

State of Idaho

Department of State

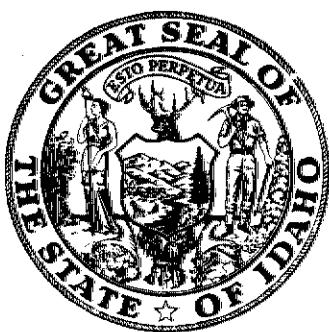
CERTIFICATE OF INCORPORATION OF

SAVANNAH GREENS OWNERS ASSOCIATION, INC.
File number C 118305

I, PETE T. CENARRUSA, Secretary of State of the State of Idaho, hereby certify that duplicate originals of Articles of Incorporation for the incorporation of SAVANNAH GREENS OWNERS ASSOCIATION, INC. duly signed pursuant to the provisions of the Idaho Nonprofit Corporation Act, have been received in this office and are found to conform to law.

ACCORDINGLY and by virtue of the authority vested in me by law, I issue this Certificate of Incorporation and attach hereto a duplicate original of the Articles of Incorporation.

Dated: February 14, 1997



Pete T. Cenarrusa
SECRETARY OF STATE

By Sally J. Clark

**ARTICLES OF INCORPORATION
OF
SAVANNAH GREENS OWNERS ASSOCIATION, INC.**

KNOW ALL MEN BY THESE PRESENTS: That we, the undersigned, being natural persons of full age and a citizen of the United States of America, acting as incorporators 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:

SAVANNAH GREENS OWNERS ASSOCIATION, INC.

ARTICLE III

Definitions

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

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

Assessments: Payments required of Members of the Association in the Declaration of Covenants, Conditions, Restrictions and Easements applicable to Savannah Greens Subdivision.

Association: Savannah Greens Owners Association, Inc., an Idaho non-profit corporation.

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

Common Area: All real property within the Subdivision in which the Association owns an interest or controls and which is held or controlled for the common use and enjoyment of all of its Members.

Grantor: The Grantor(s) named in the Declaration of Covenants, Conditions, Restrictions and Easements applicable to the Subdivision, and their 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 constructing thereon a residential dwelling, and to which successor the Grantor 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 legally described tract or parcel of real property within the Subdivision or which is designated as a Lot on any recorded subdivision plat relating to said Subdivision.

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

Owner: A person or persons or other legal entity or entities, including the Grantor, holding fee simple title to any real property in the Subdivision, and 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.

Restrictive Covenants: The Declaration of Covenants, Conditions, Restrictions and Easements for Savannah Greens No. 2 Subdivision, recorded January 27, 1997, as Instrument No. 97006216, records of Ada County, Idaho, including any amendments thereto duly adopted and recorded.

Subdivision: The whole of Savannah Greens 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 the 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 the 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 Restrictive Covenants, as the same may be amended from time to time as therein provided, said Restrictive Covenants 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 Restrictive Covenants; 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;

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 Restrictive Covenants, 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 Grantor (and its successors in title as specified in the definition of "Grantor," above). The Class B Members shall be entitled to five (5) votes for each Lot owned. The Class B membership shall cease and be converted to 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, 2001.

The Association shall not have any voting rights by 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 shall be at 4920 Rivervista Way, Boise, Idaho 83703. 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 Jerry L. Foster.

ARTICLE VIII

Initial Board of Directors

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>
William D. Evans	4920 Rivervista Way Boise, Idaho 83703
Jerry L. Foster	4920 Rivervista Way Boise, Idaho 83703
Debra A. Foster	4920 Rivervista Way Boise, Idaho 83703

ARTICLE IX

Incorporators

The names and addresses of the incorporators of the Association are as follows:

<u>Name</u>	<u>Address</u>
William D. Evans	4920 Rivervista Way Boise, Idaho 83703
Jerry L. Foster	4920 Rivervista Way Boise, Idaho 83703

ARTICLE X

Liability of Members

Members shall be personally liable for the Assessments levied and assessed by the Association, whether for fines, penalties, recovery of costs.

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 Restrictive Covenants, for the government of the affairs of the Association and the management of its properties.

ARTICLE XIII

Dissolution

The Association may be dissolved in the manner required by law for the dissolution of non-profit corporations in Idaho. 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

FHA/VA Approval

If the Grantor elects to obtain the approval of the Federal Housing Administration ("FHA") and/or the Veterans Administration ("VA") of the Subdivision, as long as there is a Class B membership, the following actions require the prior approval of FHA and/or VA:

- (a) A merger or consolidation of the Association.
- (b) The granting of a Mortgage or Deed of Trust encumbering all or any portion of the Common Area within the Subdivision.
- (c) A dedication of all or any portion of the Common Area in the Subdivision.
- (d) Dissolution of the Association.

(e) Amendment of these Articles of Incorporation.

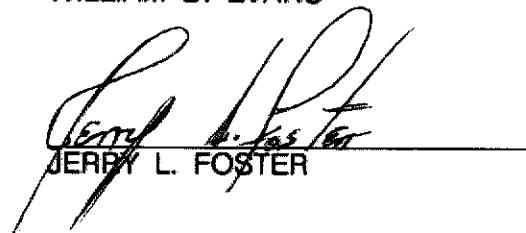
ARTICLE XV

Conflict of Provisions

The provisions contained in these Articles of Incorporation, except for the provisions of Article XIV, above, are subject and subservient to the terms and provisions of the Restrictive Covenants and in any conflict between the terms and provisions of these Articles with the Restrictive Covenants, the terms and provisions of the Restrictive Covenants shall control.

IN WITNESS WHEREOF the undersigned has executed these Articles of Incorporation this 6th day of February, 1997.


William D. Evans
WILLIAM D. EVANS


Jerry L. Foster
JERRY L. FOSTER