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SECRETARY OF STATE
STATE OF IDAHO

ARTICLES OF INCORPORATION

OF

C COVE SUBDIVISION HOMEOWNERS ASSOCIATION, INC.

The undersigned, acting as incorporator of a corporation under the Idaho Nonprofit Corporation Act, adopts the following Articles of Incorporation for such corporation.

ARTICLE 1. NAME: The name of the corporation shall be C Cove Subdivision Homeowners Association, Inc. This corporation is a nonprofit corporation.

ARTICLE 2. DURATION: The duration of this corporation shall be perpetual.

ARTICLE 3. PURPOSE AND POWERS: The purposes for which the corporation is organized are to engage in all such activities as are incidental or conducive to the attainment of the objectives of the corporation and any other activities which are permitted to be done by a nonprofit corporation under any laws that may now or hereafter be applicable or available to this corporation. Without limiting the foregoing, it is expressly provided hereby that:

- (a) The corporation shall exercise all of the powers and privileges and perform all of the duties and obligations of the corporation as set forth in the Master Declaration of Covenants, Conditions, Restrictions and Easements for Sond Subdivision (hereinafter "Declaration") applicable to the property and recorded or to be recorded in the Office of the Ada County Recorder, as the same may be amended from time to time as therein provided, said Declaration being incorporated herein as if set out at length.
- (b) The corporation shall fix, levy, collect and enforce payment by any lawful means, all charges or assessments, periodic or special, authorized to be made under the Declaration.
- (c) Annexation of additional properties, mergers and consolidations, mortgaging of Common Area, dissolution and amendment of these Articles shall require prior approval of the United States Department of Housing and Urban Development.

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and/or the United States Veterans Administration as long as there is a Class B membership and provided that the said agencies then have an interest in the property which is subject to the Declaration.

ARTICLE 4. MEMBERSHIP: Every Owner of a Lot that is subject to assessment shall be a member of the Association. The foregoing is not intended to include persons or entities that 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. Such ownership shall be the sole qualification for membership and shall automatically commence upon a person becoming such Owner and shall automatically terminate and lapse when such ownership in said property shall terminate or be transferred.

ARTICLE 5. VOTING: Voting in the Association shall be carried out by Members who shall cast the votes attributable to the Building Lots that they own. The number of votes any Member may cast on any issue is determined by the number of Building Lots that the Member, including Grantor, owns. When more than one person holds an interest in any Building Lot, all such persons shall be Members but shall share the votes attributable to the Building Lot. The Association shall have two (2) classes of voting membership.

CLASS A. Class A members shall be all Owners of Lots within the Subdivision, with the exception of the Declarant, and shall be entitled to one (1) vote for each Lot owned.

CLASS B. Class B members shall be the Declarant and its successor (s) in title to a Lot(s) for resale to a builder or other person for the purpose of constructing thereon, and to which successor the Declarant has specifically granted such Class B voting rights in writing. Upon the first sale of a Lot to an owner, the Declarant shall thereupon be entitled to Four (4) votes for each Lot owned by the Declarant. The Class B membership shall cease and be converted to Class Membership when 80% of the units are deeded to homeowners. Fractional votes shall not be allowed. In the event that joint Owners are unable to agree among themselves as to how their vote or votes shall be cast, they shall lose their right to vote on the matter being put to a vote. When an Owner casts a vote, it will thereafter be presumed conclusively for all purposes that such Owner was acting with authority and consent of all joint owners of the Building Lot(s) from which the vote derived. The right to vote may not be severed or separated from the ownership of the Building Lot to which it is appurtenant, except that any Owner may give a revocable proxy, or may assign such Owner's right to vote to a lessee, mortgagee, beneficiary, or contract purchaser of the Building Lot concerned, for the term of the lease, mortgage, deed of trust, or contract. Any sale, transfer, or conveyance of such Building Lot to a new Owner shall operate automatically to transfer the appurtenant voting right to the Owner, subject to any assignment of the right to vote to a lessee, mortgagee, or beneficiary as provided herein.

ARTICLE 6. REGISTERED OFFICE AND AGENT: The address of the initial registered office of this corporation is 9601 West State Street, Suite 203, Boise, Idaho 83714, and the name of its initial registered agent at such address is Jean Cariaga.

ARTICLE 7. DIRECTORS: The affairs of the Association shall be conducted by a Board of Directors and such officers as the Directors may elect or appoint, in accordance with the Articles and By-laws, as the same may be amended from time to time. The Board shall have the authority to delegate its power to and duties to committees, officers, employees or to any person firm or corporation to act as Association Manager/Representative. The initial three directors and until their successors are elected and qualify, or unless they resign or are removed, are:

Timbre Wolfe, 9601 West State Street, Suite 203, Boise, Idaho 83714
Gary Asin, 9601 West State Street, Suite 203, Boise, Idaho 83714
Terence Woods, 9601 West State Street, Suite 203, Boise, Idaho 83714

ARTICLE 8. INCORPORATOR: The name and address of the incorporator is as follows:
Jean Cariaga, 9601 West State Street, Suite 203, Boise, Idaho 83703-6702

ARTICLE 9. AMENDMENT OF ARTICLES AND BYLAWS: These Articles may not be amended without the affirmative vote of two-thirds (2/3) of members present at a meeting, called specifically for that purpose, provided that a quorum as specified herein or in the laws of the State of Idaho be present.

ARTICLE 10. DISSOLUTION: Upon dissolution or final liquidation of the corporation, the assets of the corporation shall be dedicated to a public body or conveyed to a nonprofit organization with similar purposes.

ARTICLE 11. LIMITATION OF LIABILITY: A director of this corporation shall not be personally liable to this corporation or its members for monetary damages for breach of fiduciary duty as a director, except for liability (i) for any breach of the director's duty of loyalty to this corporation or its members, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, or (iii) for any transaction from which the director derived any improper personal benefit. If the Idaho Nonprofit Corporation Act (the "Act") is amended to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of this corporation shall be eliminated or limited to the fullest extent permitted by the Act as so amended. Any repeal or modification of this Article 11 by the members of the corporation shall not adversely affect any right or protection of a director of the corporation existing at the time of such repeal or modification.

EXECUTED this 27th day of June, 2011, by the undersigned incorporator.


