

**FILED EFFECTIVE**

**ARTICLES OF INCORPORATION OF  
SHADOW WOOD ESTATES SECOND ADDITION 8:42  
HOMEOWNERS' ASSOCIATION, INC.**

KNOW ALL MEN BY THESE PRESENT, that I, being over the age of eighteen (18) years of age, and for the purpose of forming a corporation under the Idaho Nonprofit Corporation Act, hereby certify and adopt, in duplicate, the following Articles of Incorporation.

**ARTICLE I.  
NAME OF CORPORATION**

The name of the Corporation (hereinafter called the "Corporation") is SHADOW WOOD ESTATES SECOND ADDITION HOMEOWNERS' ASSOCIATION, INC.

**ARTICLE II.  
AUTHORITY TO INCORPORATE**

This Corporation is organized pursuant to the Idaho Nonprofit Corporation Act, and is a tax exempt organization within the meaning of Section 528 of the Internal Revenue Service.

**ARTICLE III.  
TERM OF CORPORATION**

The Corporation shall exist perpetual.

**ARTICLE IV.  
PURPOSES AND POWERS OF THE CORPORATION**

Notwithstanding any other provision of these Articles, this Corporation shall not engage in any activity in which it cannot lawfully engage without first obtaining a license nor will it engage in the operation of an insurance company. Subject to the following, this Corporation may engage in any and all lawful businesses.

Other than by a rebate of excess membership dues, fees, or assessments, this Corporation does not contemplate the distribution of its net earnings, gains, profits, or dividends to any individual member of the Corporation or to third parties. Sixty percent (60%) or more of the Corporation's yearly gross income shall consist solely of amounts received as membership dues, fees or assessments from the Corporation's member.

The primary purpose for which this Corporation is formed is to apply ninety percent (90%) of its yearly expenditures towards the organization, acquisition, construction, management, maintenance, and care of the Corporation's property known as SHADOW WOOD ESTATES SECOND ADDITION, a subdivision located in Kootenai County, Idaho, and any additions thereto as may be acquired by the Corporation.

**1. ARTICLES OF INCORPORATION**

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In furtherance of said purposes, this Corporation shall have power to:

- (a) Perform all of the duties and obligations of the Corporation as set forth in the Bylaws;
- (b) Fix, collect and enforce assessments as set forth in the Bylaws;
- (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 property;
- (d) To borrow from any source, money, goods or services without limitation as to amount of corporate indebtedness or liability; and to pledge or mortgage any of its property as security therefor in any manner permitted by law;
- (e) To buy, lease, hold and exercise all privileges of ownership in and to the real or personal property as may be necessary or convenient for the conduct and operation of the business of the Corporation, or incidental thereto. No such dedication or transfer shall be effective unless an instrument has been signed by three fourths (3/4) of the voting power of members;
- (f) To acquire and to hold, own and exercise all rights of ownership in, and to sell, transfer or pledge shares of capital stock or bonds or become a member or a stockholder of any corporation or Corporation engaged in any related activities;
- (g) To establish reserves to invest the funds thereof in stocks, bonds, and other property as the Board of Directors may deem satisfactory;
- (h) To levy assessments in such manner and in such amount as may be provided in the Bylaws of this Corporation, and to provide for the manner of collection of assessments for services furnished its members and the enforcement thereof.
- (I) To have and to exercise all powers, privileges and rights which a Corporation organized under the Idaho Nonprofit Corporation Act now or hereafter has or can exercise, and all powers and rights incidental in carrying out the purposes for which this Corporation is formed, except such as are inconsistent with the express provisions of the act under which this Corporation is incorporated.
- (j) Exercise all powers provided under the Idaho Nonprofit Corporation Act.

## ARTICLE V. MEMBERSHIP AND VOTING RIGHTS

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1. Membership: The Corporation shall have members. The Bylaws shall provide the terms and conditions of membership.

2. Transferred Membership: Membership in the Corporation shall not be transferred, pledged, or alienated in any way, except as set forth in the Bylaws.

3. Classes of Membership: The Corporation shall have two classes of voting membership which shall consist of the members of said Corporation.

4. Fees: Membership fees shall be fixed and regulated by the Bylaws. Each member whose fees are fully paid and who is not in arrears regarding payments for membership shall be entitled to one vote at any meeting of the members of the Corporation, for each membership certificate held. Assessments against members, and a determination of their liability, shall be fixed by the Bylaws, which shall provide for the manner of collection and its enforcement and also for the lapse of membership and forfeiture of the right to the incidents of the Corporation.

5. Allocation of Fees: This Corporation is organized as a non-profit Corporation for the mutual benefit of its members and will not have profits. All fees received for admission of members shall be placed in the surplus fund to be used only for the payment of indebtedness, repairs, building and maintenance. After all expenses of the Corporation are paid each year, and a reasonable reserve as determined by the Board of Directors set aside, any income of the Corporation in excess thereof shall be used to reduce the charges for the next year's obligations.

6. Voting Rights: Each member shall be entitled to one vote as it relates to petitions, referendums, annual meetings and general membership meetings.

7. General: The management of the Corporation's affairs is to be vested in its members pursuant to the Idaho Nonprofit Corporation Act. Further guidelines and rules governing such membership and the rights of the members are set forth in the Bylaws of this Corporation and Covenants, Conditions and Restrictions.

#### ARTICLE VI. REGISTERED AGENT AND OFFICE

The initial registered agent of the Corporation shall be Larry Marshall and the street address of the initial registered office shall be 902 Shadow Wood Lane, Coeur d'Alene ID 83815.

#### ARTICLE VII. BOARD OF DIRECTORS; INCORPORATORS

The affairs of this Corporation shall initially be managed by a Board of at least THREE (3) Directors. A Director need not be a member of the Corporation. Commencing with the first

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meeting of the Corporation, the number of Directors shall be determined as provided in the Bylaws of the Corporation. The names and addresses of the persons who are to act in the capacity of Directors until the selection of their successors are:

<u>NAME</u>	<u>ADDRESS</u>
MIKE MONGAN	1472 Grandview Drive, Coeur d'Alene ID 83815
JOSIE MONGAN	1472 Grandview Drive, Coeur d'Alene ID 83815
LARRY MARSHALL	902 Shadow Wood Lane, Coeur d'Alene ID 83815

The names and address of the incorporator is:

<u>NAME</u>	<u>ADDRESS</u>
MIKE MONGAN	1472 Grandview Drive, Coeur d'Alene ID 83815

#### ARTICLE VIII. DISSOLUTION OF CORPORATION

Upon winding up and dissolution of this Corporation, after paying or adequately providing for the debts and obligations of the organization, the remaining assets shall be distributed to a non-profit fund, foundation, or corporation which has established its tax exempt status under Section 501(c)(3) of the Internal Revenue Code.

#### ARTICLE IX. AMENDMENTS

These Articles of Incorporation may be amended by a vote at a meeting of the members having voting rights, which may be either an annual or special meeting as provided in the Idaho Nonprofit Corporation Act for the giving of notice of meeting of members. The proposed amendment shall be adopted upon receiving at three fourths (3/4) of the votes which members present at such meeting in person or by proxy are entitled to cast by the terms of the Bylaws.

For the purposes of forming this Corporation under the laws of the State of Idaho, I, the undersigned, constituting the incorporator of this Corporation, have executed these Articles of Incorporation this 7 day of May, 2007.

  
MIKE MONGAN

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