

State of Idaho

Department of State

CERTIFICATE OF INCORPORATION OF

SOMERSET RIDGE NO. 3 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 NO. 3 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: June 29, 1992



Pete T. Cenarrusa

SECRETARY OF STATE

By

Valerie Hunt

ARTICLES OF INCORPORATION

OF

SOMERSET RIDGE NO. 3 OWNERS ASSOCIATION, INC.

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 "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 IName

The name of this Sub-Association is:

SOMERSET RIDGE NO. 3 OWNERS ASSOCIATION, INC.

ARTICLE 11
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. 3 (hereafter defined).

Association: Somerset Ridge Owners Association, Inc., an Idaho nonprofit corporation.

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

Common Area: All real property within Somerset Ridge Subdivision No. 3 in which the Sub-Association owns an interest or controls and which is held or controlled for the common use and enjoyment of all of its Members.

Grantor: Claremont Realty Company, an Idaho Corporation, or Its successor in title to the Lots within Somerset Ridge Subdivision No. 3, as provided for in Section 8.04 of the Supplemental

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Declaration (hereafter defined).

Lot: A portion of Somerset Ridge Subdivision No. 3 which is a legally described tract or parcel of real property within Somerset Ridge Subdivision or which is designated as a Lot on any recorded subdivision plat relating to Somerset Ridge Subdivision.

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. 3.

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. 3, 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.

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

Sub-Association: Somerset Ridge No. 3 Owners Association, an Idaho non-profit corporation.

Supplemental Declaration: The Supplemental Declaration of Covenants, Conditions, Restrictions and Easements for Somerset Ridge Subdivision No. 3, recorded December 18, 1991, as Instrument No. 9171654, 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 located within Somerset Ridge Subdivision No. 3.

Section 2. Powers. The Sub-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 Sub-Association shall have the power to do everything necessary, proper, advisable or convenient for the accomplishment of the purposes herein above 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. 3, 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 office and other expenses incident to the conduct of the business of the Sub-Association including, but not limited to, all insurance premiums, utility expenses, 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, encumber 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 to any public agency, authority or utility, all or any part of the Common Area and any other real or personal property owned by the Sub-Association.

ARTICLE IV

Period of Duration

The period of duration of the Sub-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 Sub-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 Sub-Association.

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. Each Class A Member 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, including the Successor Grantor as defined in Section 8.04 of the Supplemental Declaration. The Class B Member shall be

entitled to five (5) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership when the total votes outstanding in the Class A membership are equal to the total votes outstanding in the Class B membership.

The Sub-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 Sub-Association's initial registered office in this State is 900 W. Main Street, Suite 1300, Boise, Idaho 83702. 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 Ronald N. Graves.

ARTICLE VIII

Initial 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>
Adelia Simplot	900 W. Main St., Suite 1300 Boise, Idaho 83702
Ronald N. Graves	900 W. Main St., Suite 1300 Boise, Idaho 83702
James D. Crawford	900 W. Main St., Suite 1300 Boise, Idaho 83702

ARTICLE IX

Incorporator

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

Name

Gray Young

Address900 W. Main St., Suite 1300
Boise, Idaho 83702**ARTICLE X****Liability of Members**

Members shall be personally 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 528 of the Internal Revenue Code of 1954, as amended, is considered an organization exempt from income taxes for the purposes 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 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

The Sub-Association may be dissolved with the consent in writing of two-thirds (2/3) of each class of Members. Upon

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dissolution of the Sub-Association, other than incident to a merger or consolidation, no part of the property of the Sub-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 Sub-Association, and all such property and proceeds, subject to the discharge of the valid obligations of the Sub-Association, and to the applicable provisions of the Idaho Non-profit 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 Sub-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 Sub-Association was created.

ARTICLE XIV

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 has executed these Articles of Incorporation this 26th day of June, 1992.



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