

**ARTICLES OF INCORPORATION  
OF**

**ALWORTH SUBDIVISION HOMEOWNERS' ASSOCIATION, INC.**

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SECRETARY OF STATE  
STATE OF IDAHO

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 the **ALWORTH SUBDIVISION 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 5321 Emerald Street, Boise, Idaho 83706, and David E. Watkins is hereby appointed the initial registered agent of the Association.

**ARTICLE V - PURPOSE AND POWERS OF THE ASSOCIATION**

The Association does not contemplate pecuniary gain or profit to the Members thereof, and the Association is formed for the purpose to act as a real estate management association and to provide for the acquisition, construction, management and care of real and personal property held by the Association or commonly held by the members of the Association located in Alworth Subdivision, in Ada County, Idaho (the "Development") and owned by members of the Association and otherwise to act and be operated as a "homeowners' association" as defined in Section 528 of the Internal Revenue Code. Subject to the provision of the Declaration of Covenants, Conditions and Restrictions for Alworth Subdivision, as recorded in the official records of Ada County, Idaho, and any supplemental rules, guidelines and/or declaration applicable to the Development and recorded or to be recorded in the Office of the Ada County Recorder, and as the same may be amended from time to time as therein provided (hereinafter collectively referred to as the "Declaration"), said Declaration being incorporated herein as if set

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forth at length, the general purposes and powers of the Association includes, without limitation, the implementation and enforcement of the following:

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

B. Fix and collect 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;

C. 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; and

D. 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, and the Bylaws of the Association ("Bylaws").

## **ARTICLE VI - MEMBERSHIP AND VOTING**

Every Owner holding fee simple interest of record, and buyers under executory contracts of sale, but excluding those having such interest merely as security for the performance of an obligation, to any Unit in the shall be a Member of the Association.

Membership in the Association shall be appurtenant to and may not be separated from ownership of any Unit within the Building.

The Association shall have two (2) classes of voting membership:

- (a) Class A Membership. Class A Members shall be all Owners, with the exception of the Declarant until Declarant's Class B membership has been converted to a Class A Membership pursuant to the Declaration. Each Class A Member shall be entitled to one (1) vote for each Unit in which it holds the interest required for membership in the Association. When more than one (1) person holds such interest in any Condominium, all such persons shall be Members, but all such persons shall be entitled to a single vote with respect to such Unit and in no event shall the vote cast with respect to any Unit be split.
- (b) Class B Membership: Class B Member(s) shall be Declarant, its successors and assigns. Each Class B Member shall be entitled to the number of votes that is equal to five (5) votes for each Unit in which it holds the interest required for membership in the Association. The Declarant's Class B Membership shall convert to a Class A Membership upon the earlier of (i) Declarant (or its successors in title to whom the Declarant has granted Class B voting rights) no longer owns a Lot within the Subdivision; (ii) January 1, 2015; or (iii) the

occurrence of the Transition Date. The term "Transition Date" shall be as defined in the Declaration.

## **ARTICLE VII - BOARD OF DIRECTORS**

The number of directors of this corporation shall be fixed by the bylaws and may be increased or decreased from time to time in the manner specified therein, but in no event shall less than three (3) persons serve as the corporation's directors. The initial board of directors shall consist of three (3) directors. The names and addresses of the persons who shall serve as directors until their successors are elected and qualify, or unless they resign or are removed, are:

David E. Watkins  
5321 Emerald Street  
Boise, Idaho 83706

Teresa Zechman  
5321 Emerald Street  
Boise, Idaho 83706

Mitchell Cornell  
8846 Austin  
Boise, Idaho 83714

## **ARTICLE VIII - ASSESSMENTS**

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

## **ARTICLE IX - BYLAWS**

Amendments of the Bylaws of the Association may be made at any regular meeting, or any special meeting of the corporation called for that purpose, by the affirmative vote of more than two-thirds (2/3) of the total voting power of the corporation's members, and, if required by the Declaration, the consent of holders of first mortgages in Unit(s) who have requested of the Corporation in writing to provide them notice of proposed action which affects their interests. No amendment which is inconsistent with the provisions of the Declaration shall be valid. 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 X - 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 votes of no less than two-thirds (2/3) of the total voting power of the Association. 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).

#### **ARTICLE XI - AMENDMENTS**

Amendment of these Articles of Incorporation may be made at any regular meeting, or any special meeting of the Members of the Association called for that purpose, by the affirmative votes of more than two-thirds (2/3) of the total voting power of the Association's Members, and, if required by the Declaration, the consent of holders of Mortgages on Units within the Noe Valley Condominiums who have requested of the Association in writing to provide them notice of proposed action which affects their interests. No amendment which is inconsistent with the provisions of the Declaration shall be valid.

#### **ARTICLE XII - LIMITATION OF LIABILITY**

A director of this corporation shall not be personally liable to this corporation or its members for monetary damages for breach of fiduciary duty as a director, except for liability (1) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, or (2) for any transaction from which the director derived any improper personal benefit. If the Idaho Nonprofit Corporation Act (the "Act") is amended to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of this corporation shall be eliminated or limited to the fullest extent permitted by the Act as so amended. Any repeal or modification of this Article 11 by the members of the corporation shall not adversely affect any right or protection of a director of the corporation existing at the time of such repeal or modification.

#### **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 IV - INCORPORATION**

DAVID E. WATKINS, 5321 Emerald Street, Boise, Idaho 83706, shall be the incorporator of the Association.

  
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DAVID E. WATKINS, Incorporator