

Department of State.

CERTIFICATE OF INCORPORATION OF

SOMERSET RIDGE 1A OWNERS 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 _____
SOMERSET RIDGE 1A OWNERS ASSOCIATION, INC.

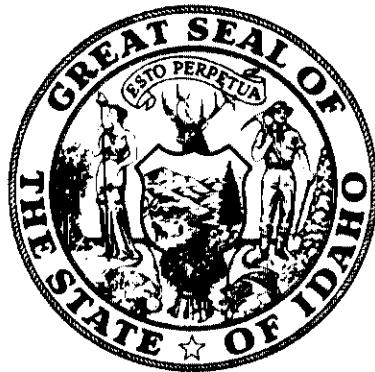
duly signed pursuant to the provisions of the Idaho Nonprofit Corporation Act, have been received
in this office and are found to conform to law.

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 January 27, 19 89.

Pete T. Cenarrusa
SECRETARY OF STATE

John M. Finnigan
Corporation Clerk



ARTICLES OF INCORPORATION

OF

29 JUN 27 11 07

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SECRETARY OF STATE

SOMERSET RIDGE 1A OWNERS ASSOCIATION, INC.

KNOW ALL MEN BY THESE PRESENTS: That I, the undersigned, being a natural person of full age and citizen of the United States, acting as the incorporator of a non-profit corporation (hereafter called "Sub-Association") under the Idaho Business Corporations Act (hereafter called "Act"), and, in particular, Chapter 3 of Title 30, Idaho Code, have adopted the following Articles of Incorporation for such Sub-Association:

ARTICLE I.

NAME

The name of this Sub-Association is:

SOMERSET RIDGE 1A OWNERS ASSOCIATION, INC.

ARTICLE II.

DEFINITIONS

For the purposes of these Articles, the following words and terms shall be accorded the definitions as follows:

Articles: These Articles of Incorporation, including any amendments thereto duly adopted.

Assessments: Payments required of Members of the Sub-Association, including Regular, Special or Limited Assessments as provided in the Supplemental Declaration for Somerset Ridge Subdivision No. 1A (hereafter defined).

Association: Somerset Ridge Owners Association, Inc., an Idaho non-profit corporation.

Board: The duly elected and qualified Board of Directors of the Association.

Grantor: The Cambridge Corporation, an Idaho Corporation.

Lot: A portion of Somerset Ridge Subdivision No. 1A which is a legally described tract or parcel of real property within Somerset Ridge Subdivision No. 1A.

Master Declaration: The Master Declaration of Covenants, Conditions, Restrictions and Easements for Somerset Ridge Subdivision, filed in the office of the Ada County Recorder on March 6, 1986, as Instrument No. 8611236, including any amendments thereto duly adopted and recorded.

Member: Any person(s) who is an Owner of a Lot within Somerset Ridge Subdivision No. 1A.

Owner: A person or persons or other legal entity or entities, including the Grantor, holding fee simple title to any real property in Somerset Ridge Subdivision No. 1A, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation, but including any holder of a Mortgage or beneficiary under a Deed of Trust or other

security holder in actual possession of any such real property as a result of foreclosure or otherwise, and any person taking title through such security holder, by purchase at foreclosure sale or otherwise.

Somerset Ridge Subdivision: The whole of the real property described on Exhibit A attached to the Master Declaration and incorporated as a part thereof, including any additional real property hereafter annexed as a part of the subdivision.

Sub-Association: Somerset Ridge No. 1A Owners Association, Inc., an Idaho non-profit corporation.

Sub-Association Board. The duly elected and qualified Board of Directors of the Sub-Association.

Supplemental Declaration: The Supplemental Declaration of Covenants, Conditions, Restrictions and Easements for Somerset Ridge Subdivision No. 1A recorded February 26, 1988, as Instrument No. 8809263, records of Ada County, Idaho, including any amendments thereto duly adopted and recorded.

ARTICLE III.

PURPOSES AND POWERS

Section 1. Purposes. This Sub-Association does not contemplate pecuniary gain or profit to the Members thereof, and the specific purposes for which it is formed are to provide and assure the operation and maintenance of the private road and security facilities (as described in the Supplemental Declaration).

Section 2. Powers. The Association shall have and exercise the statutory powers provided for non-profit corporations in the State of Idaho, as specified in Title 30, Idaho Code, as the same now exists or may hereafter be amended, and, further, the Association shall have the power to do everything necessary, proper, advisable or convenient for the accomplishment of the purposes hereinabove set forth, and to do all other things incident thereto or connected therewith, which are not forbidden by the Act, by other law or by these Articles of Incorporation. Without limitation of the foregoing stated powers, and to provide for the health, safety and welfare of the Owners and residents within Somerset Ridge Subdivision No. 1A, the Sub-Association shall have the power to:

- (a) Exercise all of the powers and privileges and perform all of the duties and obligations of the Sub-Association as set forth in the Supplemental Declaration, as the same may be amended from time-to-time as therein provided, said Supplemental Declaration being incorporated herein as if set forth at length;
- (b) Fix, levy collect and enforce payment by any lawful means, all Assessments and other charges pursuant to the terms of the Supplemental Declaration; pay all expenses in connection therewith and all other expenses incident to the conduct of the business of the Sub-Association, including, but not limited to, all utility expenses, insurance premiums, taxes or governmental charges levied or imposed against any property owned by the Sub-Association;

(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 business affairs of the Sub-Association;

(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 the real or personal property owned by the Sub-Association as security for money borrowed or debts incurred;

(e) Dedicate, sell or transfer all or any part of the other real or personal property owned by the Association, to any public agency, authority or utility.

ARTICLE IV.

PERIOD OF DURATION

The period of duration of the Association is perpetual.

ARTICLE V.

MEMBERSHIP

Every person or entity who is an Owner of a Lot which, by the terms of the Supplemental Declaration, is subject to Assessments by the Sub-Association, shall be a Member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance

of an obligation, but shall include any mortgagee, beneficiary under a Deed of Trust or other security holder in actual possession of any Lot as a result of foreclosure or otherwise, and any person taking title through such security holder, by purchase at foreclosure sale or otherwise. Membership shall be appurtenant to and may not be separated from the ownership of any Lot which is subject to Assessment by the Association. The Grantor shall be entitled to a Membership fee for each Lot owned by it, notwithstanding that the Lots owned by the Grantor may be exempt from the Assessments under the terms of the Supplemental Declaration.

ARTICLE VI.

VOTING RIGHTS

The Sub-Association shall have two classes of voting membership:

A. Class A: Class A Members shall be all Owners with the exception of the Grantor, and shall be entitled to one (1) vote for each Lot owned. When more than one person holds an interest in a Lot, all such persons shall be Members but the vote for such Lot shall be exercised as they determine, but in no event shall more than one (1) vote be cast with respect to any Lot.

B. Class B: The Class B Member shall be the Grantor, and shall be entitled to five (5) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership on the happening of the earlier of the following events:

- (1) When the total votes outstanding in the Class A membership are equal to the total votes outstanding in the Class B membership, provided, however, that Class B membership shall not be converted to Class A membership until all property owned by the Grantor within Somerset Ridge Subdivision has been subdivided; or
- (2) Twenty (20) years from the date of the first sale to an Owner of a Lot.

The Sub-Association shall not have any voting rights by reason of its ownership of any property within Somerset Ridge Subdivision No. 1A.

ARTICLE VII.

REGISTERED OFFICE AND REGISTERED AGENT

The location of the Sub-Association's initial registered office in this State is 410 South Orchard, Suite 136, Boise, Idaho 83705. The registered office of the Sub-Association may be relocated to such other place as may be determined by the Board of Directors. The name of the initial registered agent of the Sub-Association at such address is Alvin S. Marsden.

ARTICLE VIII.

BOARD OF DIRECTORS

The number of Directors constituting the initial Board of Directors of the Sub-Association is three (3), who need not be members of the Sub-Association, and the name and address of each person who is to serve as a Director until

the first annual meeting of Members or until the election and qualification of a successor(s) are as follows:

| <u>Name</u> | <u>Address</u> |
|------------------|---|
| Alvin S. Marsden | 410 South Orchard Suite 136 Boise, Idaho 83705 |
| Joanne Marsden | 410 South Orchard Suite 136 Boise, Idaho 83705 |
| Dean W. Briggs | 4619 Emerald Street Suite D2 Boise, Idaho 38706 |

ARTICLE IX.

INCORPORATOR

The name and address of each incorporator of the Sub-Association is as follows:

| <u>Name</u> | <u>Address</u> |
|------------------|--|
| Alvin S. Marsden | 410 South Orchard Suite 136 Boise, Idaho 83705 |

ARTICLE X.

LIABILITY OF MEMBERS

Members shall be individually liable for the Assessments levied and assessed by the Association, including any Assessments levied and assessed on behalf of the Sub-Association, upon a Lot, whether for fines, penalties,

recovery of costs, or be in the form of Regular, Special or Limited Assessments.

ARTICLE XI.

EXEMPTION

This Sub-Association is a corporation intended to be classified as a "homeowners association" which, pursuant to Section 528 of the Internal Revenue Code of 1954, as amended, is considered an organization exempt from income taxes for the purpose of any law which refers to organizations exempt from income taxes. Further, this Sub-Association is a residential real estate management association organized and operated to provide for the acquisition, construction, management, maintenance and care of property owned by the Sub-Association.

All provisions of these Articles of Incorporation shall be interpreted in accordance with the provisions of Section 528 of the Internal Revenue Code of 1954, as amended, and in case of a conflict between that or other applicable sections, any provision of these Articles so in conflict with either shall be interpreted to be consistent with that provision of the Internal Revenue Code.

ARTICLE XII.

BY-LAWS

The Board of Directors shall have the right to make and amend By-Laws for the Sub-Association, not inconsistent with any existing law and not

inconsistent with these Articles of Incorporation, the Master Declaration or the Supplemental Declaration, for the government of the affairs of the Sub-Association and the management of its properties.

ARTICLE XIII.

CONFLICT OF PROVISIONS

The provisions contained in these Articles of Incorporation are subject and subservient to the terms and provisions of the Master Declaration and the Supplemental Declaration and in any conflict between the terms and provisions of these Articles with said documents, the terms and provisions of the Master Declaration and/or Supplemental Declaration shall prevail.

IN WITNESS WHEREOF, the undersigned have executed these Articles of Incorporation this 23 day of January, 1989.


Alvin S. Marsden