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SECRETARY OF STATE
STATE OF IDAHO

ARTICLES OF INCORPORATION

OF

SAGUARO SPRINGS HOMEOWNERS ASSOCIATION INC.

KNOW ALL PERSONS BY THESE PRESENTS:

The undersigned, for the purpose of forming a non-profit corporation under the laws of the State of Idaho in compliance with the provisions of Title 30, Chapter 3, Idaho Code, does hereby certify, declare and adopt the following Articles of Incorporation:

**ARTICLE I.
NAME**

The name of the corporation shall be SAGUARO SPRINGS HOMEOWNERS ASSOCIATION INC. (the "Association").

**ARTICLE II.
TERM**

The period of existence and duration of the life of the Association shall be perpetual.

**ARTICLE III.
NON-PROFIT**

The Association shall be a non-profit, membership corporation.

**ARTICLE IV.
REGISTERED AGENT**

The location and street address of the initial registered office of the Association shall be Craig D. Hammett, at 1025 South Bridgeway Place, Suite 290, Eagle, Idaho 83616 is hereby appointed the initial registered agent of the Association.

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IDAHO SECRETARY OF STATE
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**ARTICLE V.
PURPOSE AND POWERS OF THE ASSOCIATION**

The Association does not contemplate pecuniary gain or profit to the Members thereof. The Association is formed to provide for certain regulation of the use of the Property governed by that certain Declaration of Protective Restrictions to be recorded in the official records of Ada County, Idaho ("Declaration"), and to promote the health, safety and welfare of the Owners and Occupants within the Property including without limitation, the implementation of the following:

5.1 Exercise all of the powers and privileges and perform all of the duties and obligations of the Association as set forth in the Declaration, as amended from time to time as therein provided;

5.2 Fix, levy, collect and enforce payment by any lawful means of all charges or assessments pursuant to the terms of the Declaration and all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the Association;

5.3 Acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Association under the limitations imposed by the Declaration;

5.4 Borrow money and mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred;

5.5 Participate in mergers and consolidations with other non-profit corporations organized for the same purposes or annex additional residential property, provided that any such merger, consolidation or annexation shall comply with the requirements of the Declaration;

5.6 Fix and levy assessments in any manner authorized by Section 30-3-17(5) of the Idaho Code and to secure the payment of any such assessment by the imposition of a lien against the real property to which membership rights are appurtenant; and

5.7 Have and exercise any and all powers, rights and privileges which a corporation organized under the Idaho Nonprofit Corporation Act may by law now or hereafter have or exercise, subject only to limitations contained in the Declaration and any amendments thereto, in these Articles of Incorporation and/or in the Bylaws of the Association ("Bylaws").

**ARTICLE VI.
MEMBERSHIP**

Every Owner of a Lot shall be a Member of the Association. The foregoing is not intended to include persons or entities who hold an interest in a Lot merely as security for the performance of any obligation. Membership shall be appurtenant to and may not be separated from ownership of any Lot. No Owner of a Lot shall have more than one membership in the Association for each Lot owned.

ARTICLE VII. VOTING RIGHTS

The Association shall have two (2) classes of memberships:

(a) Class A Members. Class A Members shall be the Owners of Lots, excluding Declarant for so long as Declarant is the Class B Member. The Class A Members shall not be entitled to vote until the Class B Member Termination Date (defined below). Upon the Class B Member Termination date, each Class A Member shall be entitled to one (1) vote for each Lot owned by such Class A Member. Upon the Class B Member Termination Date, Declarant shall become a Class A Member and shall be entitled to one (1) vote for each Lot owned by the Declarant.

(b) Class B Member. Declarant, by and through Declarant's designated representative (hereinafter "Declarant's Delegate"), shall be the Class B Member, and shall be the sole voting Member of the Association entitled to one (1) vote for each Lot until the Class B Member Termination Date. The Class B Member shall cease to be a voting Member in the Association at the earlier to occur of the following: (1) the date upon which the Declarant no longer owns any property or Lot within the Subdivision; (2) the date Declarant informs the Board in writing that Declarant no longer wishes to exercise its rights as the Class B Member hereunder; or (3) on June 1, 2018. Such date shall be the "Class B Member Termination Date."

ARTICLE VIII. BOARD OF DIRECTORS

The affairs of the Association shall be managed by a Board of Directors (collectively the "Board," individually "Directors") to carry out all of the powers and duties of the Association as set forth herein, and shall be selected as follows:

(a) Selection of Directors Prior to Class B Member Termination Date. Until the Class B Member Termination Date, the Board shall consist of not less than three (3) Directors nor more than seven (7) Directors appointed by the Class B Member in the Class B Member's discretion. The Class B Member shall have the right to remove and replace any Director, with or without cause, in the Class B Member's discretion.

(b) Selection of Directors After the Class B Member Termination Date. Subsequent to the Class B Member Termination Date, the Board shall be elected by a majority of the Members of the Association. The number of Directors within the range set forth in subsection (a) above shall be established by resolution of the Board. The number of Directors outside the range set forth in subsection (a) above may be changed by amendment of the Bylaws of the Association, but in no event shall the number be less than three (3). Directors shall be elected by a plurality of the votes cast by the members at a meeting at which a quorum is present. Members shall have no right to cumulate their votes for Directors. The names and addresses of the persons who are to act in the capacity of Directors until the selection of their successors are as follows:

Craig D. Hammett	1025 South Bridgeway Place, Suite 290, Eagle, Idaho 83616
David Paul	1025 South Bridgeway Place, Suite 290, Eagle, Idaho 83616

**ARTICLE IX.
ASSESSMENTS**

Each Member shall be liable for the payment of assessments pursuant to the Declaration and as set forth in the Bylaws.

**ARTICLE X.
BYLAWS**

The Bylaws of this Association may be altered, amended, or new Bylaws adopted at any regular meeting, or any special meeting of the Association called for that purpose, by the affirmative votes of more than fifty percent (50%) of the total voting power of the Association. For the purpose of specifying in detail the rights, responsibilities, duties and obligations of the Association's Board of Directors, the officers, employees and agents of the Association, and the Members for the payment of assessments, the Bylaws may incorporate by reference the provisions of the Declaration.

**ARTICLE XI.
DISSOLUTION**

The Association shall only be dissolved at a regular meeting, or a special meeting of the Association called for that purpose, by the affirmative vote of more than two-thirds (2/3) of the total voting power of the Association and upon the express written consent of the City of Meridian. Upon dissolution of the Association, other than incident to a merger or consolidation, the real property and other assets of the Association shall be distributed as follows: (i) dedicated to an appropriate public agency to be used for purposes similar to those for which the Association was created; or (ii) granted, conveyed and assigned to a non-profit corporation, association, trust or other organization to be devoted to such similar purposes. Notwithstanding any other provisions of these Articles, the Association shall not carry on any other activities not permitted by any organization exempt from federal income tax under Section 528 of the Internal Revenue Code of 1986 (or the corresponding provisions of any future United States internal revenue law).

In the event the Association is dissolved or transfers by separate instrument any of its obligations and responsibilities to another person or entity, such person or entity shall accept responsibility for managing the Common Areas and otherwise assume all obligations and duties of the Association contained within the Declaration.

**ARTICLE XII.
AMENDMENTS**

Amendment of these Articles of Incorporation may be made at any regular meeting, or any special meeting of the Association called for that purpose, by the affirmative vote of more than two-thirds (2/3) of the total voting power of the Association's Members. No amendment which is inconsistent with the provisions of the Declaration shall be valid.

**ARTICLE XIII.
MEANING OF TERMS**

Except as otherwise defined herein, all terms appearing herein initially capitalized shall have the same meanings as are ascribed to such terms in the Declaration.

**ARTICLE XIV.
INCORPORATION**

Anne C. Kunkel, 601 W. Bannock Street, Boise, Idaho 83702, shall be the incorporator of the Association.

IN WITNESS WHEREOF, I have hereunto set my hand and seal effective November 12, 2009.

Anne C. Kunkel
Anne C. Kunkel, Incorporator