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ARTICLES OF INCORPORATION

OF

CHANTRELLE SUBDIVISION OWNERS ASSOCIATION, INC.

In compliance with the requirements of the laws of the State of Idaho relating to non-profit corporations and acts amendatory and supplemental thereto, including particularly Chapter 3, Title 30 et seq. of the Idaho Code, the undersigned natural person, who is of lawful age and a resident of the United States, in order to form a non-profit corporation for the purposes hereinafter stated, does hereby adopt the following Articles of Incorporation, and certifies:

ARTICLE I NAME

The name of this corporation is CHANTRELLE SUBDIVISION OWNERS ASSOCIATION, INC., hereinafter called the "Corporation."

ARTICLE II NOT FOR PROFIT

The Corporation is a nonprofit corporation under the laws of the State of Idaho. The Corporation is not formed for pecuniary gain. No part of the income or assets of the Corporation is distributable to or for the benefit of its Members, Directors or Officers, except to the extent permissible under law.

ARTICLE III ADDRESS

The principal office of the Corporation is located at 721 North Main, P. O. Box 94 Bellevue, Idaho 83313.

ARTICLE IV DURATION

The duration of the corporation is perpetual.

ARTICLE V PURPOSE AND POWERS OF THE CORPORATION

The purposes of this Corporation shall be to own and to provide for maintenance, preservation, and control of the Private Irrigation System, and for maintenance of the pole fence and a clear walking trail in the pedestrian easement, and architectural control within Chantrelle II Subdivision Phase IV, Blaine County, Idaho, ("the Subdivision") as filed for record in the office of the Blaine County Recorder and any additions thereto as may hereafter be brought within the jurisdiction of this Corporation by annexation as provided in the Declaration referred to below,

IDAHO SECRETARY OF STATE

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and to promote the recreation, health, safety, and welfare of the Members hereof; and for these purposes to:

(a) Exercise all of the powers and privileges and to perform all of the duties and obligations of the Corporation as set forth in that certain Declaration of Covenants, Conditions and Restrictions, hereafter called "the Declaration," applicable to the property and recorded or to be recorded in the office of the County Recorder of Blaine County, State of Idaho, and as the same may be amended from time to time as therein provided, said Declaration being incorporated herein as if set forth at length;

(b) Fix, levy, collect and enforce payment by any lawful means, all charges or assessments pursuant to the terms of the Declaration; to pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the Corporation, including all licenses, taxes or governmental charges imposed against the property of the Corporation;

(c) Acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, and maintain real or personal property in connection with the affairs of the Corporation;

(d) Participate in mergers and consolidations with other nonprofit corporations organized for the same purposes or annex additional property and Common Area, subject to those restrictions contained in the Declaration and any amendments thereto; and

(e) Have and exercise any and all powers, rights and privileges which a corporation organized under the Idaho Non-profit Corporation Act by law may now or hereafter have or exercise.

ARTICLE VI MEMBERS

The Corporation shall not issue any capital stock, but shall issue membership certificates to each Member hereof, including the Grantor, under the terms and conditions hereinafter set forth. Each Owner (including the Grantor) of a fee interest or undivided fee interest in Lots 1 thru 7 of Chantrelle II Subdivision Phase IV, by virtue of being such an Owner, shall be deemed a Member of the Corporation, except that lot 1 while it is owned by the City of Bellevue or used for affordable housing under an agreement with Bellevue shall not be a Member of the Corporation. In the event Lot 1 is sold to a third party (except under an agreement with Bellevue to provide affordable housing), said Lot shall become a Member of the Corporation. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. The membership of each Owner (including the Grantor) shall be appurtenant to the lot(s) owned by such Owner and shall not be transferred, pledged, or alienated in any way except upon the transfer of title to said lot and then only to the transferee of title to said lot. Any attempt to make a prohibited transfer shall be void. Any transfer of title to such lot shall operate automatically to transfer said membership to the new Owner thereof.

ARTICLE VII VOTING RIGHTS

The Corporation shall have one class of voting Members. Each Member shall be entitled to cast one vote or fractional vote as set forth herein for each improved lot in which they hold the interest required for Membership, and the vote for such lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any one improved lot. Voting by proxy shall be permitted; provided, proxies shall not be valid for a period in excess of eleven (11) months from their date of execution and shall automatically terminate if the grantor of the proxy ceases to be a Member of the Corporation.

ARTICLE VIII BOARD OF DIRECTORS

The affairs of the Corporation shall be managed by a Board of at least three (3) Directors at meetings duly held pursuant to the Bylaws and at which a quorum is present in person or by proxy. Provided, that the number of Directors may be the same as the number of Lot Owners in the Subdivision if there are less than Three Owners of Lots in the Subdivision. A quorum shall consist of a majority of the Directors present in person or by proxy. The Board, by majority vote, may remove an officer of the Corporation. The Bylaws may provide for an increase or decrease in the number of Directors, provided that, subject to the foregoing, the number of Directors shall be not less than three and not more than five.

At the first regular meeting the Members shall elect one Director for a term of one year, one Director for a term of two years and one Director for a term of three years; and at each annual meeting thereafter, the Members shall elect one Director for a term of three years. Vacancies during the terms shall be filled by appointment by a majority of the remaining Directors.

The name and address of the original Directors shall be as follows:

Name

Address

Richard D. Hazen

P.O. Box 94
Bellevue, ID 83313

ARTICLE IX INCORPORATOR

The name and post office address of the incorporator is Richard D. Hazen, P.O. Box 94 Bellevue, Idaho 83313.

ARTICLE X REGISTERED AGENT

The street address of the Corporation's initial registered office is 721 North Main Bellevue, Idaho 83313, and the initial registered agent at that address is Richard D. Hazen.

**ARTICLE XI
LIMITATION**

No part of the net earnings of the Corporation shall inure to the benefit of or be distributable to its Members, or Officers, but the Corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Article V hereof.

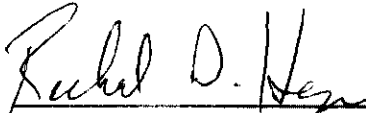
**ARTICLE XII
INCORPORATION BY REFERENCE**

The Bylaws of the Corporation shall incorporate by reference all of the provisions of the Declaration.

**ARTICLE XIII
DISSOLUTION**

Upon dissolution of the Corporation, the assets of the Corporation remaining after payment of its debts shall be distributed to the Members in shares proportionate to the number of lots in the Subdivision owned by each Member.

IN WITNESS WHEREOF the undersigned have signed these Articles of Incorporation on the 22nd day of September, 1999.

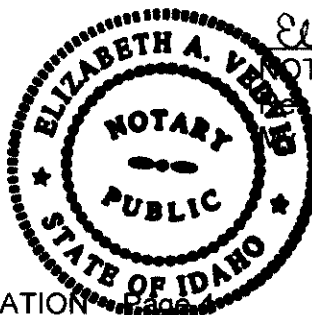


RICHARD D. HAZEN, Incorporator

STATE OF IDAHO)
) ss.
County of Twin Falls)

On this 22 day of September, 1999, before me, the undersigned, a Notary Public in and for said State, personally appeared RICHARD HAZEN, known 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 affixed my official seal the day and year in this certificate first above written.



Elizabeth A. Veding

NOTARY PUBLIC FOR IDAHO
Residence: Kimberly, Id
Commission Expires: 10-30-2004