

ARTICLES OF INCORPORATION
of
CHAUMONT OWNERS' ASSOCIATION, INC.

KNOW ALL MEN BY THESE PRESENTS: That I, the undersigned, being a natural person of full age and a citizen of the United States of America, acting as incorporator of a non-profit corporation (hereafter called "Association") under the Idaho Business Corporations Act (hereafter called "Act") and, in particular, Chapter 3 of Title 30, Idaho Code, have adopted the following Articles of Incorporation for such Association:

ARTICLE I

Name

The name of this Association is CHAUMONT OWNERS' ASSOCIATION, INC.

ARTICLE II

Definitions

For the purposes of these Articles, the following words and terms shall be accorded the definitions as follows:

Annexation: The process by which additional tracts or parcels of land not described in and covered by the Master Declaration (hereafter defined) are made part of Chaumont Subdivision and subject to the Master Declaration.

Articles: These Articles of Incorporation, including any amendments thereto duly adopted.

Assessments: Payments required of Members of the Association and Members of any Sub-Association, including Regular, Special or Limited Assessments as provided in the Master Declaration.

Association: Chaumont Owners' Association, Inc., an Idaho non-profit corporation.

Board: The duly elected and qualified Board of Directors of the Association.

Chaumont Subdivision: The whole of the real property described on Exhibit "A" attached to the Master Declaration and incorporated as a part hereof, including any additional real property annexed as a part of the subdivision.

Common Area: All real property within Chaumont Subdivision in which the Association or a Sub-Association owns an interest or controls and which is held or controlled for the common use and enjoyment of all of its Members, including any recreational facilities and other improvements thereon.

Grantor: Hill Way, Inc., an Idaho corporation (Hill Way, Inc. Trust"), and its successor(s) in title to a Lot(s), which Lot(s) is held by such successor in an unimproved condition (i.e., without a residential dwelling thereon) for resale to a builder or other person for the purpose of construction thereon a residential dwelling, and to which successor the Hill Way, Inc. Trust has specifically granted the Class B voting rights in writing; provided, that if such voting rights are not so granted, such successor shall be entitled to the voting rights of a Class A Member with respect to each Lot owned.

Lot: A portion of Chaumont Subdivision which is a legally described tract or parcel of real property within Chaumont Subdivision or which is designated as a Lot on any recorded subdivision plat relating to Chaumont Subdivision.

Master Declaration: The Master Declaration of Covenants, Conditions, Restrictions and Easements for Chaumont Subdivision, filed in the office of the Ada County Recorder on December 9, 1997, as Instrument No. 97102243, records of Ada County, Idaho, including any amendments thereto duly adopted and recorded.

Member: Any person(s) who is an Owner of a Lot within Chaumont Subdivision.

Owner: A person or persons or other legal entity or entities, including the Grantor, holding fee simple title to any real property in Chaumont Subdivision, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation, but including any holder of a Mortgage or beneficiary under a Deed of Trust or other security holder in actual possession of any real property as a result of foreclosure or otherwise, and any person taking title through such security holder, by purchase at foreclosure sale or otherwise.

Sub-Association: An Idaho non-profit corporation or unincorporated association organized by the Grantor or by an Owner(s) pursuant to a Supplemental Declaration recorded by the Grantor or said Owner(s) for any specific tract or parcel within Chaumont Subdivision.

Supplemental Declaration: The Supplemental Declaration of Covenants, Conditions, Restrictions and Easements as may be recorded by the Grantor

pursuant to the provisions of the Master Declaration applicable to a specific tract or parcel within Chaumont Subdivision.

ARTICLE III **Purposes and Powers**

Section 1. Purposes. This Association does not contemplate pecuniary gain or profit to the Members thereof and the specific purposes for which it is formed are to provide and assure the maintenance, preservation and architectural control of the Lots, including the Common Area, within Chaumont Subdivision.

Section 2. Powers. The Association shall have and exercise the statutory powers provided for non-profit corporations in the state of Idaho, as specified in Title 30, Idaho Code, as the same now exists or may hereafter be amended and, further, the Association shall have the power to do everything necessary, proper, advisable or convenient for the accomplishment of the purposes hereinabove set forth and to do all other things incident thereto or connected therewith, which are not forbidden by the Act, by other law or by these Articles of Incorporation. Without limitation of the foregoing stated powers, and to provide for the health, safety and welfare of the Owners and residents within Chaumont Subdivision and any additions thereto as may hereafter be brought within the jurisdiction of this Association, the Association shall have the power to:

- (a) Exercise all of the powers and privileges and perform all of the duties and obligations of the Association as set forth in the Master Declaration, as the same may be amended from time to time as therein provided, said Master Declaration being incorporated herein as if set forth at length;
- (b) Fix, levy, collect and enforce payment by any lawful means, all Assessments and other charges pursuant to the terms of the Master Declaration; pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the Association including, but not limited to, all insurance premiums, license fees, taxes or governmental charges levied or imposed against any property owned by the Association;
- (c) 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 business affairs of the Association;
- (d) 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 the

real or personal property owned by the Association as security for money borrowed or debts incurred;

- (e) Dedicate, sell or transfer all or any part of the Common Area and any other real or personal property owned by the Association to any public agency, authority or utility;
- (7) Annex additional real property as a part of Chaumont Subdivision in accordance with the provisions for annexation as set forth in the Master Declaration.

ARTICLE IV **Period of Duration**

The period of duration of the Association is perpetual.

ARTICLE V **Membership**

Every person or entity who is an Owner of a Lot which, by the terms of the Master Declaration is subject to Assessments by the Association, 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 but shall include any mortgagee, beneficiary under a Deed of Trust or other security holder in actual possession of any Lot as a result of foreclosure or otherwise and any person taking title through such security holder, by purchase at foreclosure, sale or otherwise. Membership shall be appurtenant to and may not be separated from the ownership of any Lot which is subject to Assessment by the Association.

ARTICLE VI **Voting Rights**

The Association shall have two classes of voting membership:

- (a) Class A: Class A Members shall be all Owners with the exception of the Grantor. Each Class A Member shall be entitled to one (1) vote for each Lot owned. When more than one person holds an interest in a Lot, all such persons shall be Members but the vote for such Lot shall be exercised as they determine, but in no event shall more than one (1) vote be cast with respect to any Lot.
- (b) Class B: The Class B Members shall be the Hillway, Inc. Trust (and its successors in title as specified in the definition of "Grantor," above). The Class B Members shall be entitled to three (3) votes for each Lot owned.

The Class B membership shall cease and be converted to a Class A membership on the happening of the earlier of the following events: (i) when the total votes outstanding in the Class A membership are equal to the total votes outstanding in the Class B membership; or (ii) January 1, 2009.

The Association shall not have any voting rights to reason of its ownership of any Common Area or Lot.

ARTICLE VII
Registered Office and Registered Agent

The location of the Association's initial registered office in this state is 3100 S. Vista Avenue, Suite 200, P.O. Box 16488, Boise, Idaho 83715, Idaho. The registered office of the Association may be relocated to such other place as may be determined by the Board of Directors. The name of the initial Registered Agent of the Association at such address is Roger J. Hales.

ARTICLE VIII

The number of Directors constituting the initial Board of Directors of the Association is three (3), who need not be members of the Association and the name and address of each person who is to serve as a Director until the first annual meeting of Members or until the election and qualification of a successor(s) are as follows:

<u>Name</u>	<u>Address</u>
Louis G. Harding	3895 Girdner Lane Meridian, Idaho 83642
Trevor C. Roberts	3895 Girdner Lane Meridian, Idaho 83642
John B. Shawver	3895 Girdner Lane Meridian, Idaho 83642

ARTICLE IX
Incorporator

The name and address of the incorporator of the Association is as follows:

<u>Name</u>	<u>Address</u>
Hill Way, Inc.	3895 Girdner Lane Meridian, Idaho 83642

ARTICLE X
Liability of Members

Members shall be personally liable for the Assessments levied and assessed by the Master Association, including any Assessments levied and assessed on behalf of a Sub-Association upon a Lot, whether for fines, penalties, recovery of costs or be in the form of Regular, Special or Limited Assessments.

ARTICLE XI
Exemption

This Association is a corporation intended to be classified as a "homeowners association" which, pursuant to § 528 of the Internal Revenue Code of 1954, as amended, is considered an organization exempt from income taxes for the purposes of any law which refers to organizations exempt from income taxes. Further, this Association is a residential real estate management association organized and operated to provide for the acquisition, construction, management, maintenance and care of property owned by the Association.

All provisions of these Articles of Incorporation shall be interpreted in accordance with the provisions of § 528 of the Internal Revenue Code of 1954, as amended, and in case of a conflict between that or other applicable sections, any provision of these Articles so in conflict with either shall be interpreted to be consistent with that provision of the Internal Revenue Code.

ARTICLE XII
By-Laws

The Board of Directors shall have the right to make and amend By-Laws for the Association, not inconsistent with any existing law and not inconsistent with these Articles of Incorporation or the Master Declaration, for the government of the affairs of the Association and the management of its properties.

ARTICLE XIII

The Association may be dissolved with the consent in writing of two-thirds (2/3rds) of each class of members. Upon dissolution of the Association, other than incident to a merger or consolidation, no part of the property of the Association or any of the proceeds shall be distributed to or inure to the benefit of any of the Members, directors or officers of the Association, and all such property and proceeds, subject to the discharge of the valid obligations of the Association, and to the applicable provisions of the Idaho Non-profit Corporation Act (Title 30, Chapter 3, Idaho Code) shall be distributed by the Board of Directors to another organization(s) for identical uses and purposes, provided that such other organization(s) would then qualify as an Idaho non-profit corporation and for status similar to that of the Association

under applicable provisions of the Internal Revenue Code or shall be dedicated to an appropriate public agency to be used for purposes similar to those for which this Association was created.

ARTICLE XIV
Conflict of Provisions

The provisions contained in these Articles of Incorporation, except for the provisions of Article XIII, above, are subject and subservient to the terms and provisions of the Master Declaration and in any conflict between the terms and provisions of these Articles with said documents, the terms and provisions of the Master Declaration shall prevail.

IN WITNESS WHEREOF the undersigned has executed these Articles of Incorporation this 28th day of July, 1998.

HILL WAY, INC., An Idaho Corporation

By:

Louis G. Harding
Louis G. Harding, President

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EXHIBIT A

A parcel of land located in the SE 1/4 of the SW 1/4 of Section 10, Township 4 North, Range 1 East, Boise Meridian, Eagle, Ada County, Idaho, more particularly described as follows:

Commencing at an iron pin marking the Northeast corner of said SE 1/4 of the SW 1/4, also said pin being the Northeast corner of Lot 6, Patterson's Subdivision as shown of record in the office of the Recorder of Ada County in Boise, Idaho, in Book 6 of Plats at page 251; thence North $89^{\circ}33'54''$ West 618.60 feet (formerly $N89^{\circ}41'W$) along the Northerly boundary of said SE 1/4 of the SW 1/4 and Patterson's Subdivision to a 2" pipe and iron pin marking the REAL POINT OF BEGINNING; thence continuing along said Northerly boundary North $89^{\circ}33'54''$ West 635.93 feet to an iron pin marking the Northwest corner of said Lot 6; thence South $0^{\circ}15'22''$ West 302.69 feet along the Westerly boundary of said Lot 6 and the Easterly boundary of Edgewood Estates Subdivision No. 2 as shown of record in the office of the Recorder in Book 65 at page 6722, to a point on the center line of the Dry Creek Canal; thence along the center line of Dry Creek Canal the following courses and distances: South $49^{\circ}30'32''$ East 53.54 feet; South $64^{\circ}25'34''$ East 88.25 feet; South $62^{\circ}10'38''$ East 342.10 feet; South $56^{\circ}19'38''$ East 88.92 feet; Southeasterly 114.51 feet along a curve to the left, said curve having a central angle of $62^{\circ}28'57''$, a radius of 105.00 feet, tangents of 63.69 feet and a long chord of 108.92 feet bearing South $87^{\circ}34'06''$ East; North $61^{\circ}11'25''$ East 283.73 feet; Northeasterly 132.67 feet along a curve to the right, said curve having a central angle of $49^{\circ}02'24''$, a radius of 155.00 feet, tangents of 70.70 feet and a long chord of 128.65 feet bearing North $85^{\circ}42'37''$ East; thence North $21^{\circ}55'31''$ East 85.03 feet to an iron pin on the Northerly right-of-way of Hill Road; thence North $68^{\circ}04'29''$ West 315.80 feet (formerly $N68^{\circ}39'W$) along said Northerly right-of-way to an iron pin; thence North $60^{\circ}06'09''$ West 186.99 feet (formerly $N60^{\circ}38'W$ 186.5') along said Northerly right-of-way to an iron pin; thence leaving said right-of-way North $27^{\circ}47'35''$ East 167.24 feet (formerly $N25^{\circ}59'E$ 174.5') to the point of beginning, containing 8.42 acres, more or less. (End of legal description.)