

**ARTICLES OF INCORPORATION**  
**OF**  
**SUNSET HILLS HOMEOWNERS' ASSOCIATION, INC.**

JUL 1 5/1997 09:00  
SECRETARY OF STATE  
CT: 3336 IN: 21603  
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STATE  
0120218

KNOW ALL PERSONS BY THESE PRESENTS:

The undersigned, for the purpose of forming a nonprofit corporation under the laws of the State of Idaho in compliance with the provisions of Title 30, Chapter 3, Idaho Code, does hereby declare and adopt the following Articles of Incorporation:

**ARTICLE I**  
**NAME**

The name of the corporation shall be SUNSET HILLS 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**  
**NONPROFIT**

This Corporation shall be a nonprofit, membership corporation.

**ARTICLE IV**  
**REGISTERED AGENT**

The location and street address of the initial registered office of this Corporation shall be 30 East Franklin, Suite 60, Meridian, Idaho 83642, and Greg B. Johnson is hereby appointed the initial registered agent of the Corporation.

**ARTICLE V**  
**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 and architectural control of the Building Lots and Common Area located or to be located in Sunset Hills Subdivision according to the plat thereof recorded or to be recorded in the official records of Ada County, Idaho (the "Subdivision"), which Building Lots and Common Area are a portion of the Property covered by the Declaration of Covenants, Conditions and Restrictions for Sunset Hills Subdivision 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 residents within the Subdivision; 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;

(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 as security for money borrowed or debts incurred;

(E) Participate in mergers and consolidations with other nonprofit corporations organized for the same purposes or annex additional residential property and Common Area, provided that any such merger, consolidation or annexation shall comply with the requirements of the 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 Declaration and the amendments and supplements thereto.

#### ARTICLE VI MEMBERSHIP

Each person or entity holding fee simple interest of record to a Building Lot which is a part of the Property, and 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 located in the Subdivision.

#### ARTICLE VII 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 Subdivision, with the exception of Grantor, and shall be entitled to one (1) 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 (1) vote be cast with respect to any Building Lot.

(B) Class B. The Class B Member shall be Grantor, and shall be entitled to five (5) votes for each Building Lot owned by Grantor in the Subdivision.

The Class B membership shall cease to be a Member in the Association on the happening of either of the following events, whichever occurs earlier:

(a) When the Class B Member holds no votes; or

(b) Ten (10) years after the date this Declaration is recorded in the official records of Ada County, Idaho.

## **ARTICLE VIII MEMBERSHIP**

There shall be one (1) membership in the Association for each Building Lot located in the Subdivision. Members of the Corporation must be and remain Owners of Building Lots within the Subdivision, and the Corporation shall include as Members all Owners of Building Lots within the Subdivision.

## **ARTICLE IX 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 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:

Greg B. Johnson	P. O. Box 344 Meridian, Idaho 83680
Heidi M. Johnson	P.O. Box 344 Meridian, Idaho 83680
Tim Taylor	P.O. Box 344 Meridian, Idaho 83642

## **ARTICLE X ASSESSMENTS**

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

## **ARTICLE XI 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 a majority of each class of Members. 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 Declaration.

## **ARTICLE XII 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 not less than three-fourths (3/4) of each class of Members. 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 by vote of a majority of the Owners of Building Lots as part of the Member vote on dissolution.

#### ARTICLE XIII 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 each class of Members and, if required by the 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 Declaration shall be valid.

#### ARTICLE XIV MEANING OF TERMS

Except as otherwise defined herein, all terms appearing herein initially capitalized shall have the same meanings as are applied to such terms in the Declaration including, without limitation, "Articles", "Assessments", "Association", "Board", "Building Lot", "Bylaws", "Common Area", "Grantor", "Member", "Owner" and "Property."

#### ARTICLE XV INCORPORATION

JoAnn C. Butler, 607 N. 8th Street, Suite 310, P.O. Box 639, Boise, Idaho 83701, shall be the incorporator of the Corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 15th day of July, 1997.

  
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JOANN C. BUTLER, Incorporator