

State of Idaho

Department of State

CERTIFICATE OF INCORPORATION OF

ROCKFORD BAY HEIGHTS WATER ASSOCIATION, 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 ROCKFORD BAY HEIGHTS WATER ASSOCIATION, 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: June 25, 1993



Pete T. Cenarrusa
SECRETARY OF STATE

By *[Signature]*

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SEC. OF STATE
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ARTICLES OF INCORPORATION
OF
ROCKFORD BAY HEIGHTS WATER ASSOCIATION, INC.

KNOW ALL MEN BY THESE PRESENTS that MICHAEL J. NEWELL, LINDA M. NEWELL and PAUL J. MILLER, all being over the age of eighteen (18) years of age, and for the purposes of forming a corporation under the Idaho Non-Profit Corporation Act, hereby certify and adopt, in duplicate, the following Articles of Incorporation:

ARTICLE I.

The name of the Corporation (hereinafter called "Association") is ROCKFORD BAY HEIGHTS WATER ASSOCIATION, INC.

ARTICLE II.

This Association is organized pursuant to the Idaho Non-Profit Corporation Act, and is a non-profit corporation, pursuant to Idaho Code Section 30-306 et seq. and shall be a Water User's Association under Idaho Code Section 30-804 et seq.

ARTICLE III.

The period of existence of this Corporation shall be perpetual.

ARTICLE IV.

The location and street address of the registered office of the Corporation in the State of Idaho is 1044 Northwest Boulevard, Coeur d'alene, ID 83814. The name of the registered agent at that address is MICHAEL J. NEWELL.

ARTICLE V.

The names and addresses of the directors constituting the initial Board of Directors are as follows:

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N A M E	A D D R E S S
MICHAEL J. NEWELL	P.O. Box 2127 Coeur d'Alene, ID 83814
LINDA M. NEWELL	P.O. Box 2127 Coeur d'Alene, ID 83814
PAUL J. MILLER	P.O. Box 460 Pinehurst, ID 83850

ARTICLE VI.

The number of Directors constituting the initial Board of Directors shall be three (3).

ARTICLE VII.

Every person or entity who is a record owner of a lot which is served by the water system located in Rockford Bay Heights Lots 2, 19, 20, 21, 22, 23, 24, and 2 lots east of said lots, shall be a member of the Corporation. Michael J. Newell and Linda Marie Newell, their assigns or any entity who is a record owner of a lot which is served by the water system located in Rockford Bay Heights, Lots 2, 19, 20, 21, 22, 23, and 24, may be a member of the Corporation. PROVIDED, HOWEVER, Lots 2, 20, 21 and 22 shall not have a right to use the water system until they have completed their contractual provision for procurement of the water right from Michael J. and Linda Marie Newell. Until such time as that contractual obligation is paid in full, those rights in the well appurtenant to Lots 2, 20, 21 and 22 shall be retained by Michael J. and Linda Marie Newell. The foregoing is not intended to include persons or entitles who hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership from any lot which is subject to assessment by the Corporation, except those held by Michael J. and Linda Marie Newell. Under no circumstances shall there be more than nine (9) persons or entities who shall hold an interest in the Corporation.

2. ARTICLES OF INCORPORATION g:mn:rockford.art

ARTICLE VIII.

Neither the Directors nor the officers or members of the Corporation shall be personally liable for the debts, liabilities or obligations of the Corporation.

ARTICLE IX.

Each owner of a lot which is connected or has access to the water system on the property known as ROCKFORD BAY HEIGHTS shall be entitled to one (1) vote for each share owned and shall be a member of the Corporation. When more than one (1) person holds an interest in a share, all such persons shall be members of the Corporation. the vote for shares with more than one (1) owner shall be exercised as the owners among themselves determined, but in no event shall more than one (1) vote be cast with respect to that share.

ARTICLE X.

This Corporation is intended to qualify as a Water Association under the applicable provisions of the Internal Revenue Code and the Idaho Code. This Corporation is one which does not contemplate pecuniary gain or profit to the members thereof and is organized solely for non-profit purposes. In no event shall the net earnings, income or assets of the Corporation be distributed to or inure to the benefit of any member, director or officer of this Corporation, or other private individual, either directly or indirectly, except on winding up and dissolution. Upon winding up and dissolution of this Corporation, after paying or adequately providing for the debts and obligations of the Corporation, the remaining assets may be distributed to a non-profit fund, foundation, or corporation which has established its tax exempt status under Section 501(c)(3) of the Internal Revenue Code. Notwithstanding the foregoing, without the approval of ONE HUNDRED PERCENT (100%) of the members, so long as there is any water system for which this Corporation is obligated to provide maintenance and upkeep:

- (a) The Corporation or any person or entity acting on its behalf shall not:

3. ARTICLES OF INCORPORATION g:mn:rockford.art

1. Transfer all or substantially all of its assets; and
 2. File a Certificate of Dissolution; and
- (b) No court shall enter an order declaring the Corporation duly wound up and dissolved.

ARTICLE XI.

Notwithstanding any other provision of these Articles, this Corporation shall not carry on any other activities not permitted to be carried on by an organization exempt from Federal Income Tax under Section 501(c)(3) of the Internal Revenue Code.

This Association does not contemplate the distribution of gains, profits or dividends to its members, and the specific primary purposes for which it is formed are to provide for the acquisition, construction, management, operation, administration, maintenance, repair, improvement, and preservation of the Association property water system within the certain tract of property situated in Kootenai County, Idaho, and to be known as ROCKFORD BAY HEIGHTS and to promote the health, safety and welfare of all the residents within said system, and any additions thereto as may hereafter be brought within the jurisdiction of this Association for this purpose, all according to the Bylaws adopted by the Association.

For the purposes of forming this Association under the laws of the State of Idaho, we, the undersigned, constituting the incorporator of this association, has executed these Articles of Incorporation this 22 day of June, 1993.


MICHAEL J. NEWELL


LINDA M. NEWELL


PAUL J. MILLER

4. ARTICLES OF INCORPORATION
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STATE OF IDAHO)

ss.

County of Kootenai)

On this 22 day of June, 1993, before me,
Dawn K Garber, a Notary Public for the State of
Idaho, personally appeared MICHAEL J. NEWELL, LINDA M. NEWELL
and PAUL J. MILLER, known or identified to me to be the
persons whose names are subscribed to the foregoing instrument
and acknowledged to me that they executed the same.

IN WITNESS WHEREOF I have hereunto set my hand and seal
the day and year in this certificate first above written.

Dawn K Garber
Notary Public for Idaho
Residing in: IDA
Commission Expires: 6/10/97

5. ARTICLES OF INCORPORATION
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