

# State of Idaho

## Department of State

### CERTIFICATE OF INCORPORATION OF

SV HOMEOWNERS' ASSOCIATION, INC.  
File number C 111404

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 SV HOMEOWNERS' 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: July 19, 1995



*Pete T. Cenarrusa*  
SECRETARY OF STATE

By *Anna Seibel*

ARTICLES OF INCORPORATION  
OF  
SV HOMEOWNERS' ASSOCIATION, INC.

IDAHO SECRETARY OF STATE  
7/20/95 9:00:00 AM  
Customer # 1625  
IUC960003354 16304  
CORPORATION NON PROFIT  
1 @ 30.00 = 30.00

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 SV HOMEOWNERS' ASSOCIATION, INC. (hereinafter, the "Corporation").

ARTICLE II  
TERM

The period of existence and duration of the life of this Corporation shall be perpetual.

ARTICLE III  
NON-PROFIT

This Corporation shall be a non-profit, membership corporation.

ARTICLE IV  
REGISTERED AGENT

The location and street address of the initial registered office of this Corporation shall be 871 East Parkcenter Boulevard, Boise, Idaho 83706, and Derrick O'Neill is hereby appointed the initial registered agent of the Corporation.

JUL 19 4 27 PM '95  
SECRETARY OF STATE  
STATE OF IDAHO

**ARTICLE V**  
**PURPOSE AND POWERS OF THE CORPORATION**

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 and design control of the Building Lots, Common Area, and Restricted Area located in the Surprise Valley Planned Residential Development according to any and all plats thereof recorded in the official records of Ada County, Idaho ("Surprise Valley"), which Building Lots, Common Area and Restricted Area are a portion of the Property covered by the Master Declaration of Covenants, Conditions and Restrictions for Surprise Valley Planned Residential Development recorded in the official records of Ada County, Idaho as Instrument No. 95042516 (the "Master Declaration"); and to promote the health, safety and welfare of the residents within Surprise Valley; 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 Master Declaration as amended from time to time as therein provided, said Master 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 Master Declaration and all expenses in connection therewith and all office and other expenses incident to the conduct of the business 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 Master Declaration;

(D) 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;

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

(F) 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 and the Master Declaration and the amendments and supplements thereto.

In addition to the above enunciated purposes, this Corporation is also formed for the purpose of operating, maintaining and/or managing any and all Maintenance Property the Master Association, at its sole discretion, has decided to operate, maintain or manage due to the benefits flowing through to its Members.

## ARTICLE VI MEMBERSHIP

Each person or entity holding fee simple interest of record to a Building Lot, other than Apartment Complex Owners, which is a part of the Property, and buyers 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 located in Surprise Valley.

## ARTICLE VII VOTING RIGHTS

The Corporation shall have three classes of memberships:

Class A Members. Class A Members shall be the Delegates of Local Associations whose Members are designated in a Supplemental Declaration as Members of the Master Association and a Local Association. Each Delegate shall be entitled to one (1) vote for each single-family detached Building Lot and between one-half (½) vote and one (1) vote for each Townhome or Condominium Building Lot (as designated in the Supplemental Declaration for Phases in which Townhomes and/or Condominiums are contained therein) owned by the Class C Members represented by such Delegate.

Class B Member. Grantor shall be the Class B Member, and shall be entitled to five (5) votes for each of the 800 approved residential units for Surprise Valley or 4000 votes, less five (5) votes for each Building Lot owned by someone other than Grantor. The Class B Member shall cease to be a voting Member in the Master Association at the earlier of: (1) Grantor has 1000 or less votes in the Master Association; or (2) on June 1, 2015.

Class C Members. The Class C Members shall be all Owners, with the exception of the Grantor and the Delegates. Class C Members shall not be entitled to vote in the Master Association except that Building Lots owned by such Class C Members shall be counted for purposes of determining the number of votes of the Class A Members.

**ARTICLE VIII**  
**BOARD OF DIRECTORS**

The affairs of this Corporation shall be managed by a Board of no less than three (3) and no more than twenty (20) Directors, who, other than the initial directors specified herein, shall be the Master Association Delegates of the Corporation. The number of Directors may be changed by amendment of the Bylaws 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:

Peter S. O'Neill	871 East ParkCenter Blvd. Boise, ID 83706
Derick O'Neill	871 East ParkCenter Blvd. Boise, ID 83706
L. Edward Miller	277 North 6th Street, Suite 200 Boise, ID 83701

**ARTICLE IX**  
**ASSESSMENTS**

Each Member shall be liable for the payment of Assessments provided for in the Master Declaration and as set forth in the Bylaws of the Corporation.

**ARTICLE X**  
**BYLAWS**

The Bylaws of this Corporation may be altered, amended, or new Bylaws adopted at any regular meeting, or any special meeting of the Corporation called for that purpose, by the affirmative votes of more than fifty percent (50%) of the total voting power of the Corporation as cast by the Master Association Delegates. 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 Bylaws may incorporate by reference the provisions of the Master Declaration.

**ARTICLE XI**  
**DISSOLUTION**

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 no less

than two-thirds (2/3) of the total voting power in the Corporation as cast by the Master Association Delegates. 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 non-profit corporation, association, trust or other organization to be devoted to such similar purposes. Notwithstanding any other provisions of these Articles, the Corporation 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 Corporation called for that purpose, by the affirmative votes of more than two-thirds (2/3) of the total voting power of the Corporation as cast by the Master Association Delegates, and, if required by the Master Declaration, the consent of holders of First Mortgages on Building Lot(s) who have requested of the Corporation in writing to provide them notice of proposed action which affects their interests. No amendment which is inconsistent with the provisions of the Master Declaration shall be valid.

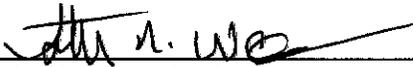
## **ARTICLE XIII MEANING OF TERMS**

Except as otherwise defined herein, all terms appearing herein initially capitalized shall have the same meanings as are ascribed to such terms in the Master Declaration including, without limitation, "Apartment Complex Owner", "Articles", "Assessments", "Board", "Building Lot", "Bylaws", "Common Area", "Condominium", "Delegate", "First Mortgage", "Grantor", "Maintenance Property", "Master Association", "Member", "Owner", "Property", "Restricted Area", "Supplemental Declaration", and "Townhome".

**ARTICLE XV**  
**INCORPORATION**

Steven R. Weeks, 277 North Sixth Street, Suite 200, Boise, Idaho 83702, shall be the incorporator of the Corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 19<sup>th</sup> day of July, 1995.

  
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STEVEN R. WEEKS, INCORPORATOR