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SECRETARY OF STATE
STATE OF IDAHO

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**ARTICLES OF INCORPORATION
OF
HAYDEN LAKE WATERSHED ASSOCIATION, INC.**

The undersigned for the purposes of forming a corporation under the provisions of the Idaho Nonprofit Corporation Act, Idaho Statute §30-3, 3 seq., and consistent with the provisions of Section 501(c)(3) of the United States Internal Revenue Code of 1986 or the corresponding provision of any future United States Internal Revenue law (herein "Code"), hereby adopt the following Articles of Incorporation:

**ARTICLE I.
NAME**

The name of the Corporation shall be "HAYDEN LAKE WATERSHED ASSOCIATION, INC."

**ARTICLE II.
PERIOD OF DURATION**

The period of duration of this Corporation shall be perpetual.

**ARTICLE III.
PURPOSES**

The purposes, objectives, and powers of this Corporation shall be as hereinafter set forth; provided, however, that at all times this Corporation shall be operated exclusively for charitable, scientific, or educational purposes, within the meaning of Section 501(c)(3) of the Code.

No part of the assets or net earnings of this Corporation shall inure to the benefit of or be distributable to its members, officers, directors, or other private persons (except that the Corporation shall be authorized to pay reasonable compensation for services rendered and make payments and distributions in furtherance of its purposes as set forth herein). No part of the Corporation's activities shall be or consist of carrying on political propaganda or otherwise attempting to influence legislation. The Corporation shall not participate in or intervene in the publishing or distribution of statements with regard to any political campaign on behalf of any candidate for public office, but may involve itself in issues of public policy by conducting educational meetings, preparing education materials or offering testimony before a governmental body about a decision that would affect our purposes and existence.

Within the foregoing limitations, the objects and purposes of the Corporation shall be as follows:

- (a) The Hayden Lake Watershed Association, Inc., is an organization composed of citizens dedicated to the preservation of the water quality of Hayden Lake, its watershed, and the Rathdrum aquifer, preservation, and protection of the public and

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private benefits of Hayden Lake, its watershed, and the Rathdrum aquifer located in Kootenai County, Idaho. The general objective of this nonprofit corporation is to accomplish its goal through education, distribution of its Lake User's Guide, working with land use managers, including the United States Forest Service, the Hayden Lake Recreation Water and Sewer District, County Commissioners, University of Idaho on water testing, property owners associations, and any other entities to help ensure and maintain the water quality of Hayden Lake and the Rathdrum aquifer for its continued use by its private and public users.

(b) In furtherance of the purposes of the Corporation, it is the intent of the incorporator(s) that the Corporation have all powers conferred by the laws of the state of Idaho on nonprofit corporations, consistent with its qualification under Section 501(c)(3) of the Code.

(c) Notwithstanding any other provision of these Articles, the Corporation shall not conduct or carry on any activities not permitted to be conducted or carried on by:

- (1) An organization exempt under Section 501(c)(3) of the Code; or
- (2) An organization, contributions to which are deductible under Section 170(c) of the Code.

ARTICLE IV. **MEMBERSHIP**

The Corporation shall have one or more classes of members, the designation of such class or classes, manner of election or appointment, and the qualifications and rights of the members of each class shall be set forth in the Bylaws of this Corporation.

ARTICLE V. **REGISTERED OFFICE AND AGENT**

The registered agent of this Corporation and the street address of the registered office of this Corporation are as follows:

Registered Agent
Clark H. Richards

Registered Office Address
Lukins & Annis, P.S.
250 Northwest Blvd, Suite 102
Coeur d'Alene, ID 83814-2971

The mailing address of this Corporation shall be P.O. Box 3583, Hayden Lake, Idaho 83835.

ARTICLE VI.
DIRECTORS

The number of directors of this Corporation shall be fixed in the Bylaws and may be changed from time to time by amending the Bylaws.

1. The names of the initial directors of this Corporation are as follows:

Name

David Cooper, Director/President
Cooper Associates
9323 N. Government Way
Hayden Lake, ID 83835

Lee Shellman, Director/Vice President
100 E. Coeur d'Alene Avenue
Coeur d'Alene, ID 83814

Cecil Hathaway, Director/Secretary
5548 N. Pacific Avenue
Coeur d'Alene, ID 83815

Gloria Lund, Director/Treasurer
4081 E. Jacobs Ladder Trail
Hayden Lake, ID 83835

Clark H. Richards, Director
250 Northwest Blvd, Ste 102
Coeur d'Alene, ID 83814

Geoff W. Harvey
5925 E. Hayden Lake Road
Hayden Lake, ID 83835

2. A director of the Corporation shall not be personally liable to the Corporation or its members for monetary damages arising from any conduct as a director, except this limitation on liability shall not apply to (i) acts or omissions involving international misconduct by the director or a knowing violation of law by the director, (ii) any transaction from which the director will personally receive a benefit in money, property, or services to which the director is not legally entitled. This limitation shall not apply to any act or omission occurring before the effective date of this paragraph. If the Idaho Nonprofit Corporation Act and/or the Idaho Business Corporation Act is amended to authorize corporation action further eliminating or limiting the personal liability of directors, then the liability of a director of the Corporation shall be eliminated or limited to the fullest extent permitted by the Idaho Nonprofit Corporation Act and/or the Idaho Business Corporation Act, as so amended. Any repeal or modification of the

foregoing paragraph by the members of the Corporation shall not adversely affect any right or protection of a director of the Corporation existing at the time of such repeal or modification.

ARTICLE VII.
INDEMNIFICATION

The Corporation shall provide any indemnification required by the Idaho Nonprofit Corporation Act and/or the Idaho Business Corporation Act and shall indemnify directors, officers, agents, and employees as follows:

1. The Corporation shall indemnify its officers and directors and advance or reimburse expenses to the full extent required or permitted by the Idaho Nonprofit Corporation Act and/or the Idaho Business Corporation Act now or hereafter in force, whether they are serving the Corporation or, at its request, any other entity, as an officer, director, or in any other capacity; provided no such indemnity shall indemnify any director from or on account of any (i) acts or omissions of the director finally adjudged to be intentional misconduct or a knowing violation of law; (ii) any transaction with respect to which it was finally adjudged that such director personally received a benefit in money, property, or services to which the director was not legally entitled.

2. The Board of Directors may take such action as is necessary to carry out these indemnification provisions and is expressly empowered to adopt, approve, and amend from time to time such Bylaws, resolutions, or contracts implementing such provisions, including but not limited to implementing the manner in which determinations as to any indemnity or advancement of expenses shall be made, or such further indemnification agreements as may be permitted by law.

3. The Corporation shall indemnify other employees and agents to the extent as may be authorized by the Board of Directors or the Bylaws and be permitted by law, whether the employees and agents are serving the Corporation or, at its request, any other entity.

4. The foregoing rights of indemnification shall not be exclusive of any other rights to which those seeking indemnification may be entitled under any statute, provision of the Articles of Incorporation, Bylaws, or other agreements.

5. No amendment or repeal of this Article shall apply to or have any effect on any right to indemnification provided hereunder with respect to acts or omissions occurring prior to such amendment or repeal.

ARTICLE VIII.
AMENDMENT OF ARTICLES.

These Articles of Incorporation may be amended upon a vote of a majority of the Board of Directors of the Corporation, subject to any mandatory contrary provision of state law.

ARTICLE IX.
DISPOSITION OF ASSETS UPON DISSOLUTION

Upon the dissolution of the Corporation, the Board of Directors shall, after paying or making provision for the payment of all of the liabilities of the Corporation, dispose of the assets of the Corporation exclusively for purposes of the Corporation in such manner, or to such organization or organizations organized, and operated exclusively for charitable, educational, religious, or scientific purposes as shall at the time qualify as exemption organizations under Section 501(c)(3) of the Code, as the Board of Directors shall determine. Upon such dissolution, the Corporation Board of Directors shall vote on how to dispose of the organization's remaining assets.

Should the Hayden Lake Watershed Association, Inc., terminate for any reason with remaining funds, after all expenses have been paid, will be at the discretion of the Board of Directors.

ARTICLE X.
INCORPORATOR

The name and address of the incorporator is:

Name
Clark H. Richards

Address
Lukins & Annis, P.S.
250 Northwest Blvd, Suite 102
Coeur d'Alene, ID 83814-2971

IN WITNESS WHEREOF, the incorporator hereinabove named has executed these Articles of Incorporation this 11 day of February, 2009.


CLARK H. RICHARDS, Incorporator

CONSENT TO APPOINTMENT AS REGISTERED AGENT

I, Clark H. Richards, hereby consent to serve as Registered Agent in the state of Idaho for Hayden Lake Watershed Association, Inc.

I understand that, as agent for the Corporation, it will be my responsibility to receive service of process in the name of the Corporation; to forward all mail to the Corporation; and to immediately notify the office of the Secretary of State in the event of my resignation, or of any changes in the registered office address of the Corporation for which I am agent.

DATE: 2-11-09



CLARK H. RICHARDS, Registered Agent
Lukins & Annis, P.S.
250 Northwest Blvd, Suite 102
Coeur d'Alene, ID 83814-2971