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SECRETARY OF STATE  
STATE OF IDAHO

**ARTICLES OF INCORPORATION  
OF  
SKYVIEW ESTATES WATER ASSOCIATION, INC.**

The undersigned, being over the age of eighteen (18) years, and for the purpose of forming a nonprofit corporation under the Idaho Nonprofit Corporation Act, hereby certifies and adopts the following Articles of Incorporation:

**ARTICLE ONE**

The name of the corporation is SKYVIEW ESTATES WATER ASSOCIATION, INC., and its existence shall be perpetual.

**ARTICLE TWO**

The address of the registered office of the corporation in the State of Idaho shall be 110 E. Wallace Ave., Coeur d'Alene, ID 83814, and the name of its registered agent at that address is Paul W. Daugharty.

**ARTICLE THREE**

The name and mailing address of the incorporator of the corporation is Steve White, P.O. Box 949, Hayden, Idaho, 83835.

**ARTICLE FOUR**

1. The Corporation is formed for lawful nonprofit purposes and objectives and is created pursuant to the Idaho Nonprofit Corporation Act, Idaho Code Title 30, Chapter 3, and shall be a Water User's Association under Idaho Code §30-804. Stock will not be issued. All corporate assets will be dedicated to exempt purposes; although the Corporation will be authorized to pay reasonable compensation for services rendered, and to enter into business transactions in furtherance of its exempt purpose. The Corporation will not pay dividends, and its assets will not inure to the private profit of any person. If and when the Corporation is dissolved, its assets will be distributed for exempt purposes, or will devolve to a government agency for a public purpose. None of the assets will be distributed to private individuals.

2. The purpose of the Corporation is to deliver potable water to its members on the real property described in the Bylaws. The Corporation shall not sell, distribute or offer water for profit. In furtherance of such purpose, the Corporation shall have the power to acquire, construct, develop, operate, maintain and administer a private water source and distribution system, and to engage in all other lawful activities and functions consistent with its primary purpose and authorized under the Idaho Nonprofit Corporation Act.

IDAHO SECRETARY OF STATE

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## ARTICLE FIVE

The owner of a Parcel shall automatically, upon becoming an owner, be a Member of the Corporation, and shall remain a Member thereof until such time as their ownership ceases for any reason, at which time their membership in the Corporation shall automatically cease. Membership shall be in accordance with these Articles of Incorporation and the Bylaws of the Corporation.

Membership in the Corporation shall not be transferred, pledged, or alienated in any way, except upon the transfer of ownership of the Parcel to which it is appurtenant, and then only to the new owner. Any attempt to make a prohibited transfer is void. In the event the owner of any Parcel shall fail or refuse to transfer the membership registered in his name to the purchaser of his Parcel, the Corporation shall have the right to record the transfer upon books and thereupon the old membership outstanding in the name of the seller shall be null and void.

The Corporation shall have two (2) classes of voting membership, as follows:

Class A: Class A members shall be all the owners of a Parcel, with the exception of the Developer (Crystal Creek, LLC), and each Parcel owner, with the exception of the Developer (Crystal Creek, LLC), shall have one (1) vote for each lot owned.

Class B: Class B members shall be the Developer (Crystal Creek, LLC). Upon the first sale of a Parcel to an owner, the Developer shall thereupon be entitled to ten (10) votes for each Parcel owned by the Developer. This Class B membership shall cease and be converted to Class A membership when the Developer no longer owns any Parcel.

Except as otherwise provided herein, the qualifications and dues for membership shall be specified in the Bylaws of the Corporation.

Membership in the Corporation is appurtenant to and cannot be segregated from ownership of a Parcel within the jurisdiction of the Corporation. Except upon dissolution of the Corporation, a dissenting Member shall not be entitled to any return of any contribution or other interest in the Corporation.

## ARTICLE SIX

1. 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. Provided, however, the number of Directors shall never be less than three (3) Directors.

2. The Officers and Directors will not be personally liable for the Corporation's debts and liabilities, and their personal property is exempt from seizure or levy to pay obligations of the Corporation.

3. The powers of the Corporation will include all powers granted by the State of Washington to nonprofit Corporations of the same type.

4. The term of the first Directors shall be until the first annual meeting of the Corporation or until their successors are elected and qualified.

5. The number, terms of office, manner of election, time and place and manner of calling meetings, and the powers and duties of the directors (unless otherwise stated herein) shall be prescribed by the Bylaws.

6. The first Directors of this Corporation shall be three (3) in number and their addresses are as follows:

<u>Name</u>	<u>Address</u>
Steve White	P.O. Box 949 Hayden, Idaho 83835
Greg Gervais	P.O. Box 949 Hayden, Idaho 83835
Lisa Dunham	P.O. Box 949 Hayden, Idaho 83835

#### ARTICLE SEVEN

The Corporation's Board of Directors will meet at least annually, with additional meetings as called by one (1) or more Directors. The Corporation will hold a general membership meeting at least annually, and special meetings shall be called by demand of the President. No business shall be transacted at such special meeting except as may be stated in the notice of such call and notice must be given at least two (2) days prior to the special meeting.

#### ARTICLE EIGHT

The Corporation is organized for the mutual benefit of its members and shall have no profit. The cost of acquiring, constructing, managing and operating the water system shall be paid by fees and charges assessed to the members by the Corporation. Whenever the Board of Directors deem it necessary and advisable to establish or change the fees and charges for water, such fees and charges shall be established by the Board of Directors at a meeting called for that purpose in accordance with the Bylaws. All assessments received by the Corporation will be used only for the payment of corporate debts, and to operate and maintain the water system. After all expenses of the Corporation are paid each year, and a reasonable reserve set aside as determined by the Board of Directors, any excess income of the Corporation shall be used to reduce or offset future fees and charges assessed by the Corporation.

The Corporation shall have a lien on the member's share for all assessments levied, and shall have the right to enforce such lien as set forth in the Bylaws.

#### ARTICLE NINE

Power to amend the organization's Articles of Incorporation and Bylaws will rest with the Board of Directors and the membership; an amendment can be had by vote of sixty-six and two-thirds percent ( $66 \frac{2}{3}\%$ ) of the members entitled to vote, present and voting at a regular or special meeting. Provided, however, in the event there are no members entitled to vote, then in that event, the Articles of Incorporation may be amended by a majority of the Board of Directors

#### ARTICLE TEN

The undersigned, being the incorporator hereinbefore named, for the purpose of forming a corporation to do business both within and without the State of Idaho, and in pursuance of the Idaho Nonprofit Corporation Act, does hereby make and file these Articles of Incorporation, and does hereby declare and certify that this is his act and deed and the facts herein stated are true.

These Articles of Incorporation are executed in duplicate on the 17 day of May, 2014.

  
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STEVE WHITE, Incorporator