

FILED EFFECTIVE**AMENDED & RESTATED****2008 JUN -3 PM 4: 32****ARTICLES OF INCORPORATION****SECRETARY OF STATE
STATE OF IDAHO****OF****THE NARROWS ESTATES HOMEOWNERS' ASSOCIATION, INC.**

The undersigned adult natural person, acting as incorporator, hereby establishes a nonprofit corporation pursuant to the Idaho Nonprofit Corporation Act, Idaho Statutes, Title 30, Chapter 3 (the "Act") and adopts the following Amended and Restated Articles of Incorporation:

ARTICLE I**NAME**

The name of the nonprofit corporation is **THE NARROWS ESTATES HOMEOWNERS' ASSOCIATION, INC.**

ARTICLE II**DURATION AND MEMBERS**

The nonprofit corporation shall have perpetual existence. The Owners of Homes in the Narrows Estates Subdivision in Preston, Franklin County, Idaho will constitute the members of the nonprofit corporation.

ARTICLE III**REGISTERED OFFICE AND AGENT**

The office address of its initial registered agent for the nonprofit corporation is 3778 East Narrows Loop, and the name of its initial registered agent at such address is **BEARNSON & PECK, L.C.**

C171340

CERTIFICATE OF AMENDMENT

TO THE

ARTICLES OF INCORPORATION

OF

THE NARROWS ESTATES HOMEOWNERS' ASSOCIATION, INC.
(An Idaho Nonprofit Corporation)

The Trustees of THE NARROWS ESTATES HOMEOWNERS' ASSOCIATION, INC., an Idaho Nonprofit Corporation under the Idaho Nonprofit Corporation Act, adopt the following Amended and Restated Articles of Incorporation for such Company.

The Amended and Restated Articles of Incorporation were approved by the Trustees of the Corporation on the 5th day of June, 2008 and Member approval was not required.

IN WITNESS AND APPROVAL WHEREOF, this 5th day of June, 2008:

**THE NARROWS ESTATES
HOMEOWNERS' ASSOCIATION, INC.**

By: 

Brad H. Bearnson, Trustee

ARTICLE IV

MAILING ADDRESS FOR CORRESPONDENCE

The mailing address to which all correspondence should be addressed for the nonprofit corporation is 399 North Main Street, Suite 300, 3rd Floor, Logan, Utah 84321.

ARTICLE V

DEFINITIONS

5.1 **Declaration.** As used herein, "**Declaration**" means the "Declaration of Protective Easements, Covenants, Conditions and Restrictions (Including Homeowner's Association Bylaws) for the Narrows Estates Subdivision, as the same may be amended from time to time, recorded in the Official Records of Franklin County, Idaho. The term "**Declarant**" means the signatory to the Declaration.

5.2 **Other Definitions.** Unless otherwise defined herein, all capitalized terms used herein have the meanings given to them in the Declaration.

ARTICLE VI

PURPOSES AND POWERS

6.1 **Purposes.**

The Association, which is organized as a nonprofit corporation, has the following purposes:

- a. To manage, operate, insure, construct, improve, repair, replace, alter, and maintain the common areas of the Narrows Estates Subdivision and any improvements thereto;
- b. To provide certain facilities, services, and other benefits to the Owners;
- c. To administer and enforce the protective easements, covenants, conditions, restrictions, and reservations created by the Declaration;
- d. To fix, levy, collect, and enforce payment by any lawful means, of all annual and special assessments authorized by the terms of the Declaration; establish bank accounts; and pay all expenses incident to the conduct of the business of the Association;
- e. To enter into agreements with other persons, including, without limitation, easements, licenses, leases, and other agreements with or without the vote or consent of the

Owners, Mortgagees, insurers or guarantors of mortgages, or of any other person, for facilities and services that serve the Association;

f. To take any action that it deems necessary or appropriate to protect the interests and general welfare of the Owners and the Narrows Estates Subdivision;

g. To regulate and manage the Narrows Estates Subdivision; and

h. To execute and record, on behalf of all Owners, any amendment to the Declaration which has been approved by the vote or consent necessary to authorize such amendment.

6.2 Powers.

a. Unless expressly prohibited by law, the Declaration, or the Bylaws of the Association (the "Bylaws"), the Association may: (i) take any and all actions that it deems necessary or advisable to fulfill its purposes; (ii) exercise any powers conferred on it by the Act, the Declaration, or the Bylaws; and (iii) exercise all powers that may be exercised in Idaho by nonprofit corporations.

b. Without in any way limiting the generality of subsection 6.2(a) above, the Association may, but is not obligated to:

i. To the extent not provided by a public, quasi-public, or private utility provider, provide certain facilities and services to the owners, such as (A) recreational facilities and services, (B) water, sewer, natural gas, electric, cable and/or satellite television, and other utility services, (C) parking facilities, and (D) trash collection facilities and services for residential purposes only;

ii. Acquire, sell, lease, and grant easements over, under, across, and through the Common Areas that are reasonably necessary to the ongoing development, maintenance, and operation of the Narrows Estates Subdivision;

iii. Borrow monies and grant security interests in the Common Areas and in the assets of the Association as collateral therefor;

iv. Make capital improvements, repairs, and replacements to the Common Areas; and

v. Hire and terminate Managing Agents and other employees, agents, and independent contractors.

6.3 Restrictions on Purposes and Powers. The purposes and powers of the Association described in Sections 6.1 and 6.2 above are subject to the following limitations:

a. The Association is organized and operated exclusively for nonprofit purposes as set forth in Section 528 of the Internal Revenue Code of 1986, as amended, or in any corresponding provision of any future law of the United States of America providing for exemption of similar organizations from income taxation.

b. No part of the net earnings of the Association may inure to the benefit of any individual Owner, except as expressly permitted in paragraph 6.3(c) below with respect to the dissolution of the Association.

c. The Association may not pay any dividends. No distribution of the Association's assets to Owners may be made until all of the Association's debts are paid, and then only upon the final dissolution of the Association. Upon payment of all of the Association's debts and final dissolution, any remaining assets of the Association must be distributed among the Owners in accordance with the terms and conditions of the Bylaws or in accordance with the Act.

ARTICLE VII

MEMBERSHIP

Every person or entity who is the contract purchaser or record owner of a fee interest in any platted single-family home Lot located within the Narrows Estates Subdivision is a member of the Association; provided, however that if any Lot is held jointly by two (2) or more persons, the several owners of such interest shall designate one of their number as the "member." The failure of any group of owners to designate a person as the "member" may result in waivers of voting privileges. 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 separate from ownership of or the contract purchaser's interest in any Lot. Upon transfer of the fee interest to, or upon the execution and delivery of the contract of sale of (or of an assignment of a contract purchaser's interest in) any Lot, the membership in the Association shall *ipso facto* be deemed to be transferred to the grantee, or contract purchaser, as the case may be. Ownership of, or a contract purchaser's interest in, any such Lot is the sole qualification for membership.

ARTICLE VIII

VOTING

8.1 Voting.

a. At any meeting of the Association, the votes attributable to each Lot may be voted in connection with issues presented to the Owners for vote.

b. Except as set forth in the Declaration (which provides that Declarant has three votes per Lot), each Lot has one vote.

c. Except as set forth in the Declaration (which provides that Declarant has three votes per Lot), each Lot is entitled to one vote, regardless of the number of Owners of the Lot. If the Owners of a Lot cannot agree among themselves as to how to cast their vote on a particular matter, they will lose their right to vote on such matter. If any Owner casts a vote representing a particular Lot, it will thereafter be presumed for all purposes that the Owner was acting with the authority and consent of all other Owners with whom such Owner shares the Lot, unless objection thereto is made by an Owner of that Lot to the person presiding over the meeting at the time the vote is cast. If more than the number of allocated votes are cast for any particular Lot, none of such votes may be counted and all of such votes will be deemed null and void other than to determine whether a quorum exists.

d. In any case in which the Act or the Declaration requires the vote of a stated percentage of the Owners for approval of an act or transaction, such requirement will be fully satisfied by obtaining, with or without a meeting, consents in writing to such transaction from Owners who collectively hold 100 percent of required votes. Such written consents are subject to the following conditions:

i. All necessary consents must be obtained before the expiration of ninety (90) days after the first consent is given by any Owner.

ii. Any change in ownership of a Lot which occurs after consent has been obtained by the Owner having an interest therein may not be considered or taken into account for any purpose.

ARTICLE IX

BOARD OF TRUSTEES

9.1 Board of Trustees.

a. The business and affairs of the Association will be controlled, conducted, and managed by a Board of Trustees, except as otherwise provided in the Act, the Declaration, these Articles, or the Bylaws. The Board is the "board of trustees" for purposes of the Act.

b. Except as provided by law or in the Declaration, these Articles, or the Bylaws, the Board may act on behalf of the Association in all instances. The Board may not, however, act on behalf of the Association to: (i) amend the Declaration; (ii) terminate the Association or the Declaration; (iii) elect Trustees to the Board, subject to Declarant's voting rights under the Declaration; or (iv) determine the qualifications, powers, and duties, or terms of office, of Trustees.

c. The Board will consist of not less than three (3) nor more than seven (7) Trustees unless the number of Members is fewer than three (3), in which case the number of Trustees shall be no less than the number of Members. Initially, the Board will consist of one (3) Trustees. The names and addresses of the initial Trustees are as follows:

<u>Name</u>	<u>Address</u>
BRAD H. BEARNSON	3778 EAST NARROWS LOOP PRESTON, IDAHO 83263
RUELINDA BEARNSON	3778 EAST NARROWS LOOP PRESTON, IDAHO 83263
ALEX BEARNSON	3778 EAST NARROWS LOOP PRESTON, IDAHO 83263

ARTICLE X

LIABILITY AND INDEMNIFICATION

10.1 Limits on Trustees' Liability. To the fullest extent permitted by the Act, as the same exists or may hereafter be amended, a Trustee is not be liable to the Association or the Owners for monetary damages for breach of fiduciary duty. Any repeal or modification of this Section 10.1 will be prospective only and will not adversely affect any right or protection existing at the time of such repeal or modification.

10.2 Indemnification. To the fullest extent permitted by the Act, as the same exists or may hereafter be amended, the Association must indemnify each Trustee and each officer, employee, fiduciary, and agent of the Association.

ARTICLE XI

BYLAWS

The initial Bylaws of the Association must be adopted by the Board. The Board has the power to alter, amend, or repeal the Bylaws from time to time and to adopt new Bylaws only as provided in the Act, the Declaration and the Bylaws. The Bylaws of the Association may contain any provisions for the regulation or management of the affairs of the Association that are not inconsistent with law, the Declaration, or these Articles.

ARTICLE XII

AMENDMENT

The Association may amend, alter, change, or repeal any provision contained in these Articles by, unless a higher voting requirement is set forth herein with respect to any particular provisions, the vote of the holders of at least sixty-seven percent (67%) of the votes allocated to all Memberships at

any regular or special meeting called for that purpose at which a quorum is represented. The Association's right to amend, alter, change, or repeal these Articles is subject to the limitations thereon set forth in the Declaration.

ARTICLE XIII
INCORPORATOR

The name of the incorporator is Brad H. Bearnson. The address of the incorporator is 399 North Main Street, Suite 300, 3rd Floor, Logan, Utah 84321.

IN WITNESS WHEREOF, the above-named incorporator signed these Articles of Incorporation this 3rd day of June, 2008.



Brad H. Bearnson, Incorporator

ACCEPTANCE OF APPOINTMENT OF REGISTERED AGENT

BEARNSON & PECK, L.C., as the appointed Registered Agent for THE NARROWS ESTATES HOMEOWNER'S ASSOCIATION, INC., an Idaho nonprofit corporation, does hereby accept the Appointment of Registered Agent for the nonprofit corporation.

BEARNSON & PECK, L.C.

By: 

Its Member