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SECRETARY OF STATE
STATE OF IDAHO

ARTICLES OF INCORPORATION
OF
ARROWHEAD CANYON ESTATES
HOMEOWNERS ASSOCIATION, INC.

The undersigned, acting as incorporator of a nonprofit corporation organized under and pursuant to the Idaho Nonprofit Corporation Act, Chapter 3, Title 30, Idaho Code ("Act") adopts the following Articles of Incorporation for such corporation:

ARTICLE 1. NAME.

The name of the corporation is: Arrowhead Canyon Estates Homeowners Association, Inc. (hereinafter referred to as the "Association").

ARTICLE 2. NONPROFIT STATUS.

The Association is a nonprofit corporation.

ARTICLE 3. PERIOD OF DURATION

The period of its duration is perpetual.

ARTICLE 4. INITIAL REGISTERED OFFICE AND AGENT

The location of this Association is in the City of Boise, County of Ada, State of Idaho. The address of the initial registered office is 2291 Amy Avenue, Boise, Idaho 83706 and the name of the initial registered agent at this address is Colin Connell.

ARTICLE 5. PURPOSES

The purposes for which the Association is organized and will be operated are as follows:

A. To provide for the maintenance, preservation and aesthetic enhancement of the residential lots and common areas within that certain tract of property described as:

All the lands located in *Eyrie Canyon Subdivision No. 1*, as recorded on the Final Plat on file with the Ada County Recorder's

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Office, *Instrument No. 103032651*, in *Book 86, Pages 9635 through 9636*; and all lands located in *Eyrie Canyon Subdivision No. 2*, as recorded on the Final Plat on file with the Ada County Recorder's Office, *Instrument No. 103035904*, in *Book 86, Pages 9637 through 9638*; and to promote the health, safety and welfare of the residents within the above described property and any additions thereto as may hereafter be brought within the jurisdiction of the Association;

B. To exercise all the powers and privileges and to perform all the duties and obligations of the Association set forth in the Declaration, as the same may be amended from time to time, said Declaration being incorporated herein as if set forth in full;

C. To fix, levy, collect and enforce payment by any lawful means 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 property of 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;

E. To borrow money and, with the assent of a majority of members, to 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 (as defined in the Declaration) to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the members, provided that no such dedication or transfer shall be effective unless approved in accordance with the terms of the Declaration;

G. To participate in mergers and consolidations with other non-profit corporations organized for the same purposes provided that any such merger or consolidation shall have the assent of two-thirds of each class of members; and,

H. To have and exercise any and all powers, rights and privileges to which a corporation organized under the Idaho Non-Profit Corporation Act bylaw may now or hereafter have or exercise.

The corporation is intended to qualify for non-taxable status under the provisions of Section 528 of the Internal Revenue Code of 1986, as amended from time to time.

ARTICLE 6. LIMITATIONS

No part of the net earnings or the assets of the Association shall inure to the benefit of, or be distributable to, its members, directors, officers or other private persons except that the Association 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 Article 5 hereof. No substantial part of the activities of the Association shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the Association shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of any candidate for public office.

Notwithstanding any other provision of these articles, the Association shall not carry on any other activities not permitted to be carried on by a corporation exempt from federal income tax under Section 528 of the Internal Revenue Code of 1986, as amended from time to time.

ARTICLE 7. MEMBERS.

Every person or entity who is a recant owner of a fee or undivided fee interest in any lot which is subject to the Declaration, including any contract to purchase or (the "owners"), shall be a member or the Association. The foregoing shall not include parsons or entities who bold 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 Association.

ARTICLE 8. VOTING RIGHTS

The Association shall have two classes of membership voting as follows:

Class A Class A members shall be all owners with the exception of the Declarant (as defined in the Declaration) and shall be entitled to one (1) vote for each lot owned. When more than one person holds an interest in any lot, all such persons shall be members and the vote for such lot shall be exercised as such members determined, but in no event shall more than one (1) vote be cast with respect to any lot.

Class B Class B members shall be the Declarant (as defined in the Declaration) and shall be entitled to five (5) votes for each lot owned. Class B membership shall cease and be converted to Class A membership one (1) Class A membership for each lot owned) when the total votes outstanding in the Class A membership equals the total votes outstanding in the Class B membership or on January 1, 2010, whichever is later.

ARTICLE 9. BOARD OF DIRECTORS.

The affairs of the Association shall be managed by its Board of Directors. The Board of Directors shall consist of three (3) individuals, each of whom need not be a member of the Association; provided, however that until there are more than five (5) members of the Association, the Declarant may appoint all members of the Board of Directors. The actual number of Directors shall be fixed by the Bylaws. Other than the Directors constituting the initial Board of Directors who are designated in these Articles, the Directors shall be elected or appointed by the existing Directors in the manner and for the term provided in the Bylaws of the Association.

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

<u>Name</u>	<u>Address</u>
Colin Connell	2291 Amy Avenue, Boise, Id 83706
John Seickert	" "
Larry Sirhall	" "

At the first annual meeting, the members shall elect three (3) directors for a term of one (1) year. At each annual meeting thereafter, the members shall elect the number of directors authorized by the By-Laws for a term of one (1) year.

ARTICLE 10. DISSOLUTION.

The Association may be dissolved with the written consent of not less than one hundred percent (100%) of each class of members. Upon dissolution of the Association, the Board of Directors shall, after paying or making provision for the payment of all liabilities of the Association, distribute all the assets of the Association consistent with the purposes of the Association to such organization or organizations as shall at the time qualify as exempt organizations under Section 501(C)(3) of the internal Revenue Code of 1986, as amended from time to time, in such manner as the Board of Directors shall determine. Any such assets not so distributed shall be distributed by the district court of the Fourth Judicial District of the State of Idaho, in and for the County of Ada, exclusively for such purposes, or to such organizations, as such court shall determine to be consistent with the purposes of the Association.

ARTICLE 11. INCORPORATOR.

The name and street address of the incorporator is *Colin Connell, 2291 Amy Avenue, Boise, Idaho 83706.*

ARTICLE 12. BYLAWS.

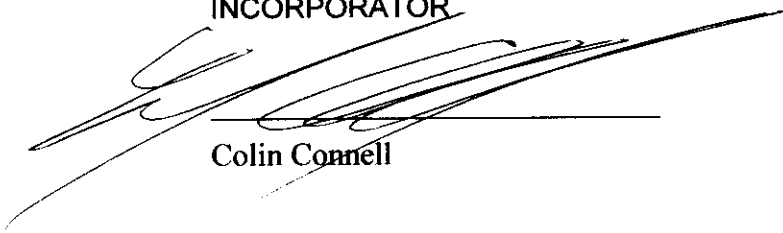
Provisions for the regulation of the internal affairs of the Association shall be set forth in the Bylaws.

ARTICLE 13. AMENDMENTS

Amendment of these articles shall require the consent of two-thirds (2/3) of the entire membership of the Association.

DATED: 3-10-03

INCORPORATOR

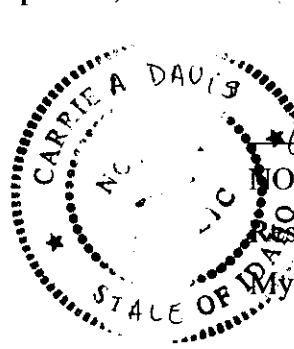


Colin Connell

STATE OF IDAHO)
) ss.

County of Ada

I Carrie Davis a Notary Public, do hereby certify that on this 10 day of March 2003, personally appeared before me Colin Connell, who being first duly sworn, declared that she was the person who signed the foregoing document on behalf of said corporation, as incorporator, and that the statements therein contained are true.


Carrie Davis
NOTARY PUBLIC FOR IDAHO
Residing at Boise, Idaho.
My Commission Expires: 8-9-06