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SECRETARY OF STATE  
STATE OF IDAHO

# ARTICLES OF INCORPORATION

## OF

### SANDY COVE WATER, INC.

IDAHO SECRETARY OF STATE

7/17/1998 09:10  
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The undersigned, acting as the incorporator of an Idaho nonprofit corporation ("Corporation") adopts the following Articles of Incorporation for the Corporation.

- I. **Name of Corporation:** The name of the Corporation is Sandy Cove Water, Inc.
- II. **Nonprofit Status:** The Corporation is a nonprofit corporation.
- III. **Period of Duration:** The period of duration of the Corporation is perpetual.
- IV. **Registered Agent and address:** The address of the corporation's initial registered office is 5415 Custer Road, New Plymouth, Idaho 83655. The name of its official registered agent at such address is Dwight Cross.
- V. **Purposes:** The purposes for which the Corporation is organized and will be operated are as follows:
  - A. To conduct and carry on the business of supplying domestic and irrigation water to nine (9) households; and to supply irrigation water to a maximum of eight (8) additional lots; with said water to be provided only during the periods of May through November of each year as permitted by weather
  - B. For charitable, religious, educational, or scientific purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended from time to time, including, for such purposes, the making of distributions to organizations that qualify as exempt organizations under such Section 501(c)(3).
  - C. To exercise all powers granted by law necessary and proper to carry out the above-stated purposes, including but not limited to the power to accept donations of money, property, whether real or personal, or any other thing of value. Nothing herein contained shall be deemed to authorize or permit the Corporation to carry on any business for profit, to exercise any power, or to do any act that a corporation formed under the Act, or any amendment thereto or substitute therefor, may not at the time lawfully carry on or do.
- VI. **Limitations:** No part of the net earnings or the assets of the Corporation shall inure to the benefit of, or be distributable to, its directors, officers, or other private persons except that the Corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the

purposes set forth in Article V hereof. No substantial part of the activities of the Corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the Corporation shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of any candidate for public office. Notwithstanding any other provision of these articles, the Corporation shall not carry on any other activities not permitted to be carried on by a corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended from time to time.

- VII. Members:** This Corporation shall have members each of whom shall have rights consistent with these articles. A person may only become a member upon compliance with the requirements for members established by the Board of Directors. Each member shall be entitled to an equal portion of the water right and water supplied and shall be entitled to one vote on matters for which members are entitled to vote.
- VIII. Assessments:** Assessments may be levied upon each member in an amount agreed upon for the purpose of sharing the costs of any repairs, improvements and labor. The amount of assessment shall be fixed by the Board of Directors and shall be payable at such times and upon such notice and by such methods as the directors may prescribe. Failure to pay assessments as required shall constitute grounds for termination of water rights and membership in the corporation.
- IX. Board of Directors:** The affairs of the Corporation shall be managed by its Board of Directors. Each member shall be entitled to serve on the Board of Directors which shall consist of not more than nine (9) individuals. Other than the Directors constituting the initial Board of Directors, who are designated in these Articles, the Directors shall be elected or appointed by the existing Directors in the manner and for the term provided in the Bylaws of the Corporation.

The names and addresses of the persons constituting the initial Board of Directors are.

Leland J. Kelly, Jr.  
P.O. Box 462  
Fruitland, Idaho 83619

Dwight Cross  
5415 Custer Road  
New Plymouth, Idaho 83655

Darrell Kammer, Jr.  
1117 S. Stanford  
Nampa, Idaho 83686

William J. Adams  
P.O. Box 872  
Fenton, California 95018

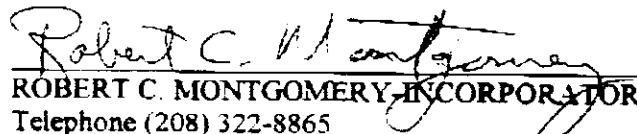
Gerald Chatwood  
P.O. Box 613  
Marianna, Florida 32447

David Hartung  
P.O. Box 585  
Payette, Idaho 83661

Dennis Fee  
60422 Tallpine Ave.  
Bend, Oregon 97702

- IX. Incorporator:** The name and street address of the incorporator is: Robert C. Montgomery, 7213 Potomac Dr., Boise, Idaho 83709.
- X. Bylaws:** Provisions for the regulation of the internal affairs of the Corporation shall be set forth in the Bylaws which shall be adopted by the initial Board of Directors.
- XI. Distribution on Dissolution:** Upon dissolution of the Corporation, the Board of Directors shall, after paying or making provision for the payment of all liabilities of the Corporation, distribute all the assets of the Corporation consistent with the purposes of the Corporation to such organization or organizations as shall at the time qualify as exempt organizations under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended from time to time, in such manner as the Board of Directors shall determine. Any such assets not so distributed shall be distributed by the district court of the county in which the principal office of the Corporation is then located, exclusively for such purposes or to such organizations, as such court shall determine to be consistent with the purposes of the Corporation.
- XII. Address for Notices:** The address where notices may be mailed is Attn: Dwight Cross 5415 Custer Road, New Plymouth, Idaho 83655.

Dated this 17<sup>th</sup> day of July, 1998.

  
ROBERT C. MONTGOMERY, INCORPORATOR  
Telephone (208) 322-8865