

FILED/EFFECTIVE

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ARTICLES OF INCORPORATION
OF
CORNERSTONE NEIGHBORHOOD ASSOCIATION, INC.

SECRET

KNOW ALL PERSONS BY THESE PRESENTS:

The undersigned, for the purpose of forming a nonprofit corporation under the laws of the State of Idaho do hereby certify, declare and adopt the following Articles of Incorporation:

ARTICLE 1: NAME: The name of the corporation shall be Cornerstone Neighborhood Association, Inc. (hereinafter, the "Corporation").

ARTICLE 2: TERM: The period of existence and duration of the life of this Corporation shall be perpetual.

ARTICLE 3: NONPROFIT: This Corporation shall be a nonprofit, membership corporation.

ARTICLE 4: REGISTERED AGENT: The location and street address of the initial registered office of this Corporation shall be c/o Richard J. Tomlinson, 701 S. Allen St., Suite 103, Meridian, Idaho 83642, and Richard J. Tomlinson is hereby appointed the initial registered agent of the Corporation.

ARTICLE 5: PURPOSE AND POWERS OF THE ASSOCIATION: This Corporation does not contemplate pecuniary gain or profit to the Members thereof, and the specific purposes for which the Corporation is formed are to provide for certain regulations of the use, maintenance, preservation and architectural control of the Building Lots and Common Areas located in Cornerstone Subdivisions according to the plats thereof recorded or to be recorded in the official records of Ada County, Idaho (the "Subdivisions"), which Building Lots and Common Area are a portion of the Property covered by the Declaration of Covenants, Conditions and Restrictions for these Subdivisions recorded or to be recorded in the official records of Ada County, Idaho (the "Declaration"); and to promote the health, safety and welfare of the

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CORNERSTONE NEIGHBORHOOD ASSOCIATION INC.

IDaho SECRETARY OF STATE
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residents within the Subdivisions and any subsequent phases, additions or annexations thereto as may hereinafter 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 Corporation as set forth in the Declaration as 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 of all charges or assessments pursuant to the terms of the Declaration and all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the Corporation, including all licenses, taxes or governmental charges levied or imposed against the property of the Corporation;

(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 Corporation under the limitations imposed by the Declaration;

(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 of the Corporation 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 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.

F) Participate in mergers and consolidations with other nonprofit corporations organized for the same purposes, provided that any such merger or consolidation shall have the assent of two-thirds (2/3) of each class of Members;

(G) 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, including the annexation of subsequent phases of the subdivision subject only to limitations contained in the By-Laws and the Declaration and the amendments and supplements thereto.

ARTICLE 6: MEMBERSHIP: Every person or entity holding any fee simple interest of record to a Building Lot, including sellers under executory contracts of sale, but excluding those having such interest merely as security for the performance of an obligation, shall be a Member of the Corporation. Membership shall be appurtenant to and may not be separated from ownership of any Building Lot. There shall be one (1) membership in the Association for each Building Lot located in the Subdivisions. Members of the Corporation must be and remain Owners of Building Lots within the Subdivisions.

ARTICLE 7: VOTING RIGHTS: The Corporation shall have two classes of voting membership:

(A) Class A. The Class A Members shall be all Owners of Building Lots within the Subdivisions, with the exception of Declarant, and shall be entitled to one vote for each Building Lot owned. When more than one person holds an interest in any Building Lot, all such persons shall be Members, but in no event shall more than one vote be cast with respect to any one Building Lot.

(B) Class B. The Class B Member shall be Declarant (as defined in the Declaration), and shall be entitled to five (5) votes for each Building Lot owned by Declarant in the Subdivisions. Declarant shall cease to be a voting member upon deeding of the last Building Lot.

ARTICLE 8: BOARD OF DIRECTORS: The affairs of this Corporation 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 Corporation, but in no event shall the number be less than three (3). The names and addresses of the persons who are to act in the capacity of Directors until the selection of their successors are:

1. Barry Teppola, 701 S. Allen St., Suite 103, Meridian, Idaho 83642

2. Kevin Keller, 701 S. Allen St., Suite 103, Meridian, Idaho 83642
3. Richard J. Tomlinson 701 S. Allen St., Suite 103, Meridian, Idaho 83642

ARTICLE 9: ASSESSMENTS: Each Class A Member shall be liable for the payment of Assessments and other charges as provided for in the Declaration.

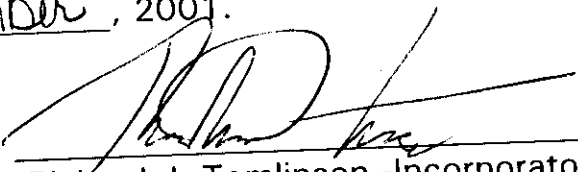
ARTICLE 10: BY-LAWS: The By-Laws of this Corporation may be altered, amended, or new By-Laws adopted at any regular meeting, or any special meeting of the Corporation called for that purpose, by the affirmative votes of two-thirds (2/3) of the votes of each class of Members in the Association. For the purpose of specifying in detail the rights, responsibilities, duties and obligations of the Board of Directors, the officers, employees and agents of the Corporation, and the Members for the payment of Assessments, the By-Laws may incorporate by reference the provisions of the Declaration.

ARTICLE 11: DISSOLUTION: Unless prohibited by the local governmental authority having jurisdiction over this subdivision, the Corporation may be dissolved at any regular meeting, or any special meeting of the Corporation called for that purpose, by the affirmative votes of not less than three-fourths (3/4) of the votes of each class of Members in the Association. Upon dissolution of the Corporation, other than incident to a merger or consolidation, the real property and other assets of the Corporation shall be: (i) dedicated to an appropriate public agency to be used for purposes similar to those for which the Corporation was created; or (ii) granted, conveyed and assigned to a nonprofit corporation, association, trust or other organization to be devoted to such similar purposes; or (iii) distributed to the Owners of Building Lots to be held by them as tenants in common in proportion to the number of Building Lots within the Subdivision. The determination of the liquidating distribution of the real property and other assets of the Corporation as provided above, shall be determined as part of the Member vote on dissolution.

ARTICLE 12: AMENDMENTS: Amendment of these Articles of Incorporation may be made at any regular meeting, or any special meeting of the Corporation called for that purpose, by the affirmative votes of not less than three-fourths (3/4) of the votes of both classes of Members in the Association.

ARTICLE 13: INCORPORATION: The incorporator of the corporation shall be: Richard J. Tomlinson whose address is 701 S. Allen St., Suite 103, Meridian, Idaho 83642.

IN WITNESS WHEREOF, I have hereunto set my hand and seal in duplicate this 4 day of December, 2001.


Richard J. Tomlinson--Incorporator