

State of Idaho

Department of State

CERTIFICATE OF INCORPORATION OF

K. T. TOWNHOUSE HOMEOWNERS ASSOCIATION, INC.

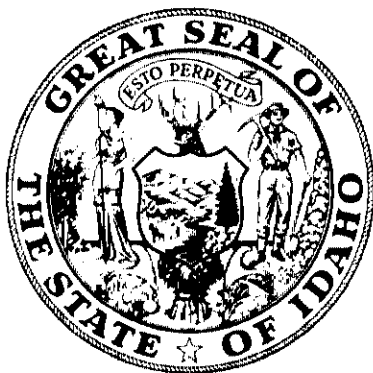
I, PETE T. CENARRUSA, Secretary of State of the State of Idaho, hereby certify that duplicate originals of Articles of Incorporation for the incorporation of _____

K. T. TOWNHOUSE 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 February 19, 19 91



Pete T. Cenarrusa

SECRETARY OF STATE

M. Richards

Corporation Clerk

ORIGINAL

Feb 19 3 10 PM '91
SECRETARY OF STATE

ARTICLES OF INCORPORATION
OF

K. T. TOWNHOUSE HOMEOWNERS ASSOCIATION, INC.

The undersigned, acting as incorporator of a corporation under the Idaho Nonprofit Corporation Act, adopts the following Articles of Incorporation for such corporation.

ARTICLE 1. NAME:

The name of the corporation shall be **K. T. TOWNHOUSE HOMEOWNERS ASSOCIATION, INC.** This corporation is a nonprofit corporation.

ARTICLE 2. DURATION:

The duration of this corporation shall be perpetual.

ARTICLE 3. PURPOSE AND POWERS:

The purposes for which the corporation is organized are to provide an entity for the maintenance, preservation and control of the common areas within K. T. Towhhouse Subdivision, a residential subdivision in Boise, Ada County, Idaho, together with such other property as may be annexed to the subdivision in accordance with Article XV of the Declaration of Covenants, Conditions and Restrictions of K.T. Townhouse Subdivision; to engage in all such activities as are incidental or conducive to the attainment of the objectives of the corporation and any other activities which are permitted to be done by a nonprofit corporation under any laws that may now or hereafter be applicable or available to this corporation. Without limiting the foregoing, it is expressly provided hereby that:

(a) The corporation shall exercise all of the power and privileges and perform all of the duties and obligations of the corporation as set forth in the Declaration of Covenants, Conditions and Restrictions ("Declaration") applicable to the property and recorded or to be recorded in the Office of the Ada County Records, as the same may be amended from time to time as therein provided, said Declaration being incorporation herein as if set out at length.

(b) The corporation shall fix, levy, collect and enforce payment by any lawful means, all charges or assessments, periodic or special, authorized to be made under the Declaration.

ARTICLE 4. MEMBERSHIP:

Every person or entity who is a record owner of a fee or undivided fee interest in any lot which is subject by covenants of record to assessment by the corporation, including contract sellers, shall be a member of the corporation. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Membership shall be

appurtenant to and may not be separated from ownership of any lot which is subject to assessment by the corporation.

ARTICLE 5. VOTING RIGHTS:

The corporation shall have two classes of voting membership.

CLASS A. Class A members shall be all Owners, with the exception of the Declarant, and shall be entitled to one vote for each lot owned. When more than one person holds an interest in any lot, all such persons shall be members. The vote for such lot shall be exercised as they determine, but in no event shall more than one vote be cast with respect to any lot. Fractional votes shall not be allowed. The vote applicable to any lot being sold under contract of purchase shall be exercised by the contract seller, unless the contract expressly provides otherwise.

CLASS B. Class B member(s) shall be the Declarant, as defined in the Declaration, and shall be entitled to three (3) votes for each lot owned. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs first:

(a) When the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership, or

(b) On January 1, 1993.

ARTICLE 6. REGISTERED OFFICE AND AGENT.

The address of the initial registered office of this corporation is 2275 Continental Drive, Meridian, Idaho 83642, and the name of its initial registered agent at such address is Kelly Troutner.

ARTICLE 7. DIRECTORS:

The number of directors of this corporation shall be fixed by the Bylaws and may be increased or decreased from time to time in the manner specified therein. The initial Board of Directors shall consist of one (1) director. The name and address of the person who shall serve as director until the first meeting of the members and until his successor is elected and qualified, or unless he resigns or is removed, is:

Kelly Troutner
2275 Continental Drive
Meridian, Idaho 83642

ARTICLE 8. INCORPORATOR:

The name and address of the incorporator is as follows:

Kelly Troutner
2275 Continental Drive
Meridian, Idaho 83642

ARTICLE 9. AMENDMENT OF ARTICLES AND BYLAWS:

These articles may not be amended without at least 66-2/3% of the membership votes being cast in support of such amendment.

ARTICLE 10. DISSOLUTION:

Upon dissolution or final liquidation of the corporation, the assets of the corporation shall be dedicated to a public body or conveyed to a nonprofit organization with similar purposes.

ARTICLE 11. LIMITATION OF LIABILITY:

A director of this corporation shall not be personally liable to this corporation or its members for monetary damages for breach of fiduciary duty as a director, except for liability (i) for any breach of the director's duty of loyalty to this corporation or its members, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under §30-322 or §30-1-48, Idaho Code, or (iv) for any transaction from which the director derived any improper personal benefit. If the Idaho Business Corporation Act or the Idaho Nonprofit Corporation Act (collectively the "Acts") are amended to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of this corporation shall be eliminated or limited to the fullest extent permitted by the Acts as so amended. Any repeal or modification of this Article 11 by the members of the corporation shall not adversely affect any right or protection of a director of the corporation existing at the time of such repeal or modification.

ARTICLE 12. 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: annexation of additional properties, mergers and consolidations, mortgaging of Common Area, dedication of Common Area, dissolution and amendment of these Articles.

EXECUTED in duplicate this 19 day of February 1991, by the undersigned incorporator.


KELLY TROUTNER