

**FILED EFFECTIVE**

ARTICLES OF INCORPORATION

OF

CHARMAE SPRINGS

HOMEOWNERS' ASSOCIATION, INC.

01 JAN 14 AM 8:58  
SECRETARY OF STATE  
STATE OF IDAHO

In compliance with the requirements of Title 30, Chapter 3, Idaho Code, the undersigned, who is a resident of Idaho and is of full age, has this day formed a corporation not for profit and does hereby certify:

ARTICLE I

NAME OF CORPORATION

The name of the corporation is Charmae Springs Homeowners' Association, Inc., hereafter called the "Association."

ARTICLE II

REGISTERED OFFICE

The initial registered office of the Association is located at 4110 Eaton Avenue, Caldwell, Idaho 83607.

ARTICLE III

REGISTERED AGENT

C. Fred Cornforth, whose address is 4110 Eaton Avenue, Caldwell, Idaho 83607, is hereby appointed the initial registered agent of this Association.

C152627

ARTICLE IV

DEFINITIONS

A. "Articles" shall mean and refer to these Articles of Incorporation of Charmae Springs Homeowners' Association, Inc.

B. "Association" shall mean and refer to the Charmae Springs Homeowners' Association, Inc., and its successors and assigns.

C. "Common Area" shall mean and refer to the portion of the Property not dedicated to Lots and dedicated to common area.

D. "Declarant" shall mean and refer to Community Development, Inc., an Idaho non-profit corporation, and its successors and assigns, or any successor or assign to all or substantially all of its interest in the Property.

E. "Declarations" shall mean and refer to the Declaration Establishing Covenants, Conditions and Restrictions for Charmae Springs applicable to the property and recorded or to be recorded in the office of the Recorder, Canyon County 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.

F. "Definitions of Words" with initial capital letters, which are also defined in the Declaration, shall have the same meaning herein as used and defined in the Declaration, except as such words or definitions may be modified in these Articles.

G. "Lot" shall mean and refer to any portion of the property as delineated by the plats described as Lots 1 through 16 of Block 1, together with Lots 1 through 7 of Block 2, Lots 1 through 3 of Block 3, Lots 1 through 8 of Block 4, Lots 1 through 8 of Block 5 Charmae Springs Subdivision, according to the official plat thereof filed August 6<sup>th</sup>, 2003, as Instrument No. 200349072, records Canyon County, Idaho. Lot 4 of Block 3, Charmae Springs Subdivision, according to the official plat thereof filed August 6<sup>th</sup>, 2003, as Instrument No. 200349072, records of Canyon County, Idaho, is specifically excluded from this Association.

H. "Owner" shall mean and refer to the record title owner of a Lot.

I. "Property" shall mean all of property as delineated by the plats described as Lots 1 through 16 of Block 1, together with Lots 1 through 7 of Block 2, Lots 1 through 3 of Block 3, Lots 1 through 8 of Block 4, Lots 1 through 8 of Block 5 Charmae Springs Subdivision, according to the official plat thereof filed August 6<sup>th</sup> 2003, as Instrument No. 200349072, records Canyon County, Idaho.

## ARTICLE V

### PURPOSE AND POWERS OF THE ASSOCIATION

This Association is a nonprofit corporation. The specific purposes for which it is formed are to:

- (a) provide for maintenance, preservation and architectural control of the residence Lots and Common Area within the Property;
- (b) promote the health, safety and welfare of the Owners of Lots residents within the Property and any additions thereto as may hereafter be brought within the jurisdiction of this Association;
- (c) exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as set forth in the Declaration applicable to the Property;
- (d) 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 Association, including all licenses, taxes or governmental charges levied or imposed against the property of the Association;
- (e) 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;
- (f) borrow money, and with the assent of two-thirds (2/3) of each class of members mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred;
- (g) dedicate, sell or transfer all or any part of the Common Area to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument has been signed by two-thirds (2/3) of each class of members, agreeing to such dedication, sale or transfer;
- (h) participate in mergers and consolidations with other nonprofit corporations organized for the same purposes or annex additional residential property and Common Area, provided that any such merger, consolidation or annexation shall have the assent of two-thirds (2/3) of each class of members;

- (i) enforce the provisions of the Declaration and to commence and maintain actions to restrain and enjoin any breach or threatened breach of any provisions of the Declaration;
- (j) delegate to a manager contracted for such purposes all or some of the duties of the Association except where the Board of Directors of the Association are required by the Articles, the Bylaws or the Declaration to approve such action;
- (k) to employ personnel to perform the services required to carry out the duties of the Association;
- (l) have and to exercise any and all powers, rights and privileges which a corporation organized under the non profit corporation laws of the State of Idaho by law may now or hereafter have or exercise.

## ARTICLE VI

### LIMITATIONS

Notwithstanding any other provision in these articles, the Association shall not engage in any activity or exercise any power that is not in furtherance of its specific and primary purposes. The Association is intended to qualify as a homeowners association under section ("Section") 528 of the internal revenue code of 1986, as amended (the "Code"). No part of the net earnings or the assets of the Association shall inure to the benefit of, or be distributable to, its members, directors, officers, or other private persons except that the Association 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 and Article IX hereof. No substantial part of the activities of the Association shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the Association shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of any candidate for public office. Notwithstanding any other provision of these articles, the Association shall not carry on any other activities not permitted to be carried on (a) by any organization exempt from federal income tax under Section 501(c)(4), or (b) by an organization qualified under Section 528, or corresponding sections of any future federal tax code.

ARTICLE VII

MEMBERSHIP AND VOTING RIGHTS

Every person or entity who is a record owner of a fee or undivided fee interest in any Lot which is subject by covenants of record to assessment by the Association, including contract sellers, shall be a member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment by the Association. The Association shall have two classes of voting membership.

Class A. Class A members shall be all Owners, with the exception of the Declarant (as defined in the Declaration), and shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be members. The vote for such Lot shall be exercised as they determine, but in no event shall more than one vote be cast with respect to any Lot.

Class B. The Class B member(s) shall be the Declarant, and shall be entitled to three (3) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership on the happening of sub-clause (a).

- (a) when the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership.

Cumulative voting is not permitted.

ARTICLE VIII

BOARD OF DIRECTORS

The affairs of this Association shall be managed by a Board of three (3) Directors, who need not be members of the Association. The number of directors may be changed by amendment of the By-Laws of the Association. The names and addresses of the persons who are to act in the capacity of directors until the selection of their successors are:

<u>NAME</u>	<u>ADDRESS</u>
C. Fred Cornforth	4110 Eaton Avenue, Suite A Caldwell, Id. 83607
Greg Urrutia	4110 Eaton Avenue, Suite A Caldwell, Id. 83607
Brad Carpenter	4110 Eaton Avenue, Suite A Caldwell, Id. 83607

At the first annual 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.

## ARTICLE IX

### DISSOLUTION

The Association may be dissolved, either by unanimous written consent of all members or by an alternative vote of not less than two-thirds (2/3) of each class of members at a duly noticed meeting. Upon dissolution of the Association, other than incident to a merger or consolidation, the assets of the Association shall be dedicated to an appropriate public agency to be used for purposes similar to those for which this Association was created. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed and assigned to any nonprofit corporation, association, trust or other organization to be devoted exclusively to such similar purposes. No part of the monies, properties or assets of the Association, upon dissolution or otherwise, shall inure to the benefit of any private person or individual or any member of the Association. Notwithstanding any other provisions of these Articles, the Association shall not carry on any other activities not permitted by an organization exempt from federal income tax under Section 501(c)(4) or Section 528 of the Code.

## ARTICLE X

### DURATION

The Association shall exist perpetually.

## ARTICLE XI

### AMENDMENTS

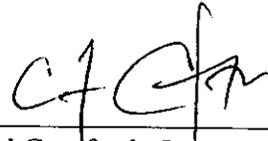
Amendment of these Articles shall require the assent of seventy-five percent (75%) of the entire membership.

## ARTICLE XII

### FHA/VA APPROVAL

As long as there is a Class B membership, the following actions will require the prior approval of the Federal Housing Administration or the Veterans Administration: annexation of additional properties, mergers and consolidations, mortgaging of Common Area, dedication of Common Area, dissolution and amendment of these Articles.

IN WITNESS WHEREOF, for the purpose of forming this corporation under the laws of the state of Idaho, I, the undersigned, the incorporator of this Association, have executed these Articles of Incorporation this 9th day of January, 2004.



\_\_\_\_\_  
C. Fred Cornforth, Incorporator

STATE OF IDAHO    )  
                                  ) ss.  
County of Canyon    )

On this 9<sup>th</sup> day of January, 2004, before me, the undersigned, a Notary Public in and for said State, personally appeared C. Fred Cornforth, known or identified to me to be the person whose name is subscribed to the within 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.



Karen L. Drake  
\_\_\_\_\_  
NOTARY PUBLIC for Idaho  
Residing at Boise, Idaho  
My Commission Expires 1-27-05