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ARTICLES OF INCORPORATION

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BAYLOR SUBDIVISION HOMEOWNERS' ASSOCIATION, INC.

STATE
STATE

A Nonprofit Corporation

In compliance with the requirements of Title 30, Chapter 3, Idaho Code, the undersigned, all of whom are residents of Ada County, State of Idaho, and all of whom are of majority age, have this day voluntarily associated themselves together for the purpose of forming a corporation not for profit and do hereby certify:

ARTICLE I

The name of this corporation is Baylor Subdivision Homeowners' Association, Inc. hereinafter called the "Association."

ARTICLE II

The principal office of the Association is located at 5319 S. Apple St., Boise, Idaho 83716.

ARTICLE III

Kerry Lawson, whose address is 5319 S. Apple St., Boise, ID 83716, is hereby appointed the initial registered agent of this Association.

ARTICLE IV PURPOSE AND POWERS OF THE ASSOCIATION

This Association does not contemplate pecuniary gain or profit to the members thereof. The purposes of the Association are to provide for the maintenance, preservation and aesthetic enhancement of the residence lots and the Common Area within that certain tract of property described as:

Lots 1 through 10, Block 1, BAYLOR SUBDIVISION, records of Ada County, Idaho.

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. The Association shall be empowered to:

- (a) Exercise all the powers and privileges and to perform all the duties and obligations of the Association as set forth in that certain Declaration of Covenants, Conditions and Restrictions For The Baylor Subdivision, hereinafter called the "Declaration," applicable to the property and recorded in the office of the County Recorder of Ada County, Idaho, as Instrument No. 101114959, and as the same may be amended from time to time as therein provided, said Declaration being incorporated herein as if set forth in full;
- (b) Fix, levy, collect and enforce payment by any lawful manager tacher assessments pursuant to the terms of the Declaration; to pay all expenses in contact and appear appear and appear app

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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; unpaid assessments shall constitute a lien upon the property against which the assessment has been levied;

- (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 Association;
- (d) Borrow money and, with the assent of a majority 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) Dedicate, sell or transfer all or any part of the Common Area 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 an instrument has been signed by two-thirds (2/3) of each class of members, agreeing to such dedication, sale or transfer;
- (f) Participate in mergers and consolidations with other nonprofit corporations organized for the same purposes provided that any such merger or consolidation shall have the assent of two-thirds (2/3) of each class of members; and
- (g) Have and exercise any and all powers, rights and privileges which a corporation organized under the Idaho Nonprofit Corporation Act of the State of Idaho by law may now or hereafter have or exercise.

ARTICLE V MEMBERSHIP

Every person or entity who is a record owner of a fee or undivided fee interest in any lot which is subject to the Declaration, including contract sellers (the "Owners"), shall be a member of the Association. The foregoing shall not include persons or entities who hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from the ownership of any lot which is subject to assessment by the Association.

ARTICLE VI VOTING RIGHTS

A. General. The Association shall have two (2) classes of voting membership, as follows:

<u>Class A.</u> Class A members shall be all Owners, with the exception of the Declarant (as "Declarant" is defined in the Declaration) (during the period when the Declarant is a Class B member) and shall be entitled to one (1) vote for each Lot owned. When more than one (1) person holds an interest in any Lot, all such persons shall be members. 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.

<u>Class B.</u> The Class B member shall be the Declarant (as defined in the Declaration) who shall be entitled to three (3) votes for each Lot owned. Class B membership shall cease and be automatically converted to Class A membership (one Class A membership for each Lot owned) upon the happening of either of the following events, whichever occurs first:

- (a) When the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership; or
 - (b) January 1, 2004.

ARTICLE VII BOARD OF DIRECTORS

The affairs of this Association shall be managed by a Board of three (3) directors until the first annual meeting of the members. Directors need not be members of the Association. The number of directors may be changed by provision of the Bylaws of the Association. The name and address of the person who is to act in the capacity of director until the selection of his successors is:

<u>Name</u>	Address
Kerry Lawson	5319 S. Apple St. Boise, ID 83716
Reginald C. Jones	10320 W. Water Way Court Boise, ID 83714
Charles W. Fawcett	P.O. Box 700 Boise, ID 83701-0700

At the first annual meeting the members shall elect two directors for a term of one (1) year, two directors for a term of two (2) years, and one director for a term of three (3) years. At each annual meeting thereafter the members shall elect directors to replace those whose terms have expired, and each director so elected shall be elected for a term of three (3) years.

ARTICLE VIII DISSOLUTION

The Association may be dissolved with the asset given in writing and signed by not less than one hundred percent (100%) of each class of members. Upon the dissolution of the Association, the Board of Directors shall, after paying or making provision for the payment of all of the liabilities of the Association, dispose of all of the assets of the Association exclusively for the purposes of the Association in such manner, or to such organization or organizations organized and operated exclusively for charitable, educational, religious or scientific purposes, as shall at the time qualify as an exempt organization or organizations under the Internal Revenue Code of 1986 (or the corresponding provision of any future United States Internal Revenue Law), as the Board of Directors shall determine. Any such assets not so disposed of shall be disposed of by the District Court of the Fourth Judicial District of the State of Idaho, in and for Ada County, exclusively for such purposes or to such organizations as said court shall determine, which are organized and operated exclusively for such purposes.

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ARTICLE IX NONPROFIT LIMITATIONS

No part of the net earnings 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 IV hereof. No substantial part of the activities of the Association shall be the carrying on of propaganda, or otherwise attempting to influence logislation, 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 501(c) (4) of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States Internal Revenue Law).

ARTICLE X DURATION

The corporation shall exist perpetually.

ARTICLE XI AMENDMENTS

Amendment of these Articles shall require the affirmative vote of two-thirds (2/3) of the entire membership.

IN WITNESS WHEREOF, for the purposes of forming this corporation under the laws of the State of Idaho, the undersigned, constituting the incorporator of this Association, has executed these Articles of Incorporation this / & day of Acri (, 2005.

Kerry Lawson, Incorporator

Address:

5319 S, Apple St. Boise, ID 83716