

# State of Idaho

## Department of State

### CERTIFICATE OF INCORPORATION OF

MILLIKEN HEIGHTS HOMEOWNERS ASSOCIATION INC.

File number C 116966

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 MILLIKEN HEIGHTS 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: October 31, 1996



*Pete T. Cenarrusa*  
SECRETARY OF STATE

By *Lois Smock*

ARTICLES OF INCORPORATION

OF

MILLIKEN HEIGHTS HOMEOWNERS ASSOCIATION, INC.

OCT 28 4 39 PM '96

SECRETARY OF STATE  
STATE OF IDAHO

The undersigned, acting as the incorporator of Milliken Heights Homeowners Association, Inc., a non-profit corporation, ("the Corporation"), organized under and pursuant to the Idaho Non-Profit Corporation Act, Chapters 3, Title 30, Idaho Code, ("the Act"), does hereby adopt the following Articles of Incorporation for the Corporation.

OCT 31 12 29 PM '96  
SECRETARY OF STATE  
STATE OF IDAHO

- 1. **NAME:** The name of the Corporation is Milliken Heights Homeowners Association Inc.
- 2. **NON-PROFIT STATUS:** The Corporation is a non-profit Corporation.
- 3. **PERIOD OF DURATION:** The period of duration of the Corporation is perpetual.
- 4. **INITIAL REGISTERED OFFICE AND AGENT:** The location of this Corporation is in Ada County, Idaho. The address of the initial registered office is 280 E. Corporate Dr. Ste. 210, Meridian, Idaho 83642, and the name of the initial registered agent at this address is Joe F. Stafford.
- 5. **PURPOSES:** The purposes for which the Corporation is organized and will be operated are as follows:

(a) To form a non-profit Corporation under the Act, for the purpose of providing an association comprised of all owners of Lots located in Milliken Heights Subdivision (and subsequently annexed properties), collectively " Milliken Heights Subdivision - Phase 1, 2 & 3 ", or "the Subdivision", Canyon County, Idaho; for the purpose of providing for the orderly development of the Subdivision; providing and maintaining common areas and related facilities, and to protect and enhance the value, desirability and attractiveness of all Subdivision properties.

IDAHO SECRETARY OF STATE  
DATE 10/29/1996 0900 35400

CK #: 1566 CUST# 71914  
INC NONP

1@ 30.00= 30.00

#: C

This Corporation shall be the Homeowners' Association defined in the Declaration of Covenants, Conditions and Restrictions for the Subdivision (hereinafter referred to as the "Declaration" will be filed of record with the Canyon County Recorder, State of Idaho. All of the words or terms which are capitalized herein shall have the same meaning and definition as contained in the definitions section of the Declaration, which Declaration is hereby incorporated by reference.

(b) To exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as set forth in the Declaration as the same may be amended from time to time as therein provided.

(c) To fix, levy, collect and enforce payment by any lawful means, of all charges or assessments pursuant to the terms of the Declaration; to pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the Association, including all licenses, taxes or governmental charges levied or imposed against the Common Area owned by the Association.

(d) To 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 Association under the limitations imposed by Declaration.

(e) To borrow money, and with the assent of two-thirds (2/3's) of each class of Members (that are present and voting) 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) To dedicate, sell or transfer all or any part of the Common/Area, or all or any part of any water system to any public agency, authority, or utility for such purposes and subject to such conditions as may be approved by the Members or set forth in the Declaration.

(g) To participate in mergers and consolidations with other non-profit corporations organized for the same purposes or to annex additional residential property and Common Area, provided that any

such merger, consolidation or annexation shall comply with the requirements of the Declaration.

(h) To exercise all powers granted by law necessary and proper to carry out the above-stated purposes. Nothing herein contained shall be deemed to authorize or permit the Corporation to, carry on any business for profit, to exercise any power, or to do any act that a Corporation formed under the Act, or any amendment thereto or substitute therefore, may not at that time lawfully carry on or do.

**6. BOARD OF DIRECTORS:** The affairs of the Corporation shall be managed by its Board of Directors. The Board of Directors shall consist of not less than three (3) nor more than nine (9) individuals. The actual number of Directors shall be fixed by the Bylaws of the Corporation. Other than the Directors constituting the initial Board of Directors, who are designated in these Articles, the Directors shall be elected or appointed in the manner and for the term provided in the Bylaws of the Corporation.

Cumulative voting for Directors by the Members is hereby denied.

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

<u>Name</u>	<u>Address</u>
Joe F. Stafford	280 E. Corporate Dr. Ste. 210 Meridian, ID 83642
Clyde Wheeler	4180 W. Plumrose St. Meridian, ID 83642
Rick McGraw	280 E. Corporate Dr. Suite 210 Meridian, ID 83642

**7. LIMITATIONS:** No part of the income of the Corporation shall inure to the benefit of, or be distributable to its members, directors or officers, except that the Corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in these Articles.

## 8. MEMBERS/VOTING:

(a) The corporation shall not issue any capital stock, but may issue membership certificates to each Member hereof, including Grantor, under the terms and conditions hereinafter set forth. Each Owner (including Grantor) of a Lot, by virtue of being such an Owner and for so long as he is such an Owner, shall be deemed a Member of the Association. The Association membership of each Owner (including Grantor) shall be appurtenant to said Lot and upon the transfer of title to said Lot, and then only to the transferee of title to said Lot. Any attempt to make a prohibited transfer shall be void. Any transfer of title to said Lot shall operate automatically to transfer said membership to the new Owner thereof.

(b) There shall be two classes of membership designated as Class A and Class B membership. Class A members shall originally be all Owners with the exception of Grantor, and shall be entitled to one vote for each Lot owned. Grantor shall become a class A member with regard to Lots owned by Grantor upon the conversion of Grantor's Class B membership to class A membership as provided herein below. The Owner(s) of each Lot may, by notice of the Association, designate one person (who need not be an Owner) to exercise the vote for such Lot. Said designation shall be revocable at any time by notice to the Association by the Owner(s).

(c) The Class B member shall be the Grantor who shall upon incorporation be entitled to three (3) votes for each Lot owned by Grantor. The Class B membership shall cease and be converted to Class A membership on the earlier of the sale or other disposition of all lots owned by Grantor in the subdivision or on January 1, 2004.

(d) Subject to the provisions as to mortgage protection contained in the Declaration, the Association may be dissolved with the assent given in writing and signed by not less than seventy-five percent (75%) of the then Owners of Lots, plus Grantor, until Class B membership is terminated.

(e) These Articles may be altered or amended at any regular or special meeting of the Association, called for that purpose, by the affirmative vote of three-quarters of the votes of the Class A members, cast at such meeting, plus the written consent of the Class B members (until the termination of the Class B Membership).

9. **ASSESSMENTS:** Each Member shall be liable for payment of all regular, special and limited assessments provided for in the Declaration and for payment and discharge of the liabilities to the Association as provided for in the Declaration and as set forth in the Bylaws of the corporation.

10. **INCORPORATOR:** The incorporator is Graye Development Inc. , P O Box 1038, Meridian ID 83642

11. **BYLAWS:** Provisions for the regulation of the internal affairs of the Corporation shall be set forth in the Bylaws.

12. **INDEMNIFICATION:** The Corporation shall indemnify any person who was or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative by reason of the fact that he or she is or was a director, or officer of the Corporation against expenses (including attorney's fees), judgements, fines and amounts paid in settlement actually and reasonable incurred by him or her in connection with such action, suit or proceeding, to the extent and under the circumstances permitted by the Idaho Nonprofit Corporation Act.

Such indemnification (unless ordered by a court) shall be made as authorized in a specific case upon a determination that indemnification of the director or officer is proper in the circumstances because he or she has met the applicable standards of conduct set forth in the Idaho Nonprofit Corporation Act. Such determination shall be made (1) by a majority vote of quorum of directors who were not parties to such action, suit or proceeding, or (2) if such quorum is not obtainable, or even if obtainable a quorum of disinterested directors so directs, by independent legal counsel in a written opinion, or (3) by the members.

The foregoing right of indemnification shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any bylaw, agreement, vote of shareholders or disinterested directors or otherwise, and shall continue as to a person who has ceased to be a director or officer and shall inure to the benefit of the heirs, executors and administrators of such a person.

13. **DISTRIBUTION OF ASSETS UPON DISSOLUTION:**  
Upon dissolution of the Association, other than incident to a merger or consolidation, the real property and other assets of the Association

shall be either (a) dedicated to an appropriate public agency to be used for purposes similar to those for which the Association was created; or (b) granted, conveyed and assigned to a non-profit corporation, association, trust or other organization to be devoted to such similar purposes.

**14. STANDARDS FOR DIRECTORS, OFFICERS AND COMMITTEE MEMBERS.** A director, officer or committee member shall discharge his/her duties in good faith, with the care an ordinarily prudent person in a like position would exercise under similar circumstances, and in a manner that the director, officer or committee member reasonably believes to be in the best interest of the Corporation.

In discharging these duties, the director, officer or committee member is entitled to rely on information, opinions, reports or statements, including financial statements and other financial data, if prepared or presented by: (a) one or more officers or employees of the Corporation whom the director reasonably believes to be reliable and competent in the matters presented; (b) legal counsel, public accountants or other persons as to matters the director reasonably believes are within the person's professional or expert competence; or (c) a committee of the Board which the director is not a member, as to matters within its jurisdiction, if the director reasonably believes the committee merits competence.

A director, officer or committee member is not acting in good faith if he/she has knowledge concerning the matter in question that makes reliance otherwise permitted above unwarranted.

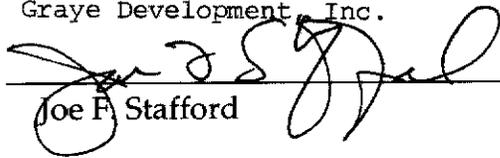
A director, officer or committee member is not liable to the corporation, any member or any other person for any action taken or not taken as a director, officer or committee member, if he/she acted in compliance with this section.

**15. FHA/VA APPROVAL:** As long as there is a Class B membership the following actions will require the prior approval of the Federal Housing Administration or the Veterans Administration or the HUD representative thereof; annexation of additional properties, mergers and consolidations, mortgaging of Common area, dedication of common area, dissolution and amendment of these Articles.

DATED this 25 day of OCTOBER, 1996.

Graye Development, Inc.

Signed By:

  
\_\_\_\_\_  
Joe F. Stafford

CERTIFICATE OF ACKNOWLEDGEMENT

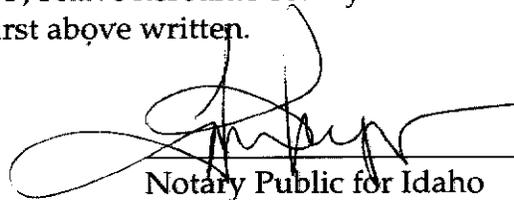
STATE OF IDAHO)

ss.

County of Ada )

On this 25 day of OCT, 1996, before the undersigned, a Notary Public, personally appeared JOE F. STAFFORD, or identified to me to be the person whose name is subscribed to the within instrument and acknowledges to me that he executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.

  
\_\_\_\_\_  
Notary Public for Idaho

Residing at MERIDIAN, ID

My commission expires: 11/29/2001