

ARTICLES OF INCORPORATION

OF

MOUNTAIN LAKE ESTATES PROPERTY OWNERS' ASSOCIATION, INC.

FILED EFFECTIVE

05 JUN 27 PM 4: 05

SECRETARY OF STATE  
STATE OF IDAHO

IDAHO SECRETARY OF STATE  
06/27/2005 05:00  
CK: none CT: 39360 BH: 616384  
1 @ 30.00 = 30.00 INC MON # 2  
1 @ 20.00 = 20.00 NON EXPED # 3

KNOW ALL PERSONS BY THESE PRESENTS:

The undersigned, for the purpose of forming a non-profit corporation under the laws of the State of Idaho in compliance with the provisions of Title 30, Chapter 3, Idaho Code, does hereby certify, declare and adopt the following Articles of Incorporation:

**ARTICLE I  
NAME**

The name of the corporation shall be Mountain Lake Estates Property Owners' Association, Inc. (hereinafter, the "**Association**" or "**Corporation**").

**ARTICLE II  
TERM**

The period of existence and duration of the life of this Corporation shall be perpetual.

**ARTICLE III  
NON-PROFIT**

This Corporation shall be a non-profit, membership corporation.

**ARTICLE IV  
REGISTERED AGENT**

The location and street address of the initial registered office of this Corporation shall be 5789 S. Horseshoe Place, Boise, Idaho 83716, and Timothy E. Doerr is hereby appointed the initial registered agent of the Corporation.

**ARTICLE V  
PURPOSE AND POWERS OF THE ASSOCIATION**

This Corporation does not contemplate pecuniary gain or profit to the Members thereof, and the specific purposes for which the Corporation is formed are to provide for certain regulations of the use and architectural control of the Building Lots and Common Areas located or to be located in Royal Scot Subdivisions Nos. 5 and 6 according to the plat thereof recorded or to be recorded in the official records of Valley County, Idaho (the "**Subdivision**"), which Building Lots and Common Areas are a portion of the Property covered by the Master Declaration of Covenants, Conditions and Restrictions for Royal Scot Subdivisions Nos. 5 and 6

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recorded or to be recorded in the official records of Valley County, Idaho (the "**Declaration**"); and to promote the health, safety and welfare of the residents within the Subdivision; and for this purpose to:

(A) Exercise all of the powers and privileges and to perform all of the duties and obligations of the Corporation as set forth in the Declaration as amended from time to time as therein provided, said Declaration being incorporated herein as if set forth at length;

(B) Fix, levy, collect and enforce payment by any lawful means of all charges or assessments pursuant to the terms of the Declaration and all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the Corporation;

(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 Corporation under the limitations imposed by the Declaration;

(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 its real or personal property as security for money borrowed or debts incurred;

(E) Participate in mergers and consolidations with other non-profit corporations organized for the same purposes or annex additional residential property and Common Area, provided that any such merger, consolidation or annexation shall comply with the requirements of the Declaration; and

(F) Have and exercise any and all powers, rights and privileges which a corporation organized under the Idaho Non-Profit Corporation Act may by law now or hereafter have or exercise, subject only to limitations contained in the Bylaws and the Declaration and the amendments and supplements thereto.

## **ARTICLE VI MEMBERSHIP**

Each person or entity holding fee simple interest of record to a Building Lot which is a part of the Property and who has elected to be part of the Association, or their successors in interest, and sellers under executory contracts of sale of a Building Lot included in the Association, but excluding those having such interest merely as security for the performance of an obligation, shall be a Member of the Corporation. Membership shall be appurtenant to and may not be separated from ownership of any Building Lot located in the Subdivision.

## **ARTICLE VII VOTING RIGHTS**

The Corporation shall have one class of voting membership:

(A) Class A. The Class A Members shall be Owners of Building Lots within the Subdivision who have elected to be subject to the Amended and Restated Master Declaration of Covenants, Conditions and Restrictions, and their successors in interest, with the exception of Grantor, and shall be entitled to one (1) vote for each Building Lot owned. When more than one person holds an interest in any Building Lot, all such persons shall be Members, but in no event shall more than one (1) vote be cast with respect to any Building Lot. Other Owners of Building Lots may become Members only if any structure in the Building Lot complies with the Restrictive Covenants. Structures existing prior to the Amended and Restated Master Declaration of Covenants, Conditions and Restrictions are excluded.

## **ARTICLE VIII BOARD OF DIRECTORS**

The affairs of this Corporation shall be managed by a Board of four (4) Directors, who need not be Members of the Association. The number of Directors may be changed by amendment of the Bylaws of the Corporation, but in no event shall the number be less than three (3) or more than five (5). The names and addresses of the persons who are to act in the capacity of Directors until the selection of their successors are:

Timothy E. Doerr	5789 S. Horseshoe Place Boise, ID 83716
Todd Cluff	P.O. Box 127 Donnelly, ID 83615
Carolyn Flaherty	706 Union Street Boise, ID 83702
Moscelene Sunderland	3161 Chieftain Way Boise, ID 83709

## **ARTICLE IX ASSESSMENTS**

Each Member shall be liable for the payment of Assessments provided for in the Declaration and as set forth in the Bylaws of the Corporation.

## **ARTICLE X BYLAWS**

The Bylaws of this Corporation may be altered, amended, or new Bylaws adopted at any regular meeting, or any special meeting of the Corporation called for that purpose, by the affirmative votes of a majority of each class of Members. For the purpose of specifying in detail the rights, responsibilities, duties and obligations of the Board of Directors, the officers, employees and agents of the Corporation, and the Members for the payment of Assessments, the Bylaws may incorporate by reference the provisions of the Declaration.

## **ARTICLE XI DISSOLUTION**

The Corporation may be dissolved at any regular meeting, or any special meeting of the Corporation called for that purpose, by the affirmative votes of not less than three-fourths (3/4) of each class of Members. Upon dissolution of the Corporation, other than incident to a merger or consolidation, the real property and other assets of the Corporation shall be: (i) dedicated to an appropriate public agency to be used for purposes similar to those for which the Corporation was created; or (ii) granted, conveyed and assigned to a non-profit corporation, association, trust or other organization to be devoted to such similar purposes; or (iii) distributed to the Owners of Building Lots to be held by them as tenants in common in proportion to the number of Building Lots within the Subdivision. The determination of the liquidating distribution of the real property and other assets of the Corporation as provided above, shall be determined by vote of a majority of the Owners of Building Lots as part of the Member vote on dissolution.

## **ARTICLE XII AMENDMENTS**

Amendment of these Articles of Incorporation may be made at any regular meeting, or any special meeting of the Corporation called for that purpose, by the affirmative votes of not less than three-fourths (3/4) of each class of Members and, if required by the Declaration, the consent of holders of first mortgages on Building Lot(s) who have requested of the Corporation in writing to provide them notice of proposed action which affects their interests. No amendment which is inconsistent with the provisions of the Declaration shall be valid.

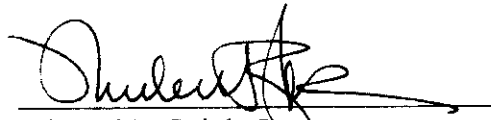
## **ARTICLE XIII MEANING OF TERMS**

Except as otherwise defined herein, all terms appearing herein initially capitalized shall have the same meanings as are applied to such terms in the Declaration including, without limitation, "**Articles**", "**Assessments**", "**Association**," "**Board**," "**Building Lot**," "**Bylaws**," "**Common Area**," "**Grantor**," "**Member**," "**Owner**" and "**Property**."

**ARTICLE XIV  
INCORPORATION**

Michael T. Spink, 251 E. Front Street, Suite 200, P.O. Box 639, Boise, Idaho 83701, shall be the incorporator of the Corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 27<sup>th</sup> day of June, 2005.

  
Michael T. Spink, Incorporator