

FILED EFFECTIVE

ARTICLES OF INCORPORATION
OF
MORNING DOVE SUBDIVISION PHASE II LATERAL WATER
USERS/HOMEOWNERS ASSOCIATION, INC.

01/27/27 PM 2:10

STATE
IDAHO

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

ARTICLE I

NAME

The name of this Association is:

MORNING DOVE SUBDIVISION PHASE II LATERAL WATER USERS/HOMEOWNERS
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 Association, including Regular, Special or Limited Assessments as provided in the Master Declaration of in the Restrictive Covenants applicable to the Lot.

Association: Morning Dove Subdivision phase II Lateral Water Users/Homeowners Association, Inc., an Idaho non-profit corporation, hereinafter referred to as "Association".

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

Morning Dove Subdivision: The whole of the real property described in the Master Declaration.

IDAHO SECRETARY OF STATE
12/27/2006 05:00
CK: 2271 CT: 171569 BH: 1021940
1 @ 30.00 = 30.00 INC NONP # 2

C170612

Common Areas: All real property within Morning Dove Subdivision phase II in which the Association owns an interest or controls and which is held or controlled for the common use and enjoyment of all of its Members, including any recreation facilities and other improvements thereon.

Grantor: D. H. Development, Inc., and Idaho corporation, and its successor(s) in title to Lot(s), which Lot(s) are held by such successor in an unimproved condition (i.e., without a residential dwelling thereon) for resale to a builder or other person for the purpose of constructing thereon a residential dwelling, and to which successor the Grantor has specifically granted the Class B voting rights in writing; provided, that if such voting rights are not so granted, such successor shall be entitled to the voting rights of a Class A Members with respect to each Lot owned.

Lot: A portion of Morning Dove Subdivision which is a legally described tract or parcel of real property within any phase of Morning Dove Subdivision or which is designated as a Lot on any recorded subdivision plat relating to a phase of Morning Dove Subdivision.

Master Declaration: The Master Declaration Establishing Covenants, Conditions, and Restrictions for Morning Dove Subdivision phase II, dated December 13, 2006, recorded December 14, 2006 as Instrument No. 259151 records of Owyhee County, Idaho, including any amendments thereto duly adopted and recorded, which Master Declaration is made a part of these Articles of Incorporation as if set in full herein.

Member: A person(s) who is an Owner of a Lot within a phase of Morning Dove Subdivision which is subject to the Master Declaration.

Owner: A person or persons or other legal entity or entities, including the Grantor, holding fee simple title to any real property in a phase of Morning Dove Subdivision covered by the Master Declaration, and 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 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.

ARTICLE III

Purposes and Powers

Section 1. Purposes. This Association does not contemplate a pecuniary gain or profit to the Members thereof and the specific purpose of which it is formed are to provide and assure the maintenance, preservation and architectural control of the Lots, including the Common Area and other common property within a phase of Morning Dove Subdivision which is subject to the Master 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, Chapter 3, *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 either 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 a phase of Morning Dove Subdivision which is a subject to the Master Declaration and any additions thereto as may hereafter be brought within the jurisdiction of this Association, the Association shall have the power to;

- (a) Exercise all of the powers and privileges and perform all of the duties and obligations of the Association as set forth in the Master Declaration, as the same may be amended from time to time as therein provided, said Master Declaration being incorporated herein as if set forth in full.
- (b) Fix, levy, collect and enforce payment by any lawful means, all Assessments and other charges pursuant to the terms of the Master Declaration; pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the Association including, but no limited to, all insurance premiums, license fees, taxes or governmental charges levied or imposed against any property owned by the 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 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 Association as security for money borrowed or debts incurred:
- (d) Dedicate, sell or transfer, all or any part of the Common Area and 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 Master Declaration is subject to Assessments by the 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 two and may not be separated from the ownership of any Lot which subject to Assessment by the Association.

ARTICLE VI

Voting Rights

The Association shall have two (2) classes of voting membership:

Class A. Class A Members shall be all Owners of Lots within the Subdivision, with the exception of the Grantor, and shall be entitled to one (1) vote for each Lot owned.

Class B. Class B Members shall be the Grantor, and its successor(s) in title to a Lot(s), for resale to a builder or other person for the purpose of constructing thereon a residential dwellings as the sale/resale of Lot within improvements already built thereon, and to which successor the Grantor has specifically granted such Class B voting rights in writing; provided, that if such voting rights are not so granted, such successor shall be entitled to the voting rights of a Class A Member with the respect to each Lot owned, Upon the first sale of a Lot to an Owner, the Grantor shall thereupon be entitle to four (4) votes for each Lot owned by the Grantor, The Class B Membership shall cease and be converted to Class A Membership when (1) 80% of the Lots as shown on the preliminary plat are deeded to homeowners; or, (2) January 1, 2010, whichever shall first occur.

The Association shall not have any voting rights by reason of its ownership of any Common Area or Lot.

ARTICLE VII

Registered Office and Registered Agent

The location of the Association's initial registered office and mailing address in this State is 4280 E Amity Ave Suite 101, Nampa, Idaho 83687. The registered office of the 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 Association at such address is Dennis Davis of Kareco LLC.

ARTICLE VIII

Initial Board of Directors

The number of Directors constituting the initial Board of Directors of the Association is three (3), who need not be members of the 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:

Name

Address

Betty Holton
David Holton
Walt Holton

16299 Franklin Rd., Nampa, Idaho 83687
16299 Franklin Rd., Nampa, Idaho 83687
16299 Franklin Rd., Nampa, Idaho 83687

ARTICLE IX

Incorporator

The name and address of the Incorporator of the Association is as follows:

Name

Address

David L. Holton

16299 Franklin Rd., Nampa, Idaho 83687

ARTICLE X

Liability of Members

Members shall be personally liable for the Assessments levied and assessed by the Master Association upon a Lot, whether for fines, penalties, recovery of costs or be in the form of Regular, Special, Transfer, Limited or Irrigation Assessments.

ARTICLE XI

Exemption

This Association is a corporation intended to be classified as a "Homeowners Association" which, pursuant to §528 of the Internal Revenue Code of 1954, as amended, is considered as organization exempt from income taxes for the purposes of any law which refers to organizations exempt from income taxes. Further, this 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 Association.

All provisions of these Articles of Incorporation shall be interpreted in accordance with the provisions of §528 of the Internal Revenue Code of 1954, as amended, and in case of a conflict between that or any other applicable section, 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 Association, not inconsistent with any existing law and not inconsistent with these Articles of Incorporation or the Master Declaration, for the government of the affairs of the Association and the management of its properties.

ARTICLE XIII

Dissolution

The Association may be dissolved in the manner required by the law for the dissolution of non-profit corporations in Idaho. Upon dissolution of the Association, other than incident to a merger or consolidation, no part of the property of the Association or any of the proceeds shall be distributed to or inure to the benefit of any of the Members, directors or officers of the Association, and all such property and proceeds, subject to the discharge of the valid obligations of the Association, and to the applicable provisions of the Idaho Nonprofit Corporation Act (Title 30, Chapter 3, *Idaho Code*) shall be distributed by the Board of Directors to another organization(s) for identical uses and purposes, provided that such other organization(s) would then qualify as an Idaho non-profit corporation and for status similar to that of the Association under applicable provisions of the Internal Revenue code or shall be dedicated to an appropriate public agency to be used for purposes similar to those for which this Association was created.

ARTICLE XIV


FHA/VA Approval

If the Grantor elects to obtain the approval of the Federal Housing Administration ("FHA") and/or the Veterans Administration ("VA") of any phase of Morning Dove Subdivision which is subject to the Master Declaration, as long as there is a Class B membership, the following actions require the prior approval of FHA and/or VA:

- (a) A merger or consolidation of the Association.
- (b) The granting of a Mortgage or Deed of Trust encumbering all or any portion of the Common area within any phase of Morning Dove Subdivision which is subject to the Master Declaration.
- (c) A dedication of all or any portion of the Common Area in any phase of Morning Dove Subdivision which is subject to the Master Declaration.
- (d) Dissolution of the Association.
- (e) Amendment of these Articles of Incorporation.

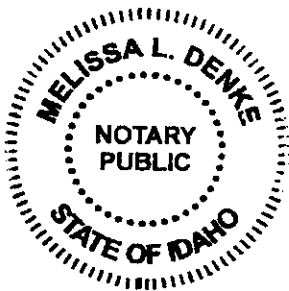
Conflict of Provisions

IN WITNESS WHEREOF, the undersigned has executed these Articles of Incorporation
as of the 19 day of December, 2006.


Dave Holton, Incorporator

On this 19 day of December, 2006, before me, a Notary Public in and for the State of Idaho, personally appeared David Holton, known to me or proved to me by satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.



Melissa L. Deake
Notary Public for the State of Idaho
Residing at: Nampa, ID
My Commission Expires: 9-30-2011