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ARTICLES OF INCORPORATION SECRETARY OF STATE
STATE OF IDAHO

OF

RANCH GATE BACK FORTY SUBDIVISION

HOMEOWNERS' ASSOCIATION, INC.

KNOWN ALL MEN BY THESE PRESENTS: That we, the undersigned, being natural citizens of full age and citizens of the United State of America, in order to form a corporation for the purpose hereinafter stated, under and pursuant to the provisions of the general laws of the State of Idaho, do hereby certify as follows:

ARTICLE I

The name of the Corporation shall be "RANCH GATE BACK FORTY SUBDIVISION HOMEOWNERS' ASSOCIATION, INC."

ARTICLE II

EXISTENCE

The period of existence and the duration of the life of this Corporation shall be perpetual.

ARTICLE III

This Corporation shall be non-profit cooperative association.

IDAHO SECRETARY OF STATE
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ARTICLE IV

REGISTERED AGENT AND OFFICE

The location and post office address of the Corporation's registered office in this state shall be 2411 Falls Avenue East, Twin Falls, Idaho, 83301. That **RICHARD A. BEARD** shall be the registered agent, whose address is 2411 Falls Avenue East, Twin Falls, Idaho, 83301.

ARTICLE V

PURPOSE, NATURE AND OBJECTIVES OF THE ASSOCIATION

The nature, purpose and objectives of this residential real estate management corporation is to provide an entity for the acquisition, construction, management, maintain and care of the associates' common property, and to own and operate such roads, water systems, water rights, community TV system or other common interests of the association members.

This non-profit corporation hereinafter referred to as "The Association" shall perform such duties and functions as are required by it to be performed pursuant to these Articles of Incorporation and a certain Declaration of Covenants, Conditions and Restrictions which shall be recorded in the office of the County Recorder for Twin Falls County, State of Idaho, for Ranch Gate Back Forty Subdivision Homeowners' Association, Inc., and shall be governed by the By-Laws adopted by the two-thirds vote of the total membership of The Association.

The Association shall have the power to have, exercise and enforce all rights and privileges and to assume, incur, perform and carry out and discharge all duties, obligations and responsibilities of an association as provided for by Idaho Law and as the Declaration of Covenants, Conditions and Restrictions require as they are originally executed or as amended, if they are amended. The Association shall have power to adopt and enforce rules and regulations

covering the use of any “property”, as that term is defined in the Declaration of Covenants, Conditions and Restrictions, to levy and collect the periodic and special assessments and charges against the lots and the members thereof, and in general to assume and perform all of the functions to be assumed and performed by The Association as provided for in said Declaration. It shall have the power to transfer, assign or delegate such duties, obligations or responsibilities to other persons or entities as provided for and permitted by Idaho Law, the Declaration, The Association’s By-Laws or in any agreement executed by The Association with respect thereto.

The Association shall actively foster, promote and advance the interest of owners of lots within the “property”.

The Association shall have as one of its purpose, objectives and powers to acquire, develop, own and operate water rights and a system of pipelines, ponds, tanks and equipment utilized to provide water for irrigation purposes for the use and benefit of the Members of the Association. In carrying out said purpose the Board of Directors for Ranch Gate Back Forty Subdivision Homeowners’ Association, Inc. shall simultaneously operate as the Board of Directors for the Water Users Association of Lateral or Laterals as provided for under Sections 42-1301 et seq. of the Idaho Code.

ARTICLE VI

ADDITIONAL ASSOCIATION POWERS

In addition to the foregoing, when not inconsistent with Idaho Law or the Declaration of Covenants, Conditions and Restriction referred to above, the corporation shall have the following powers:

- (1) The authority as set forth in Title 30 of the Idaho Code relating to the organization and conduct of general business corporations.

(2) To buy, sell, acquire, hold or mortgage or enter into security agreements, pledge, lease, assign, transfer, trade-in and deal with all kinds of real and personal property, goods, wares and merchandise of every kind, nature and description.

(3) To buy, sell, lease, let, mortgage, exchange or otherwise acquire or dispose of lands, lots, houses, home sites, buildings or other real property, hereditaments and appurtenances of all kinds wherever situated, and of any interests and rights therein, to the same extent as natural persons might or could do, and without limit as to amount.

(4) To borrow money, draw, make, enforce, transfer, and execute promissory notes, debentures and other evidences of indebtedness, and for the purpose of securing any of its obligations or contract, to convey, transfer, assign, deliver, mortgage and/or pledge all or any part of the property or asserts, real or personal, at any time owned or held by this corporation.

(5) To have the foregoing clauses to be construed both as objects and powers as hereby expressly provided, the enumeration herein of the objects, powers and purposes shall not be held to restrict in any manner the general powers of the corporation. The corporation shall have the power to do all acts that are necessary and convenient to obtain the objects and purposes herein set forth to the same extent and as fully as any natural person could or might do within the framework of these Articles of Incorporation, Declaration of Covenants, Conditions and Restrictions and the General Corporation Laws for the State of Idaho.

(6) Notwithstanding any of the foregoing to the contrary, The Association shall perform only such functions which will qualify it to be treated as a "homeowners' association" under Section 528 of the 1954 Internal Revenue Code as added by Section 2101 of the Tax Reform Act of 1976. The Association, by and through its authorized officers, is specifically authorized to make such election under Section 528 of the Internal Revenue Code to qualify it as a "homeowners' association" as that act exists at the time of the execution of this document or as the same shall be amended to include the requisitions promulgated thereunder, to include all interpreted governmental actions.

(7) To acquire, develop, own and operate water rights and a system of pipelines, ponds, tanks, ditches and equipment utilized to provide water for irrigation purposes for the use and benefit of the Members of the Association.

ARTICLE VII

MEMBERSHIP CERTIFICATES, VOTING POWER AND DETERMINATION OF PROPERTY RIGHTS AND INTERESTS

Section 1. Each member shall be entitled to receive a certificate of membership for each lot, or parcel thereof if a lot is subdivided, which he owns pursuant to the Declaration of Covenants, Conditions and Restrictions.

Section 2. The original number of memberships shall be three (3). The maximum number of memberships shall be set by the By-Laws. The members of the Corporation must be, and remain owners of lots within the property set forth in the Declaration of Covenants, Conditions and Restriction, to be recorded in Twin Falls County, State of Idaho, and the Association shall include all owners of lots within said project, except common areas which the Association owns. If title to a lot is held by more than one person, the persons owning said lots thereof will designate one of them as the "member" and that person's name shall appear on the certificate and shall be entitled to the voting rights created herein.

Section 3. No person or entity other than an owner may be a member of the Association. A member shall not assign or transfer his membership certificate except in connection with the transfer of his or her lot thereof. Members shall not have preemptive rights to purchase other memberships in the Association or other lots within the development.

Section 4. The Association does have voting members with one vote per lot owned by each member.

ARTICLE VIII

ASSESSMENTS

Each member shall be liable for the payment of periodic and special assessments as provided for in the Declaration of Covenants, Conditions and Restrictions.

ARTICLE IX

BY-LAWS (ALTERATION, ADOPTION OR AMENDMENT)

The members are specifically empowered to draft such By-Laws as are necessary to govern the internal affairs of this Association. The By-Laws of this Association may be altered, amended, or new By-Laws adopted at any regular or special meeting of the Corporation called for that purpose by the affirmative vote of two-thirds of the total membership.

ARTICLE X

AUTHORITY TO INCORPORATE BY REFERENCE

For the purpose of specifying in detail the rights, responsibilities, duties and obligations of the Board of Directors, the officers, employees and agents of the Corporation and the members thereof, including the liability of the members for the payment of assessments, the By-Laws may incorporate by reference the provisions of the Declaration of Covenants, Conditions and Restriction recorded in Twin Falls County, State of Idaho, provided that a true and correct copy of such Declaration of Covenants, Conditions and Restrictions is attached to made a part of the By-Laws of the Corporation.

ARTICLE XI

The name and post office address of the incorporators are follows:

<u>Name</u>	<u>Address</u>
Richard A. Beard	2411 Falls Avenue East, Twin Falls, ID 83301
Freda K. Beard	2411 Falls Avenue East, Twin Falls, ID 83301

ARTICLE XII

BOARD OF DIRECTORS

The Board of Directors shall consist of three (3) Directors. During the term of their office, or thereafter, the number of Directors shall be increased or decreased from time to time as provided by the By-Laws; provided, however, that the Board of Directors shall not be more than nine (9) nor less than three (3).

ARTICLE XIII

NAMES AND ADDRESSES OF DIRECTORS

The names and address of the initial directors are as follows:

<u>Name</u>	<u>Address</u>
Richard A. Beard	2411 Falls Avenue East, Twin Falls, ID 83301
Freda K. Beard	2411 Falls Avenue East, Twin Falls, ID 83301
David A. Coleman	156 2 nd Avenue West, Twin Falls, ID 83301

ARTICLE XIV

DISSOLUTION

The Association may be dissolved with assent, given in writing and signed by not less than two-thirds (2/3) of the Owners. 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 the 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 be devoted to such similar purposes. No part of the assets of such dissolution shall inure to the benefit of any Owner.

IN WITNESS WHEREOF, we have hereunto set our hands and seals this 11th day of July, 2008.

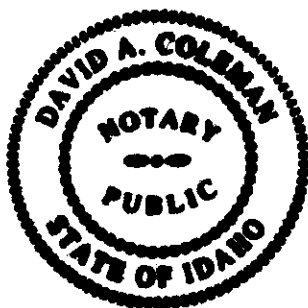
Richard A. Beard
RICHARD A. BEARD

Freda K Beard
FREDA K. BEARD

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

On this 11th day of July, 2008, before me, the undersigned, a Notary Public in and for said County and State, personally appeared **RICHARD A. BEARD and FREDA K. BEARD**, known to me or identified to me to be the persons who executed the foregoing instrument and acknowledged to me that they 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.



David A. Coleman
NOTARY PUBLIC
Residing at Twin Falls, Idaho
My Commission Expires 4-17-2010