

ARTICLES OF INCORPORATION **FILED/EFFECTIVE**

OF

00 SEP 14 PM 2: 20

LAURELWOOD ESTATES HOMEOWNERS'

SECRETARY OF STATE
STATE OF IDAHO

ASSOCIATION, INC.

In compliance with the requirements of Title 30, Chapter 3, Idaho Code, the undersigned, who is a resident of Idaho and is of full age, has this day formed a corporation not for profit and does hereby certify:

ARTICLE I

NAME OF CORPORATION

The name of the corporation is Laurelwood Estates Homeowners' Association, Inc., hereafter called the "Association."

ARTICLE II

REGISTERED OFFICE

The initial registered office of the Association is located at 2485 North Ten Mile Road, Meridian, Idaho 83642.

ARTICLE III

REGISTERED AGENT

Gary Newman, whose address is 2485 North Ten Mile Road, Meridian, Idaho 83642, is hereby appointed the initial registered agent of this Association.

IDAHO SECRETARY OF STATE

09/14/2000 09:00
CK: 9240 CT: 75532 DH: 348418

1 @ 30.00 = 30.00 INC MONP # 2

C 135584

ARTICLE IV

PURPOSE AND POWERS OF THE ASSOCIATION

This Association is a nonprofit corporation. The specific purposes for which it is formed are to provide for maintenance, preservation and architectural control of the residence Lots and Common Area within that certain tract of property described as:

SEE EXHIBIT "A" ATTACHED HERETO

and to promote the health, safety and welfare of the residents within the above-described property and any additions thereto as may hereafter be brought within the jurisdiction of this Association and for this purpose to:

(a) exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as set forth in that certain Declaration of Covenants, Conditions and Restrictions, hereinafter called the "Declaration," applicable to the property and recorded or to be recorded in the office of the Recorder, Canyon County Idaho, and as the same may be amended from time to time as therein provided, said Declaration being incorporated herein as if set forth at length;

(b) fix, levy, collect and enforce payment by any lawful means, all charges or assessments pursuant to the terms of the Declaration; to pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the Association, including all licenses, taxes or governmental charges levied or imposed against the property of 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 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 its real or personal property as security for money borrowed or debts incurred;
- (e) 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 to by the members. No such dedication or transfer shall be effective unless an instrument has been signed by two-thirds (2/3) of each class of members, agreeing to such dedication, sale or transfer;
- (f) participate in mergers and consolidations with other nonprofit corporations organized for the same purposes or annex additional residential property and Common Area, provided that any such merger, consolidation or annexation shall have the assent of two-thirds (2/3) of each class of members;
- (g) have and to exercise any and all powers, rights and privileges which a corporation organized under the Non-Profit Corporation Law of the State of Idaho by law may now or hereafter have or exercise;
- (h) to exercise all powers granted by law necessary and proper to carry out the above-stated purposes, including but not limited to the power to accept donations of money, property, whether real or personal, or any other thing 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 Act, or any amendment thereto or substitute therefor, may not at the time lawfully carry on or do.

ARTICLE V

MEMBERSHIP

Every person or entity who is a record owner of a fee or undivided fee interest in any Lot which is subject by covenants of record to assessment by the Association, including contract sellers, 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. Membership shall be appurtenant to and may not be separated from 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.

Class A. Class A members shall be all Owners, with the exception of the Declarant, and shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be members. The vote for such Lot shall be exercised as they determine, but in no event shall more than one vote be cast with respect to any Lot.

Class B. The Class B member(s) shall be the Declarant (as defined in the Declaration), and shall be entitled to three (3) votes for each Lot owned. The Class B membership

shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

- (a) when the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership; or
- (b) on December 31, 2005.

Cumulative voting is not permitted.

ARTICLE VII

BOARD OF DIRECTORS

The affairs of this Association 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 Association. The names and addresses of the persons who are to act in the capacity of directors until the selection of their successors are:

<u>NAME</u>	<u>ADDRESS</u>
<u>Gary Newman</u>	2485 North Ten Mile Rd., Meridian, ID 83642
<u>Brenda Steiner</u>	554 E. Bellevue Road, Ste. B, Atwater, CA 95301
<u>Sandy Clay</u>	554 E. Bellevue Road, Ste. B, Atwater, CA 95301

At the first annual meeting the members shall elect one director for a term of one year, one director for a term of two years, and one director for a term of three years; and at each annual meeting thereafter the members shall elect one director for a term of three years.

ARTICLE VIII

DISSOLUTION

The Association may be dissolved, either by unanimous written consent of all members or by an alternative vote of not less than two-thirds (2/3) of each class of members at a duly noticed meeting. 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 this 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 to be devoted exclusively to such similar purposes. No part of the monies, properties or assets of the Association, upon dissolution or otherwise, shall inure to the benefit of any private person or individual or any member of the Association. Notwithstanding any other provisions of these Articles, the Association shall not carry on any other activities not permitted by an organization exempt from federal income tax under Section 528 of the Internal Revenue Code of 1986 (or the corresponding provisions of any future United States internal revenue law).

ARTICLE IX

DURATION

The corporation shall exist perpetually.

ARTICLE X
AMENDMENTS

Amendment of these Articles shall require the assent of sixty-six and two-thirds percent (66 $\frac{2}{3}$ %) of the entire membership.

ARTICLE XI
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 IV hereof. No substantial part of the activities of the Association shall be 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 provision 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 501 of the Internal Revenue Code of 1986, as amended from time to time.

ARTICLE XII
DISTRIBUTION ON DISSOLUTION

Upon dissolution of the Association, the Board of Directors shall, after paying or making provision for payment of all liabilities of the Association, distribute all the assets of the Association

consistent with the purposes of the Association to the State of Idaho or other organizations 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 such purposes or to such organizations, as such court shall determine to be consistent with the purposes of the Association.

ARTICLE XIII

LIMITATION OF LIABILITY

A director of the Association shall not be personally liable to this Association 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 Association 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 ("Act") is amended to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of this Association shall be eliminated or limited to the fullest extent permitted by the Act as so amended. Any repeal or modification of this Article XIII by the members of the Association shall not adversely affect any right or protection of a director of the Association existing at the time of such repeal or modification.

ARTICLE XIV

BYLAWS


Provisions for the regulation of the internal affairs of the Association shall be set forth in the Bylaws.

ARTICLE XV

FHA/VA APPROVAL

As long as there is a Class B membership, the following actions will require the prior approval of the Federal Housing Administration or the Veterans Administration: annexation of additional properties, mergers and consolidations, mortgaging of Common Area, dedication of Common Area, dissolution and amendment of these Articles.

IN WITNESS WHEREOF, for the purpose of forming this corporation under the laws of the state of Idaho, I, the undersigned, the incorporator of this Association, have executed these Articles of Incorporation this 13th day of September, 2000.

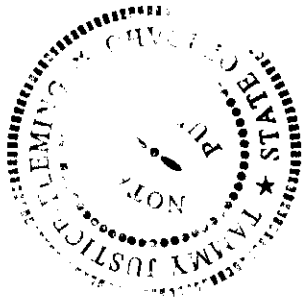


Gregory J. Vietz, Incorporator
101 S. Capitol Blvd., Ste. 500
Boise, Idaho 83702

STATE OF IDAHO)
) ss.
County of Ada)

On this 13th day of September, 2000, before me, the undersigned, a Notary Public in and for said State, personally appeared Gregory J. Vietz, known or identified to me to be the person whose name is subscribed to the within instrument, and acknowledged to me that he 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.



Sammy Justice - Fleming
NOTARY PUBLIC for Idaho
My Commission Expires 2/2/01

Form No. 1343 (1982)
ALTA Plain Language Commitment

PC 34557

Exhibit "A"

Lots 1, 2, 4, 5, 6, 7, 8, 9, Block 1; Lots 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, Block 2; Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, Block 3; Lot 3, Block 1 and Lot 1, Block 2 are common areas; all in LAURELWOOD SUBDIVISION NO. 1, Nampa, Canyon County, Idaho, recorded in Book 28 of Plats, Page 11.

AND

A portion of the Southwest Quarter of the Southwest Quarter of Section 17 and a portion of the Northwest Quarter of the Northwest Quarter of Section 20, both of Township 3 North, Range 2 West, Boise Meridian, Canyon County, Idaho, more particularly described by metes and bounds as follows:

COMMENCING at the Northwest corner of Section 20, Township 3 North, Range 2 West, Boise Meridian, Canyon County, Idaho, and running South 89° 58' 01" East 625.00 feet along the Northerly boundary thereof to the REAL POINT OF BEGINNING; thence

North 00° 09' 56" West 25.00 feet to a point; thence

South 89° 58' 01" East 699.86 feet along a line parallel to and 25.00 feet Northerly from said Northerly boundary of said Section 20 to a point on the extension of the Easterly boundary of the Northwest Quarter, Northwest Quarter, Section 20; thence

South 00° 16' 32" East 1,089.06 feet along the Easterly boundary and its extension of said Northwest Quarter, Northwest Quarter, Section 20 to a point on the centerline of the Phyllis Canal; thence along said centerline of the Phyllis Canal the following courses and distances:

North 84° 00' 00" West 20.92 feet to a point; thence

South 64° 00' 00" West 116.97 feet to a point; thence

South 56° 00' 00" West 170.67 feet to a point; thence

South 60° 30' 00" West 226.58 feet to a point the Southerly boundary of said Northwest Quarter, Northwest Quarter, Section 20; thence leaving said centerline of the Phyllis Canal and bearing

North 89° 59' 01" West 371.97 feet along said Southerly boundary of said Northwest Quarter, Northwest Quarter, Section 20 to a point on said centerline of the Phyllis Canal; thence

North 82° 00' 00" West 21.58 feet along said centerline of the Phyllis Canal to a point of curve; thence

Westerly 51.47 feet along said centerline of the Phyllis Canal, being a curve to the left, having a radius of 130.00 feet, tangent lengths of 26.08 feet, a central angle of 22° 41' 12" and whose long chord bears South 86° 39' 24" West 51.14 feet to a point on said Southerly boundary of said Northwest Quarter, Northwest Quarter, Section 20; thence

North 89° 59' 01" West 102.19 feet along said Southerly boundary of said Northwest Quarter, Northwest Quarter, Section 20 to a point; thence

(continued)

Form No. 1343 (1982)
NMTA Plain Language Commitment

North 00° 09' 56" West 11.18 feet along a line parallel to and 314.99 feet Easterly from the Westerly boundary of said Northwest Quarter, Northwest Quarter, Section 20 to a point; thence

South 44° 26' 42" East 11.80 feet to a point; thence

North 71° 50' 04" East 107.00 feet to a point; thence

North 00° 09' 56" West 387.00 feet along a line parallel to and 424.99 feet Easterly from said Westerly boundary of said Northwest Quarter, Northwest Quarter, Section 20 to a point; thence

South 89° 58' 01" East 200.00 feet along a line parallel to a 897.40 feet Southerly from said Northerly boundary of said Northwest Quarter, Northwest Quarter, Section 20 to a point; thence

North 00° 09' 56" West 244.00 feet along a line parallel to and 624.99 feet Easterly from said Westerly boundary of said Northwest Quarter, Northwest Quarter, Section 20 to a point; thence

North 89° 58' 01" West 200.00 feet along a line parallel to and 653.40 feet Southerly from said Northerly boundary of said Northwest Quarter, Northwest Quarter, Section 20 to a point; thence

North 00° 09' 56" West 317.80 feet along said line parallel to and 424.99 feet Easterly from said Westerly boundary of said Northwest Quarter, Northwest Quarter, Section 20 to a point; thence

South 89° 58' 01" East 200.00 feet along a line parallel to and 335.60 feet Southerly from said Northerly boundary of said Northwest Quarter, Northwest Quarter, Section 20 to a point; thence

North 00° 09' 56" West 335.60 feet along said line parallel to and 624.99 feet Easterly from said Westerly boundary of said Northwest Quarter, Northwest Quarter, Section 20 to the REAL POINT OF BEGINNING.

EXCEPTING THEREFROM

All of LAURELWOOD SUBDIVISION NO. 1.