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ARTICLES OF INCORPORATION

SECRETARY OF STATE
STATE OF IDAHO

OF

FRY RANCHETTES OWNERS' ASSOCIATION, INC.

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 FRY RANCHETTES OWNERS' ASSOCIATION, INC. (the "Fry Ranchettes Owners' Association").

ARTICLE II
TERM

The period of existence and duration of the life of the Fry Ranchettes Owners' Association shall be perpetual.

ARTICLE III
NON-PROFIT

The Fry Ranchettes Owners' Association shall be a non-profit, membership corporation.

ARTICLE IV
REGISTERED AGENT

The location and street address of the initial registered office of the Fry Ranchettes Owners' Association shall be 11600 Hill Road, Payette, Idaho 83661, and Sidney Fry is hereby appointed the initial registered agent of the Fry Ranchettes Owners' Association.

IDAHO SECRETARY OF STATE
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ARTICLE V
PURPOSE AND POWERS OF THE FRY RANCHETTES OWNERS' ASSOCIATION

The Fry Ranchettes Owners' Association does not contemplate pecuniary gain or profit to the Members thereof, and the specific purposes for which the Fry Ranchettes Owners' Association is formed are to exercise all of the powers and privileges and perform all of the Fry Ranchettes Owners' Association's duties and obligations as set forth in the Declaration of Covenants, Conditions, Easements and Restrictions for Fry Ranchettes Subdivision, to be recorded in the official records of Payette County, Idaho (the "Declaration"), and the Project Documents identified therein including, without limitation, the following powers:

(A) Fix, levy, collect and enforce payment by any lawful means of all charges or Assessments (as defined in the Declaration) pursuant to the terms of the Declaration and any amendment or supplement thereto and all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the Fry Ranchettes Owners' Association;

(B) 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 Fry Ranchettes Owners' Association under the limitations imposed by the Declaration or any amendment or supplement thereto;

(C) Borrow money, and mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred;

(D) Participate in mergers and consolidations with other non-profit corporations organized for the same purposes or annex additional residential property, provided that any such merger, consolidation or annexation shall comply with the requirements of the Declaration and any amendment or supplement thereto; and

(E) Have and exercise any and all powers, rights and privileges which a corporation organized under the Idaho Nonprofit Corporation Act may by law now or hereafter have or exercise, subject only to limitations contained in the Bylaws of the Fry Ranchettes Owners' Association (the "Bylaws"), the Declaration, the Project Documents, and any amendments and supplements thereto.

ARTICLE VI
MEMBERSHIP AND PROPERTY COVERED

During the existence of this corporation, every Owner of a Lot in the "Property Covered," as that term is defined in the Declaration, including Grantor, shall be a Member of the Fry Ranchettes Owners' Association (as those terms are defined in the Declaration).

ARTICLE VII

VOTING RIGHTS

The Fry Ranchettes Owners' Association shall have two (2) classes of memberships:

(a) **Class A Members.** Class A Members shall be the Owners of Lots within any phase occurring upon "Property Covered" as that term is defined in the Declaration. Upon the Class B Member Termination Date (defined below), each Class A Member, at all meetings of the Fry Ranchettes Owners' Association, shall be entitled to one (1) vote for each Lot within the Property owned by such Member. Upon the Class B Member Termination Date, Grantor shall become a Class A Member and shall be entitled to one (1) vote for each Lot owned by the Grantor within the Property.

(b) **Class B Member.** Grantor, by and through Grantor's designated representative (hereinafter "Grantor's Delegate"), shall be the Class B Member, and shall be entitled to twenty-five (25) votes for each of the five (5) approved Lots for Fry Ranchettes Subdivision (the "Subdivision"), less five (5) votes for each Lot owned by a Person other than Grantor. The Class B Member shall cease to be a voting Member in the Association upon the earlier to occur of the following: (1) the date Grantor informs the Board in writing that Grantor no longer wishes to exercise its rights as the Class B Member hereunder; (2) the sale of the last Lot owned by the Grantor; or (3) June 1, 2015. This date may be referred to herein as the "Class B Member Termination Date."

In the event the number of Lots within the Subdivision is increased beyond five (5) approved Lots prior to the Class B Termination Date, the Class B member shall be entitled to an additional five (5) votes for each such additional Lot.

ARTICLE VIII

BOARD OF DIRECTORS

The affairs of the Fry Ranchettes Owners' Association shall be controlled by the Board of Directors (the "Board") to carry out all of the powers and duties of the Fry Ranchettes Owners' Association as set forth herein, and shall be selected as follows:

(a) **Selection of Directors Prior to Class B Member Termination Date.** Until the Class B Member Termination Date, the Board shall consist of not less than three (3) directors nor more than seven (7) directors appointed by the Class B Member in the Class B Member's discretion (collectively the "Directors" each a "Director"). The Class B Member shall have the right to remove and replace any Director, with or without cause, in the Class B Member's discretion. Vacancies on the Board occurring prior to the Class B Member Termination Date shall be filled by the Class B Member.

(b) **Selection of Board After the Class B Member Termination Date.** Contemporaneously with the Class B Member Termination Date, Directors appointed by the Class B Member shall be automatically removed and each Member shall automatically become a

other organization to be devoted to such similar purposes. Notwithstanding any other provisions of these Articles, the Fry Ranchettes Owners' Association shall not carry on any other activities not permitted by any 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 XII

AMENDMENTS

Amendment of these Articles of Incorporation may be made at any regular meeting, or any special meeting of the Fry Ranchettes Owners' Association called for that purpose, by the affirmative vote of more than two-thirds (2/3) of the total voting power of the Fry Ranchettes Owners' Association as cast by the Members, and, if required by the Declaration or any amendments or supplements thereto, the consent of holders of first mortgages on Lot(s) who have requested in writing that the Fry Ranchettes Owners' Association provide them notice of proposed actions which affect their interests. No amendment which is inconsistent with the provisions of the Declaration, any amendments or supplements thereto or the Project Documents shall be valid.

ARTICLE XIII

MEANING OF TERMS

Except as otherwise defined herein, all terms appearing herein initially capitalized shall have the same meanings as are ascribed to such terms in the Declaration or any amendments or supplements thereto.

ARTICLE XIV


INCORPORATION

Sidney and Catherine Fry shall be the incorporators of the Fry Ranchettes Owners' Association and their address is 11600 Hill Road, Payette, ID 83661.

IN WITNESS WHEREOF, I have hereunto set my hand and seal effective this 3rd day of September, 2008.



Sidney Fry, Incorporator



Catherine Fry, Incorporator