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SECRETARY OF STATE  
STATE OF IDAHO

**ARTICLES OF INCORPORATION  
OF  
COVENANT HILL NEIGHBORHOOD ASSOCIATION, INC.**

**KNOW ALL PERSONS BY THESE PRESENTS:**

The undersigned, for the purpose of forming a nonprofit corporation under the laws of the State of Idaho do hereby certify, declare and adopt the following Articles of Incorporation:

**ARTICLE 1: NAME:** The name of the corporation shall be Covenant Hill Neighborhood Association, Inc. {hereinafter, the "Corporation "}

**ARTICLE 2: TERM:** The period of existence and duration of the life of this Corporation shall be perpetual.

**ARTICLE 3: NONPROFIT:** This Corporation shall be a nonprofit, membership corporation.

**ARTICLE 4: REGISTERED AGENT:** James Merkle is hereby appointed the initial registered agent of the Corporation. The location and street address of the initial registered office of this Corporation shall be 150 E. Aikens, Suite A, Eagle, Idaho 83616.

**ARTICLE 5: PURPOSE AND POWERS OF THE ASSOCIATION:** This Corporation does not contemplate pecuniary gain or profit to the Members. The purpose of the Corporation is to provide for the regulation of the Property located in Covenant Hill Subdivision{s} including annexations and additions thereto, according to the plats thereof recorded or to be recorded in the county where the subdivision is located. The Corporation shall have the duties and powers set out in the Declaration of Covenants, Conditions and Restrictions {hereinafter referred to as "Declaration" or "CC&R's"} for the subdivision and shall have additional powers including, but not limited to:

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**ARTICLES OF INCORPORATION  
COVENANT HILL NEIGHBORHOOD ASSOCIATION INC.**

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(A) Fix, levy, collect and enforce payment by any lawful means of all charges or assessments pursuant to the terms of the Declaration and any and all costs and expenses related thereto.

(B) Acquire, 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 Corporation under the limitations imposed by the Declaration.

(C) 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 of the Corporation as security for money borrowed or debts incurred;

(D) 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 by the Members. No such dedication or transfer shall be effective unless approved by at least two-thirds (2/3) of each class of Members.

(E) Participate in mergers and consolidations with other nonprofit corporations organized for the same purposes, provided that any such merger or consolidation shall have the assent of two-thirds (2/3) of each class of Members;

(F) 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, including the annexation of subsequent phases of the subdivision subject only to limitations contained in the Declaration and the amendments and supplements thereto.

**ARTICLE 6: MEMBERSHIP:** Every person or entity holding any fee simple interest of record to a Building Lot, whether platted or unplatted, but excluding those having such interest merely as security for the performance of an obligation, shall be a Member of the Corporation. Membership shall be appurtenant to and may not be separated from ownership of any Building Lot. There shall be one (1) membership in the Association for each such Building Lot located in the Subdivisions. Members of the Corporation must be and remain Owners of Building Lots within the Subdivisions.

**ARTICLE 7: VOTING RIGHTS:** The Corporation shall have two classes of voting membership:

7.1 **Class A Members.** Owners other than Grantor shall be Class A Members. Each Class A Member shall be entitled to cast one (1) vote for each Building Lot owned by such Class A Member(s) on the day of the vote. One Lot, one vote.

7.2 **Class B Member.** The Grantor shall be the Class B Member, and shall be entitled to five (5) votes for each Building Lot (platted or unplatted) owned by Grantor in all phases of Covenant Hill Subdivision as depicted in the Declaration. The Class B Member shall cease to be a Class B voting Member in the Association at the time the Grantor deeds away the last residential Building Lot in the final phase of the subdivision to an Owner other than Grantor; or on December 31, 2010, whichever date is sooner. Thereafter Grantor shall have the votes of a Class A Owner for each Building Lot owned.

**ARTICLE 8: BOARD OF DIRECTORS:** The affairs of this Corporation 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 Corporation, but in no event shall the number be less than three (3). The terms of the Directors and the designation or elections of Directors shall be set out in the By-laws of the corporation. The names and addresses of the persons who are to act in the capacity of Directors until the selection of their successors are:

1. James Merkle, 150 E. Aikens, Suite A, Eagle, Idaho 83616.
2. Donald Hutt, 150 E. Aikens, Suite A, Eagle, Idaho 83616.
3. Nick Koontz, 150 E. Aikens, Suite A, Eagle, Idaho 83616.

**ARTICLE 9: ASSESSMENTS:** Each Class A Member shall be liable for the payment of Assessments and other charges as provided for in the Declaration.

**ARTICLE 10: DISSOLUTION:** Unless prohibited by the local governmental authority having jurisdiction over this subdivision, the Corporation may be dissolved at any regular meeting, or any special meeting of the Corporation called for that purpose, by the affirmative votes of not less than three-fourths (3/4) of the votes of each class of Members in the Association. Upon dissolution of the Corporation, other than incident to a merger or consolidation, the real property and other assets of the Corporation shall be: (i) dedicated to an appropriate public agency to be used for purposes similar to those for which the Corporation was created; or (ii) granted, conveyed and assigned to a nonprofit corporation, association, trust or other organization to be devoted to such similar purposes; or (iii) distributed to the Owners of Building Lots to be held by them as tenants in common in proportion to the number of Building Lots within the Subdivision. The determination of the liquidating distribution of the real property and other assets of the Corporation as provided above, shall be determined as part of the Member vote on dissolution.

**ARTICLE 11: AMENDMENTS:** Amendment of these Articles of Incorporation may be made at any regular meeting, or any special meeting of the Corporation called for that purpose, by the affirmative votes of not less than three-fourths (3/4) of the total votes available in the Association.

**ARTICLE 13: INCORPORATION:** The incorporator of the corporation shall be: James Merkle, 150 E. Aikens, Suite A, Eagle, Idaho 83616.

IN WITNESS WHEREOF, I have hereunto set my hand and seal In duplicate this 17 day of JULY, 2006.

  
Incorporator