

97 OCT 14 PM 3:13  
SECRETARY OF STATE  
STATE OF IDAHO

## **ARTICLES OF INCORPORATION OF**

### **PONDEROSA WATER ASSOCIATION, INC.**

KNOW ALL MEN BY THESE PRESENTS, that ANDY HORTHER, being over the age of eighteen (18) years of age, and for the purpose of forming a corporation under the Idaho Non-Profit Corporation Act, hereby certifies and adopts, in duplicate, the following Articles of Incorporation.

#### **ARTICLE I.**

The name of the Corporation (hereinafter called "Association") is **PONDEROSA WATER ASSOCIATION, INC.**

#### **ARTICLE II.**

This Association is organized pursuant to the Idaho Non-Profit Corporation Act, and is a tax exempt organization within the meaning of Section 528 of the Internal Revenue Service.

#### **ARTICLE III.**

The Association shall exist perpetual.

#### **ARTICLE IV.**

##### **PURPOSES AND POWERS OF THE ASSOCIATION**

Notwithstanding any other provision of these Articles, this Corporation shall not engage in any activity in which it cannot lawfully engage without first obtaining a license nor will it engage in the operation of an insurance company.

Other than by a rebate of excess membership dues, fees, or assessments, this Association does not contemplate the distribution of its net earnings, gains, profits, or dividends to any individual member of the Association or to third parties. Sixty percent (60%) or more of the Association's yearly gross income shall consist solely of amounts received as membership dues, fees or assessments from the Association's members.

The primary purpose for which this Association is formed is to apply ninety percent (90%) of its yearly expenditures towards the organization, acquisition, construction,

C121211

management, maintenance, and care of the Association's property known as PONDEROSA COUNTRY ESTATES and any additions thereto as may be acquired by the Association.

In furtherance of said purposes, this Association shall have power to:

- (a) Perform all of the duties and obligations of the Association as set forth in the Bylaws;
- (b) Fix, collect and enforce assessments as set forth in the Bylaws;
- (c) Pay all expenses and obligations incurred by the Association in the conduct of its business including, without limitation, all licenses, taxes or governmental charges levied or imposed against the Association property;
- (d) To borrow from any source, money, goods or services without limitation as to amount of corporate indebtedness or liability; and to pledge or mortgage any of its property as security therefor in any manner permitted by law;
- (e) To buy, lease, hold and exercise all privileges of ownership in and to the real or personal property as may be necessary or convenient for the conduct and operation of the business of the Association, or incidental thereto. No such dedication or transfer shall be effective unless an instrument has been signed by two-thirds (2/3) of the voting power of members other than the Declarant;
- (f) To acquire and to hold, own and exercise all rights of ownership in, and to, sell, transfer or pledge shares of capital stock or bonds or become a member or a stockholder of any corporation or Association engaged in any related activities;
- (g) To establish reserves to invest the funds thereof in stocks, bonds, and other property as the Board of Directors may deem satisfactory;
- (h) To levy assessments in such manner and in such amount as may be provided in the Bylaws of this Association, and to provide for the manner of collection of assessments for services furnished its members and the enforcement thereof.
- (i) To have and to exercise all powers, privileges and rights which a Corporation organized under the Idaho Non-Profit Corporation Act now or hereafter has or exercise, and all powers and rights incidental in carrying out the purposes for which this Association is formed, except such as are inconsistent with the express provisions of the act under which this Association is incorporated.

**ARTICLE V.  
MEMBERSHIP AND VOTING RIGHTS**

1. **Membership:** The Bylaws shall provide the terms and conditions of membership.
2. **Transferred Membership:** Membership in the Association shall not be transferred, pledged, or alienated in any way, except as set forth in the Bylaws.
3. **Classes of Membership:** The Association shall have one class of voting membership which shall consist of the members of said Association.
4. **Fees:** Membership fees shall be fixed and regulated by the Bylaws. Each member whose fees are fully paid and who is not in arrears regarding payments for membership shall be entitled to one vote at any meeting of the members of the Association, for each membership certificate held. Assessments against members, and a determination of their liability, shall be fixed by the Bylaws, which shall provide for the manner of collection and its enforcement and also for the lapse of membership and forfeiture of the right to the incidents of the Association.
5. **Allocation of Fees:** This Association is organized as a non-profit Association for the mutual benefit of its members and will not have profits. All fees received for admission of members shall be placed in the surplus fund to be used only for the payment of indebtedness, repairs, building and maintenance. After all expenses of the Association are paid each year, and a reasonable reserve as determined by the Board of Directors set aside, any income of the Association in excess thereof shall be used to reduce the charges for the next year's obligations.
6. **Voting Rights:** Each member shall be entitled to one vote as it relates to petitions, referendums, annual meetings and general membership meetings.
7. **General:** The management of the Association's affairs is to be vested in its members pursuant to Idaho Code Section 30-314(c). Further guidelines and rules governing such membership and the rights of the members are set forth in the Bylaws of this Association.

**ARTICLE VI.  
REGISTERED AGENT AND OFFICE**

The initial registered agent of the Association shall be ANDY HORTHER, and the street address of the initial registered office shall be 30550 Quail Road Court, Athol, Idaho 83801.

**ARTICLE VII.  
BOARD OF DIRECTORS; INCORPORATORS**

The affairs of this Association shall be managed by a Board of at least three (3) Directors. All Directors must be members of the Association. Commencing with the first meeting of the Association, the number of Directors shall be determined as provided in the Bylaws of the Association. The names and addresses of the incorporators and the persons who are to act in the capacity of Directors until the selection of their successors are:

**NAME**

**ADDRESS**

Andy Horthor

30550 Quail Road Ct.  
Athol, Idaho 83801

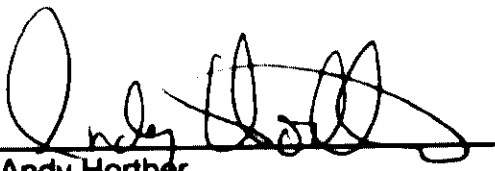
**ARTICLE VIII  
DISSOLUTION OF CORPORATION**

Upon winding up and dissolution of this Corporation, after paying or adequately providing for the debts and obligations of the organization, the remaining assets shall 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.

**ARTICLE IX  
AMENDMENTS**

These Articles of Incorporation may be amended by a vote at a meeting of the members having voting rights, which may be either an annual or special meeting as provided in the Idaho Non-Profit Corporation Act for the giving of notice of meeting of members. The proposed amendment shall be adopted upon receiving at least two-thirds (2/3) of the votes which members present at such meeting in person or by proxy are entitled to cast by the terms of the Bylaws.

For the purposes of forming this Association under the laws of the State of Idaho, I, the undersigned, constituting the incorporator of this Association, have executed these Articles of Incorporation this 9 day of October, 1997.

  
Andy Horthor

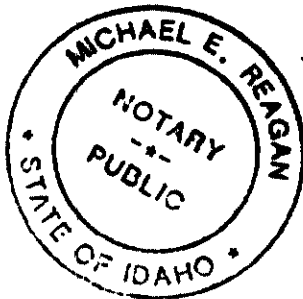
STATE OF IDAHO )

: ss.

County of Kootenai )

On this 9<sup>th</sup> day of October, 1997, before me, a Notary Public for the State of Idaho, personally appeared **ANDY HORTHER**, known or identified to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same.

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



Michael E. Reag  
Notary Public for Idaho  
Residing at Coeur d'Alene, Id.  
Commission Expires: 11-06-2001