 260.57 feet (N. 90° 45' 24" E. by Main survey) to the TRUE POINT OF BEGINNING.

EXHIBIT A PARCEL I

A tract of land in the West Half of the Northeast Quarter of the Southeast Quarter (W½NE¼SE¼) of Section 26, Township 57 North, Range 3 West, Boise Meridian, Bonner County, Idaho, more specifically described as follows: Commencing at the Northeast corner of said SE¼ (1/4 Corner common to Sections 25 and 26, which point is an Iron Pipe with a 2" Brass Cap set by R. C. Tucker, Idaho PE/PLS 1947); thence South 89° 52' 29" West along the North line of said SE¼ a distance of 658.11 feet (N. 89° 49' 01" W., 658.17 feet by Main survey, and N. 89° 32' 17" W., 658.42 feet by Glahe survey) to a 5/8" Iron Rod w/yellow plastic cap set by L. A. Glahe, Idaho PLS 5713 (2007) as the Northeast corner of said W½NE¼SE¼ (also as the Northwest corner of Lot 2 of the Plat of V. Hunt Estates, recorded in Book 8 of Plats, page 168 in the records of Bonner County); thence South 00° 25' 43" West along the East line of said W½NE¼SE¼ a distance of 125.03 feet (S. 00° 45' 24" W., 124.94 feet by Main survey, and S. 01° 01' 31" W., 125.60 feet by Glahe survey) to an existing 7/8" Iron Rod set by R. L. Main, Idaho PLS 790 (1977); thence South 89° 50' 47" West a distance of 102.93 feet (N. 89° 49' 01" W., 102.89 feet by Main survey) to an existing 5/8" Iron Rod set by R. L. Main, Idaho PLS 790 (1977); thence South 89°52' 33" West a distance of 287.45 feet (N. 89° 49' 01"W., 287.45 feet by Main survey) to an existing 5/8" Iron Rod set by R. L. Main, Idaho PLS 790 (1977); thence South 00° 25' 06" West a distance of 260.57 feet (S. 00° 45' 24" W. by Main survey) to a ½" Iron Rod set by A. V. Kiebert, Idaho PLS 974 (2011), which point is the TRUE POINT OF BEGINNING;

Thence continuing South 00° 25' 06" West a distance of 195.25 feet (S. 00° 45' 24" W. by Main survey) to a ½" Iron Rod set by A. V. Kiebert, Idaho PLS 974 (2011); thence North 54° 53' 53" West a distance of 50.86 feet (N. 54° 38' 07" W. by Main survey) to a ½" Iron Rod set by A. V. Kiebert, Idaho PLS 974 (2011); thence North 89° 35' 06" West a distance of 93.52 feet to a ½" Iron Rod set by A. V. Kiebert, Idaho PLS 974 (2011); thence South 66° 22' 50" West a distance of 83.61 feet to a ½" Iron Rod set by A. V. Kiebert, Idaho PLS 974 (2011); thence North 04° 45' 26" East a distance of 245.38 feet (N. 04° 45' 11" E. by R.O.S. #446422) to a ½" Iron Rod set by A. V. Kiebert, Idaho PLS 974 (1987) on R.O.S. #446422; thence North 01° 21' 25" East a distance of 70.00 feet (N. 01° 24' 25" E. by R.O.S. #446422) to a ½" Iron Rod set by A. V. Kiebert, Idaho PLS 974 (2011); thence South 64° 38' 08" East a distance of 186.73 feet to a ½" Iron Rod set by A. V. Kiebert, Idaho PLS 974 (2011); thence South 64° 38' 08" East a distance of 186.73 feet to a ½" Iron Rod set by A. V. Kiebert, Idaho PLS 974 (2011); thence South 32° 06' 31" East a distance of 42.16 feet to the TRUE POINT OF BEGINNING.

SUBJECT TO an easement and right-of-way for a roadway and utilities over, under and across the Southerly ten (10) feet of that portion of the above-described tract of land as shown on the Record of Survey recorded as Instrument Number 829448 and recorded on July 20, 2012 in the records of Bonner County, Idaho.

EXHIBIT A PARCEL J

A tract of land in the West Half of the Northeast Quarter of the Southeast Quarter (W½NE½SE½) of Section 26, Township 57 North, Range 3 West, Boise Meridian, Bonner County, Idaho, more specifically described as follows:

Commencing at the Northeast corner of said SE¼ (1/4 Corner common to Sections 25 and 26, which point is an Iron Pipe with a 2" Brass Cap set by R. C. Tucker, Idaho PE/PLS 1947); thence South 89° 52' 29" West along the North line of said SE¼ a distance of 658.11 feet (N. 89° 49' 01" W., 658.17 feet by Main survey, and N. 89° 32' 17" W., 658.42 feet by Glahe survey) to a 5/8" Iron Rod w/yellow plastic cap set by L. A. Glahe, Idaho PLS 5713 (2007) as the Northeast corner of said W½NE¼SE¼ (also as the Northwest corner of Lot 2 of the Plat of V. Hunt Estates, recorded in Book 8 of Plats, page 168 in the records of Bonner County); thence South 00° 25' 43" West along the East line of said W½NE¼SE¼ a distance of 854.31 feet (S. 00° 45' 24" W., 854.12 feet by Main survey) to an existing 5/8" Iron Rod set by R. L. Main, Idaho PLS 790 (1977); thence continuing along said East line of the W½NE¼SE¼, South 00° 25' 43" West a distance of 59.19 feet (S. 00° 45' 24" W. by Main survey) to an existing 5/8" Iron Rod w/yellow plastic cap set by L.A. Glahe, Idaho PLS 5713 (2007) as the corner between Lots 1 & 2 of said V. Hunt Estates; thence continuing along said East line, South 00° 27' 25" West a distance of 159.43 feet to an existing ITD right-of-way monument, Station 1233+76.38; thence South 00° 15' 00" West a distance of 33.69 feet to an existing ITD right-of-way monument, Station 1233+95.5; thence North 54° 55' 44" West along the right-of-way line of the existing U.S. Highway #2 a distance of 628.19 feet (N. 54° 38' 07" W. by Main survey) to a ½ " Iron Rod set by A. V. Kiebert, Idaho PLS 974 (2011), which point is the TRUE POINT OF BEGINNING;

Thence continuing along said right-of-way line, North 54° 55' 44" West a distance of 112.34 feet to an existing ½ " Iron Rod set by A. V. Kiebert, Idaho PLS 974 (1987) on R.O.S. #446422; thence leaving said right-of-way line, North 04° 45' 26" East a distance of 96.12 feet (N. 04° 45' 11" E. on R.O.S. #446422) to a ½ " Iron Rod set by A. V. Kiebert, Idaho PLS 974 (2011); thence North 66° 22' 50" East a distance of 83.61 feet to a ½ " Iron Rod set by A. V. Kiebert, Idaho PLS 974 (2011); thence South 89° 35' 06" East a distance of 93.52 feet to a ½ " Iron Rod set by A. V. Kiebert, Idaho PLS 974 (2011); thence South 54° 53' 53" East a distance of 20.00 feet (S. 54° 38' 07" E. by Main survey) to a ½ " Iron Rod set by A. V. Kiebert, Idaho PLS 974 (2011); thence South 35° 25' 08" West a distance of 110.88 feet to a ½ " Iron Rod set by A. V. Kiebert, Idaho PLS 974 (2011); thence South 22° 43' 48" West a distance of 98.99 feet to the TRUE POINT OF BEGINNING.

EXHIBIT A PARCEL K

A tract of land in the West Half of the Northeast Quarter of the Southeast Quarter (W½NE¼SE¼) of Section 26, Township 57 North, Range 3 West, Boise Meridian, Bonner County, Idaho, more specifically described as follows:

Commencing at the Northeast corner of said SE¼ (1/4 Corner common to Sections 25 and 26, which point is an Iron Pipe with a 2" Brass Cap set by R. C. Tucker, Idaho PE/PLS 1947); thence South 89° 52' 29" West along the North line of said SE¼ a distance of 658.11 feet (N. 89° 49' 01" W., 658.17 feet by Main survey, and N. 89° 32' 17" W., 658.42 feet by Glahe survey) to a 5/8" Iron Rod w/yellow plastic cap set by L. A. Glahe, Idaho PLS 5713 (2007) as the Northeast corner of said W½NE¼SE¼ (also as the Northwest corner of Lot 2 of the Plat of V. Hunt Estates, recorded in Book 8 of Plats, page 168 in the records of Bonner County); thence South 00° 25' 43" West along the East line of said W½NE4SE4 a distance of 854.31 feet (S. 00° 45' 07" W., 845.12 feet by Main Survey) to an existing 5/8" Iron Rod set by R. L. Main, Idaho PLS 790 (1977); thence continuing along said East line of the W½NE¼SE¼, South 00° 25' 43" West a distance of 59.19 feet (S. 00° 45' 24" W. by Main survey) to an existing 5/8" Iron Rod w/yellow plastic cap set by L.A. Glahe, Idaho PLS 5713 (2007) as the corner between Lots 1 & 2 of said V. Hunt Estates; thence continuing along said East line, South 00° 27' 25" West a distance of 159.43 feet to an existing ITD right-of-way monument, Station 1233+76.38; thence South 00° 15' 00" West a distance of 33.69 feet to an existing ITD right-of-way monument, Station 1233+95.5; thence North 54° 55' 44" West along the right-of-way line of the existing U.S. Highway #2 a distance of 533.37 feet (N. 54° 38' 07" W. by Main survey) to a ½" Iron Rod set by A. V. Kiebert, Idaho PLS 974 (2011), which point is the TRUE POINT OF BEGINNING:

Thence continuing along said right-of-way line, North 54° 55' 44" West a distance of 94.82 feet (N. 54° 38' 07" W. by Main survey) to a ½ " Iron Rod set by A. V. Kiebert, Idaho PLS 974 (2011); thence leaving said right-of-way line, North 22° 43' 48" East a distance of 98.99 feet to a ½ " Iron Rod set by A. V. Kiebert, Idaho PLS 974 (2011); thence North 35° 25' 08" East a distance of 110.88 feet to a ½ " Iron Rod set by A. V. Kiebert, Idaho PLS 974 (2011); thence South 54° 53' 53" East a distance of 60.25 feet (S. 54° 38' 07" E. by Main survey) to a ½ " Iron Rod set by A. V. Kiebert, Idaho PLS 974 (2011); thence South 32° 53' 21" West a distance of 16.72 feet to a ½ " Iron Rod set by A. V. Kiebert, Idaho PLS 974 (2011); thence South 54° 53' 53" East a distance of 47.16 feet to a ½ " Iron Rod set by A. V. Kiebert, Idaho PLS 974 (2011); thence South 32° 53' 21" West a distance of 190.95 feet to the TRUE POINT OF BEGINNING.