

**ARTICLES OF INCORPORATION
OF
SERVICE FLATS HOMEOWNERS' ASSOCIATION, INC.**

FILED EFFECTIVE

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SECRETARY OF STATE

KNOW ALL MEN BY THESE PRESENTS that Robert W. Blewett, being over the age of eighteen years, and for the purposes of forming a corporation under the Idaho Nonprofit Corporation Act, Chapter 3, Title 30, Idaho code, hereby certifies and adopts, the following Articles of Incorporation.

**ARTICLE 1
NAME**

The name of the Corporation (hereinafter called the "Corporation") is Service Flats Homeowners' Association, Inc.

**ARTICLE 2
NON-PROFIT STATUS**

This Corporation shall be a nonprofit corporation.

**ARTICLE 3
DURATION**

The duration of the Corporation shall be perpetual.

**ARTICLE 4
PURPOSES AND POWERS**

The purposes for which this Corporation is organized are as follows:

- (a) To acquire, maintain, repair, improve and preserve easements and roadways providing access to the residential lot development located upon the land situated in the Southwest quarter of the Northeast quarter (SW1/4 NE1/4), South half of the Northwest quarter (S1/2 NW1/4), North half of the Southwest quarter (N1/2 SW1/4), Southeast quarter of the Southwest quarter (SE1/4 SW1/4), and the West half of the Southeast quarter (W1/2 SE1/4), Section 15, Township 29 North, Range 2 East, B.M. as well as to the individual lots contained within said development as well as to acquire, maintain, repair, improve and preserve easements for utilities for the residential lot development and to acquire, maintain, repair, improve and preserve any common areas within the confines of the above-identified property and systems delivering water to the members of the corporation.
- (b) To promote the health, safety and welfare of the property owners in the Service Flats Subdivision and any additions thereto.

(c) To undertake any matters authorized by the Covenants, Conditions, and Restrictions (hereinafter referred to as "CCRs") of record which may be filed as well as Bylaws of record.

(d) The transaction of any lawful activity in accordance with the Idaho Nonprofit Corporation Act.

(e) The Corporation is not organized for profit and no part of gains or earnings shall inure to its stockholders or members. No officer, stockholder or director of this corporation shall be entitled to any remuneration or pecuniary reward by virtue of being an officer, director or shareholder of this corporation.

In furtherance of said purposes, and subject to the approval of members as may be required by law, the CCRs, or the Bylaws, the Corporation shall have power to:

(a) Perform all of the duties and obligations of the Corporation as set forth in the Articles, CCRs and Bylaws;

(b) Fix, levy, collect, and enforce assessments and fines as set forth in the CCRs or the Bylaws, in a fair and equitable fashion and secure the payment of assessments through liens upon real property as allowed under Idaho law;

(c) Pay all expenses and obligations incurred by the Corporation in the conduct of its business, including, without limitation, all licenses, taxes or governmental charges levied or imposed against the Corporation's property;

(d) Acquire (by gift, purchase, or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, exchange, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Corporation;

(e) Make contracts and incur liabilities, 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;

(f) Dedicate, sell, transfer, assign, or grant easements over all or part of any of the Corporation's property to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the members;

(g) Participate in mergers and consolidations with other nonprofit corporations organized for the same purposes, or annex additional property to the Property managed by the Corporation;

(h) Litigate, mediate, and arbitrate any and/or all corporate rights and obligations specified in law and/or by the Articles and Bylaws of the Corporation and/or CCRs. This Corporation in addition to other provisions may provide for the qualification of members,

the terms and conditions of admission, the time, mode, conditions, and effect of expulsion or withdrawal from or the restoration of membership, admission fees, charges and assessments; and for reimbursement for services rendered to and expenses incurred on behalf of the Corporation by any member or officer of the Corporation, and such other rules and regulations as are not repugnant to the laws of the State of Idaho; and

(i) Have and exercise any and all powers, rights, and privileges that a corporation organized under the Idaho Nonprofit Corporation Act law, as it exists now or hereafter.

ARTICLE 4 **MEMBERS AND MEMBERSHIP**

4.1 Non-Stock Corporation. Participation in management and ownership of the Corporation shall be by membership only. The Corporation shall issue no stock and shall have no shareholders.

4.2 Membership. Each Owner of a Lot in the Development shall automatically upon becoming an Owner, be a member of the Corporation, and shall remain a member thereof until such time as his/her ownership ceases for any reason, at which time his/her membership in the Corporation shall automatically cease or in the event membership is suspended or terminated. Membership shall be in accordance with these Articles and the Bylaws of the Corporation.

4.3 Transferred Membership. Membership in the Corporation shall not be transferred, pledged or alienated in any way, except upon the transfer of ownership of a Lot in the subdivision and then only to the new owner. Any attempt to make a prohibited transfer is void. In the event the owner of any Lot should fail or refuses to transfer the membership registered in his/her name to the purchaser of his/her Lot, the Corporation shall have the right and authority to transfer, purchaser and record the transfer upon the books. Upon such transfer the old membership in the name of the seller shall be null and void and the new owner shall become the member.

4.4 Classes of Membership. The Corporation shall initially have one class of voting membership, with one (1) vote per Lot owned within the subdivision by any member or group of members as set forth in the Bylaws. The total number of votes allowed shall equal the total number of Lots included within the subdivision. All other membership shall be nonvoting unless specifically authorized otherwise in the Bylaws. This Corporation may add additional classes of membership, through the lawful amending of the corporate Bylaws. Nothing in these Articles shall prohibit the institution of additional classes.

4.5 Voting Requirements. Except where otherwise expressly provided in the CCRs, these Articles of Incorporation, or the Bylaws, any action required by the membership of the corporation must have the approval of the majority voting corporation membership before being undertaken.

4.6 Limitation of Payment to Dissenting Member. Membership in the Corporation is appurtenant to and cannot be segregated from ownership of a Lot within the jurisdiction of the Corporation. Except upon dissolution of the Corporation and only consistent with Bylaws and Articles of the Corporation, a dissenting member shall not be entitled to any return of any contribution or other interest in the Corporation.

ARTICLE 5
REGISTERED OFFICE AND AGENT

The street address of the initial registered office of the corporation shall be 201 W. Main Street, Grangeville, Idaho 83530 and the registered agent at such address is Robert Blewett.

ARTICLE 6
MAILING ADDRESS OF THE CORPORATION

The mailing address of the corporation shall be 201 W. Main Street, Grangeville, Idaho 83530.

ARTICLE 7
BOARD OF DIRECTORS

The Board of Directors shall manage the affairs of the Corporation and shall consist of no fewer than three (3) people, but may be as many as five. Directors must be members. The number of directors may be increased in accord with the Bylaws of the Corporation.

The names and addresses of the initial Board of Directors are:

Robert Blewett	201 W. Main Street, Grangeville, Idaho 83530.
Don Blewett	P.O. Box 356, Grangeville, Idaho, 83530
Lila Blewett	201 W Main Street, Grangeville, Idaho 83530

ARTICLE 8
INCORPORATOR

The name and address of the incorporator of the Corporation is:

Robert Blewett 201 W. Main Street, Grangeville, Idaho 83530.

ARTICLE 9

DISSOLUTION

In the event of dissolution, liquidation, or winding up of the Corporation, none of the property nor any proceeds of the Corporation shall be distributed to or divided among any of the directors of the Corporation or inure to the benefit of any individual. After all liabilities and obligations of the Corporation have been paid and discharged, all remaining property and assets of the Corporation shall be distributed to one or more organizations designated as follows:

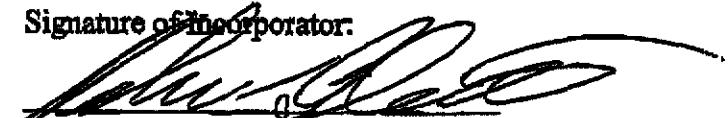
- 1) Pursuant to a plan of distribution adopted as provided for under the Idaho Nonprofit Corporation Act as it now exists or as amended in the future; or
- 2) If there is no appropriate plan of distribution, then a court of competent jurisdiction may direct the distribution of corporate assets to any organization with similar purpose; such property shall be distributed only to organizations which shall comply with all of the following conditions:
 - (a) each organization shall be organized under written articles of organization which comply with the requirements of the Internal Revenue Code necessary to qualify the organization as an exempt organization;
 - (b) each organization shall be exempt from federal taxes by reason of Section 501, or other applicable sections of the Internal Revenue Code as it now exists or is amended in the future;
 - (c) contributions to each such organizations shall be deductible by reason of Section 170 of the Internal Revenue Code as it now exists or as amended in the future;
 - (d) each organization shall be operated exclusively for a recognized exempt purpose, and the manner of operation of each organization shall in compliance with the requirements to qualify the organization as an exempt organization.

ARTICLE 10
AMENDMENT OF ARTICLES

These Articles shall be amended only by the vote or written assent of at least two-thirds (2/3) of a quorum of the voting power of the membership.

For the purposes of forming the Corporation, I, the undersigned, constituting the incorporator of the Corporation, have executed these Articles of Incorporation on the 1st day of July, 2009.

Signature of incorporator:



Robert W. Blowett
Incorporator