

**ARTICLES OF INCORPORATION**

**OF**

**WATER'S EDGE OWNER'S  
ASSOCIATION, INC.**

**FILED EFFECTIVE**

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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 WATER'S EDGE OWNER'S 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 Commercial Asset Management, 13601 W. McMillan Rd., Ste. 102, Box 332, Boise, ID 83713, and Lowell Vaughn is hereby appointed the initial registered agent of the Association.

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

The purposes for which the Association is organized and will be operated are as follows:

A. The exercise of all the powers and privileges and the performance of all the duties and obligations of the Association as set forth in the Declaration of Covenants, Conditions and Restrictions for Hoke Subdivision No. 2, recorded on the 17<sup>th</sup> day of October, 2007, in the official records of Ada County, Idaho, as Instrument Number 107142399 (the "Declaration"), as amended from time to time.

B. The transaction of any or all lawful business for which corporations may be incorporated under the Idaho Nonprofit Corporation Act, subject only to limitations in the Bylaws and the Declaration and the amendments and supplements thereto.

1 | ARTICLES OF INCORPORATION OF WATER'S EDGE ASSOCIATION, INC.

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C. To exercise all powers granted by law necessary and proper to carry out the foregoing purposes, including, but not limited to, the power to accept donations of money, property, whether real or personal, or any other things of value. Nothing herein contained shall be deemed to authorize or permit the Association to carry on any business for profit, to exercise any power, or to do any act that a corporation formed under the Act, or any amendment thereto or substitute therefor, may not at that time lawfully carry on or do.

#### **ARTICLE VI - LIMITATIONS**

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 hereof. No substantial part of the activities of the Association shall be for 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 provisions of these Articles, the Association shall not carry on any other activities not permitted to be carried on by a corporation exempt from federal income tax under Section 528 of the Internal Revenue Code of 1986, as amended from time to time.

#### **ARTICLE VII - MEMBERS**

Each person or entity holding fee simple interest of record to a Building Lot (as defined in the Declaration) which is a part of the Hoke Subdivision No. 2, and sellers under executory contracts of sale, but excluding those having such interest merely as security for the performance of an obligation, shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Building Lot located in the Hoke Subdivision No. 2. Except for the Class B Member, there shall be one (1) membership in the Association for each Building Lot located in the Hoke Subdivision No. 2. Members of the Association must be owners of Building Lots within the Hoke Subdivision No. 2.

#### **ARTICLE VIII - VOTING RIGHTS**

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

A. **Class A Members.** The Class A Members shall be owners of Building Lots within the Hoke Subdivision No. 2, except for Grantor (as defined in the Declaration). The Class A Members shall be entitled to one (1) vote for each Building Lot owned by such Class A Members on the day of the vote.

B. **Class B Member.** Grantor shall be the Class B Member, and shall be entitled to vote as set forth in paragraph 10.3.2 of the Declaration. The Class B Member shall cease to be a voting Member in the Association as set forth in Paragraph 10.3.2 of the Declaration.

## **ARTICLE IX - BOARD OF DIRECTORS**

The affairs of the Association shall be managed by its Board of Directors. The number of Directors serving on the Board of Directors shall be fixed in accordance with the Association's Bylaws and the Declaration. Other than the Directors constituting the initial Board of Directors, who are designated in these Articles, the Directors shall be elected in the manner and for the term provided in the Bylaws of the Association.

The names and street addresses of the persons constituting the initial Board of Directors are:

<b><u>NAME</u></b>	<b><u>ADDRESS</u></b>
Scott Stewart	500 E. Shore Dr., Ste. 130, Eagle, ID 83616
Aaron Doughty	1099 S. Wells, Ste. 200, Meridian, ID 83642
Roger Doughty	1099 S. Wells, Ste. 200, Meridian, ID 83642

## **ARTICLE X - ASSESSMENTS**

Each Member shall be liable for the payment of Assessments provided for in the Declaration and as otherwise set forth in the Bylaws of the Association and the Declaration.

## **ARTICLE XI - DISTRIBUTION ON DISSOLUTION**

Upon dissolution of the Association, the Board of Directors shall, after paying or making provision for the payment of all liabilities of the Association, distribute all the assets of the Association consistent with the purposes of the Association to such organization or organizations as shall at that time qualify as exempt organizations under Section 501(c)(12) of the Internal Revenue Code of 1986, as amended from time to time, in such manner as the Board of Directors shall determine. Any such assets not so distributed shall be distributed by the district court of the county in which the principal office of the Association is then located, exclusively for the purposes or to such organizations, as such court shall determine to be consistent with the purposes of the Association.

## **ARTICLE XII - INCORPORATOR**

The name and street address of the incorporator is Waters Edge LLC,  
PO Box 2475, Eagle ID 83616.

## **ARTICLE XIII - BYLAWS**

Provisions for the regulation of the internal affairs of the Association shall be set forth in the Bylaws and the Declaration. The Board of Directors of the Association shall be authorized to amend the Association's Bylaws at a properly noticed special or regular

meeting of the Board of Directors. Neither these Articles nor the Bylaws of the Association shall be amended or otherwise changed or interpreted to be inconsistent with Declaration of Covenants, Conditions and Restrictions for Hoke Subdivision No. 2 (the "Declaration").

The undersigned, acting as incorporator of a nonprofit corporation under the Idaho Nonprofit Corporation Act, Chapter 3, Title 30, Idaho Code ("Act"), adopts the following Articles of Incorporation:

IN WITNESS WHEREOF, I have hereunto set my hand and seal effective this 29<sup>th</sup> day of June, 2012.

A handwritten signature in black ink, appearing to read "Scott Stewart", is written over a horizontal line.

Water's Edge, Incorporator  
By: Scott Stewart, Manager