

*ARTICLES OF INCORPORATION  
OF  
THREE LAKES WATER  
ASSOCIATION, INC.*

*We, the undersigned, all of whom are residents of Snohomish County, State of Washington, do hereby voluntarily associate ourselves together for the purpose of forming a non-profit corporation, without capital stock, under the provisions of Chapter 24.04, Title 24, R.C.W.*

*ARTICLE I*

*The name of this corporation shall be Three Lakes Water Association, Inc.*

*ARTICLE II*

*The nature of the business of the corporation and the objects and purposes for which, or for any of which, this corporation is formed 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, industrial and commercial purposes as more fully explained in Section 2 of Article VI, and for the sale of any surplus water 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, operation, 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 therefor, 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 a 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.*
- d. 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 by-laws of this corporation.*

- e. *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 III*

*The place where the principal business of the corporation is to be transacted is 17503 58<sup>th</sup> St SE, Snohomish, in the County of Snohomish, State of Washington, but the corporation may maintain offices and places of business at such other places within the State of Washington as the board of trustees may determine.*

### *ARTICLE IV*

*The period of existence of this corporation shall be perpetual.*

### *ARTICLE V*

*The private property of the members shall not be subject to payment of corporation debts. This provision is not intended to forbid any or all members from contracting to pay obligations of the corporation or from executing lien instruments, which would mortgage their private property to secure such obligations of the corporation.*

### *ARTICLE VI*

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

*Section 2. Under the terms and conditions prescribed by its By-Laws, this corporation shall admit as members only such persons as are bona fide landowners of a property having a reasonable accessibility to the source of, and who are in need of having water supplied for domestic, livestock, garden, industrial, and commercial purposes from the water system constructed, maintained and operated by the corporation, and located within the Retail Service Area of the Association as such is declared in its most recent Water System Plan. The corporation shall not be required to admit members if the capacity of its water system is exhausted by the needs of its existing members unless a proposed new member is purchasing a property presently served by the corporation and when the seller is retaining their membership because of other property or properties they may own that are presently served by the corporation. In addition, owners of property outside the Association's retail service area (but that may otherwise be served by the Association's water system) may become a member and*

*have their property served by the Corporation, upon mutual agreement between the Association and the adjacent water purveyor to provide such service.*

*Section 3. The membership fee in this corporation shall be fixed and determined by its By- Laws. The voting power and property rights and interest of each member whose fees are fully paid and who is in good standing shall be equal and each member shall be entitled to one vote only. Voting by proxy is allowed. Proxy guidelines shall be defined in the By-Laws of the corporation. New members, upon their admission in this corporation, shall be entitled to one vote and to share in the property of the corporation equally with the old members. When a member has paid their membership fee in full they shall receive a certificate of membership. Assessments against members and a determination of their liabilities shall be fixed by the By-Laws of the corporation.*

*Section 4. 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 trustees, 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 trustees 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 trustees, be distributed to the members as provided in the By-Laws, on the basis of the assessments and charges made and levied against and paid by such members during the year.*

#### ARTICLE VII

*The number of trustees shall be at least seven and one alternate trustee, who shall act on behalf of an absent trustee. All trustees shall be members of the corporation. The names and addresses of those who are to serve as the first trustees until the trustees are elected by the members, which election must not be less than two months and not more than six months from the date of incorporation are:*

<u>Name</u>	<u>Address</u>
Roy Wishon	Route 4, Snohomish, Washington
Norman T. Aarstad	Route 4, Snohomish, Washington
Don Holt	Route 4, Snohomish, Washington
Don Moser	Route 4, Snohomish, Washington
Carl Hoffman	Route 4, Snohomish, Washington
Robert Laz	Route 2, Snohomish, Washington
William Alexander	Route 2, Snohomish, Washington

*The principal place of business and address of this corporation will be 17419 Wishon Road Snohomish, Washington<sup>1</sup>.*

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<sup>1</sup> Editor's note – the Articles of Incorporation were revised in July 2014 and the place of business was updated in Article III, but not in Article VII. The correct address is as stated in Article III.

*At the first annual meeting of the members, two trustees shall be elected for a term of one year; two for a term of two years; and three for a term of three years. At each annual meeting thereafter, the members shall elect for a term of three years the number of trustees who terms of office have expired.*