

ARTICLES OF INCORPORATION  
OF  
CHUCKANUT TRAIL WATER ASSOCIATION

---

THE UNDERSIGNED, acting as the incorporator of this corporation under the provisions of the Washington Non-Profit Corporation Act (Revised Code of Washington Chapter 24.03), adopt the following Articles of Incorporation for such corporation:

ARTICLE I

The name of this corporation shall be CHUCKANUT TRAIL WATER ASSOCIATION.

ARTICLE II

The period of duration of the corporation shall be perpetual.

ARTICLE III

The purposes for which the corporation is organized are:

A. To associate its members together for their mutual benefit and to that end to construct, maintain and operate a private water system for the supplying of water for domestic, livestock, garden and other purposes, and for the sale of any surplus remaining after the needs of its members have been satisfied, and to engage in any activity related thereto, including but not limited to the acquisition of water by appropriation, drilling, pumping and/or purchase, and the purchase, laying, installation, maintenance and repair of wells, pumping equipment, water mains, pipe lines, valves, meters, and all other equipment necessary to the construction, maintenance and operation of a water system.

B. 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 therefore, in any manner permitted by law.

C. 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 stockholder of any corporation or association engaged in any related activities.

D. To buy, lease, hold, and exercise all privileges of ownership in and to all real or personal property as may be necessary or convenient for the conduct and operation of the business of the corporation or incidental thereto.

E. To establish reserves and to invest the funds thereof in stocks, bonds, and other property as the board of trustees may deem satisfactory.

F. To levy assessments in such manner and in such amount as may be provided in the bylaws of this corporation.

G. To have and exercise all powers, privileges and rights conferred on corporations by the laws of the State of Washington and all powers and rights incidental in carrying out the purposes for which this corporation is formed, except such as are inconsistent with the express provisions of the act under which this corporation is incorporated.

H. The foregoing shall be construed both as objects and powers, and the enumeration thereof shall not be held to limit or restrict in any manner the general powers conferred on this corporation by the laws of the State of Washington, all of which are hereby expressly claimed.

#### ARTICLE IV

Section 1. This corporation shall not have capital stock, but its capital shall be represented by membership certificates.

Section 2. The members of this corporation shall be only such persons as are bona fide owners of residences and other premises located in or near the Chuckanut Trail Estates Subdivision, Whatcom County, Washington, and having reasonable accessibility and being served by the water source and water system constructed, maintained and operated by this corporation. The initial members of the corporation shall be identified and established in accordance with the bylaws initially adopted by the board of directors.

Section 3. Additional memberships may be created and new members added beyond those authorized in the initial bylaws of the corporation subject to the terms and conditions prescribed by the bylaws of this corporation when approved by two-thirds vote of the membership of the corporation, and only if the addition of the proposed new memberships will not unreasonably diminish the water service being provided to existing members.

Section 4. Membership fees in this corporation shall be fixed and determined by its bylaws. A single individual may own multiple memberships. Each membership entitles the owner therefore whose fees are fully paid, and who is in good standing, to one vote for that membership. Voting may be by proxy. New members, upon their admission to this corporation, shall be entitled to one vote for each membership they own and to share in the property of the corporation equally with the old members based upon the number of memberships which they own. Members having fully paid their membership fee shall be entitled to receive a certificate of membership for each membership held. Assessments against members and a determination of their liabilities shall be fixed by the bylaws of the corporation.

Section 5. This corporation is organized on a non-profit basis for the mutual benefit of its members and, consequently, will not have profits from which to pay dividends on its capital. After all expenses of the corporation have been paid and reasonable reserves, as determined by the board of directors, set aside, the net earnings of the corporation shall be accumulated in a surplus fund for the purpose of replacing, enlarging, extending and repairing the system and property of the corporation, and for such other purposes as the board of directors may determine to be for the best interests of the corporation. The said surplus fund, or any portion thereof, may from time to time, at the discretion of the board of directors, be distributed to the members as provided in the bylaws, on the basis of the assessments and charges made and levied against and paid by such members during the year.

#### ARTICLE V

The address of the initial registered agent of the corporation shall be 103 E. Holly Street, Suite 401 Bellingham National Bank Building, City of Bellingham, County of Whatcom, State of Washington 98225. The name of the initial registered agent of the corporation at such address shall be Jack O. Swanson.

ARTICLE VI

The number of directors constituting the initial board of directors of the corporation shall be one (1) director. The name and address of the person who is to serve as the initial director of the corporation is as follows:

Name	Address
Stephen W. Brisbane	P.O. Box 5405 Bellingham, WA 98227

This director shall serve until the first annual meeting following incorporation, and until a successor is elected and qualified. The number of directors of the corporation shall be fixed by the bylaws.

ARTICLE VII

The name and address of the incorporator of the corporation is Jack O. Swanson, Attorney at Law, 401 Bellingham National Bank Building, Bellingham, Washington.

ARTICLE VIII

This corporation is one which does not contemplate pecuniary gain or profit to the members thereof, and is organized solely for non-profit purposes. Upon the winding up or dissolution of this corporation, after paying or adequately providing for the debts and obligations of the corporation, the remaining assets shall be dedicated to a public agency or distributed to a non-profit corporation having established tax-exempt status for the purpose of carrying on the activities of this corporation or to such other non-profit corporation having established tax-exempt status as the directors may deem appropriate. If this corporation holds any assets in trust, such assets shall be disposed of in such manner as may be directed by decree of the superior court of the county in which this corporation's principal office is located, upon petition therefore by the Attorney General, or by any person concerned in the litigation.

IN WITNESS WHEREOF, the undersigned, being the incorporator herein, has executed these Articles of Incorporation this 3rd day of October, 1991.

Jack O. Swanson  
JACK O. SWANSON

