

State of Idaho

Department of State

CERTIFICATE OF INCORPORATION OF

WHITESTONE HOMEOWNERS ASSOCIATION, INC.

File number C 116880

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 WHITESTONE HOMEOWNERS 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: October 22, 1996



Pete T. Cenarrusa
SECRETARY OF STATE

By *Don Smock*

ARTICLES OF INCORPORATION
OF
WHITESTONE HOMEOWNERS ASSOCIATION, INC.
an Idaho Nonprofit Corporation

IDAHO SECRETARY OF STATE
DATE 10/22/1995 33877
EX #: 1615 27 BUSTA 4453
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KNOW ALL MEN BY THESE PRESENTS: That the undersigned, being a natural person of full age, legally competent to enter into contracts, and a citizen of the United States of America, does hereby voluntarily adopt the following Articles of Incorporation for the purpose of forming a nonprofit corporation pursuant to the provisions of Title 30, Chapter 3, Idaho Code:

ARTICLE ONE: NAME

The name of this corporation is Whitestone Homeowners Association, Inc.

ARTICLE TWO: NONPROFIT DESIGNATION

The corporation formed by these Articles shall be a nonprofit corporation organized under the Idaho Nonprofit Corporation Act, I.C. 30-1-1 et seq.

ARTICLE THREE: DURATION

This corporation shall have perpetual duration.

ARTICLE FOUR: PURPOSES

The nature, objects, purposes, and powers of this corporation are as follows:

The corporation is organized for the purpose of performing any and all acts which may be necessary or proper for, or incidental to, the ownership, management and operation of the common areas of Whitestone Estates Subdivision, Ada County, Idaho, and further for the purposes enumerated in that certain Declaration of Covenants, Conditions, and Restrictions of the Whitestone Estates Subdivision, recorded as Instrument No. 96082905, records of Ada County, Idaho, hereinafter referred to as "Whitestone Estates Declarations" or simply "Declaration".

The corporation may have and exercise all such powers as are by law conferred upon such corporations of like character, consistent with its purposes, and in carrying out its purposes the corporation may do any and all things necessary thereto and may exercise any and all powers not prohibited by these Articles of Incorporation or by Idaho law.

ARTICLE FIVE: EXEMPT STATUS NOT INTENDED

This corporation does not contemplate any pecuniary gain or profit, and no part of its income shall at any time be distributable to its members, directors, or officers, provided, however, that this provision shall not be construed to prohibit the payment of reasonable compensation for services actually rendered for the benefit of the corporation, nor to prohibit the conferring of benefits upon the corporation's members in conformity with the purposes expressed in these Articles. It is not intended, however, that this corporation be eligible to qualify for tax-exempt status under the provisions of Section 501(c) of the Internal Revenue Code, as amended.

ARTICLE SIX: MEMBERS

Every person who is an owner of a lot in Whitestone Estates Subdivision, Ada County, Idaho, according to the official plat thereof recorded as Instrument No. 96079381, records of Ada County, Idaho, shall be a member of this corporation and shall be entitled to the voting rights set forth in the Whitestone Estates Declaration. Membership in the corporation shall be appurtenant to ownership of the real property and shall run with the land as a part of title but shall not include persons or entities who hold an interest in a lot merely as security for the performance of an obligation.

This corporation shall have two (2) classes of members which are fully described in the Whitestone Estates Declaration.

Members of this corporation shall not be personally liable for the debts, liabilities, or obligations of the corporation. Additionally, neither directors nor officers shall be personally liable for the debts, liabilities, or obligations of the corporation.

ARTICLE SEVEN: BOARD OF DIRECTORS

The affairs of this corporation shall be managed by a Board of Directors.

The number of directors for any given year shall be three (3). After the initial appointment of directors, directors shall be elected by the members at their annual meeting.

The following persons are appointed to the initial Board of Directors, to serve until their successors are elected as set forth above:

- (a) Carol Snyder, P. O. Box 745, Nampa, ID 83653
- (b) Larry Van Hees, 410 S. Orchard, Ste. 124, Boise, ID 83705
- (c) Carolyn Van Hees, 410 S. Orchard, Ste. 124, Boise, ID 83705

ARTICLE EIGHT: BY-LAWS

The Board of Directors is authorized to adopt an initial set of by-laws of the corporation, and to provide in such by-laws for any matter which may lawfully be governed by the by-laws of a nonprofit corporation under the laws of the State of Idaho. These initial by-laws may be amended, added to, or repealed by a majority vote of the members at any annual membership meeting or at any special membership meeting called for such purpose.

ARTICLE NINE: OFFICERS

The officers of this corporation shall be elected by the Board of Directors and shall serve for such terms of office as may be designated by the Board of Directors. The officers of this corporation shall be a president, one or more vice presidents, a secretary, a treasurer, and any other officer or assistant officers as may be elected or appointed by the Board of Directors. One person may hold more than one office. The time and manner of election of officers, and their respective authority and duties, shall be as set forth in the by-laws or as may be determined by resolution of the Board of Directors not inconsistent with the by-laws.

ARTICLE TEN: ASSESSMENTS

Assessments may be levied upon members for the purposes specified in the Whitestone Estates Declaration, and the same shall be allocated among the members in the manner set forth in the Declaration. The amount of assessments and the time of payment and manner of collection thereof shall be fixed by the Board of Directors from time to time in conformity with the provisions set

forth in the Declaration. Unpaid assessments shall constitute a lien upon any portion of the lots in the Whitestone Estates Subdivision, Ada County, Idaho, owned by a member whose assessment is unpaid, and such lien may be enforced by this corporation in the same manner as provided by law in the State of Idaho for the foreclosure of mortgages upon real property provided that notice is given under I.C. §30-1-17(5) and further, that all assessments are subordinate to the lien of a first mortgage. The failure to pay the assessments does not constitute a default under an insured first mortgage. Additionally, each member shall also have personal liability for the assessment for his respective lot in accordance with the Declaration, which is independent of the right of lien.

ARTICLE ELEVEN: AMENDMENT AND RELATED MATTERS

These Articles of Incorporation may be amended by two-thirds (2/3) vote of the lot owners. Additionally, as long as there is Class B Membership, as defined in the Declaration, there shall be prior approval by HUD/VA of any annexation of additional properties to the property described in the recorded Whitestone Estates Subdivision, including any consolidations or mergers, and/or for any mortgage of a common area and/or any amendment of these Articles.

ARTICLE TWELVE: DISSOLUTION

This corporation may not be dissolved except upon affirmative vote of two-thirds of the members in a manner specified in the by-laws.

Upon the dissolution or other termination of this corporation, no part of the property of the corporation and no part of the proceeds shall be distributed to or inure to the benefit of any of the directors or officers of the corporation, but rather all such property and proceeds, subject to the discharge of the corporation's valid obligations and to the applicable provisions of Idaho law, shall be dedicated to a public body or conveyed to a nonprofit organization with a similar purpose to those expressly granted to this corporation as the Board of Directors shall determine.

ARTICLE THIRTEEN: REGISTERED AGENT AND OFFICE

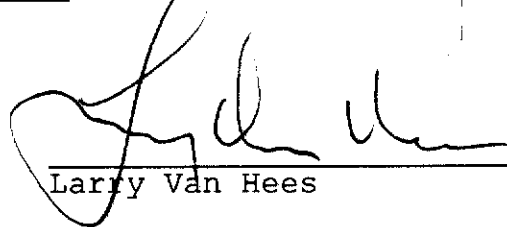
The initial registered agent of this corporation is Larry Van Hees, and the initial registered office address is 410 South Orchard, Suite 124, Boise, Idaho.

ARTICLE FOURTEEN: INCORPORATOR

The name and street address of the incorporator of this corporation is as follows:

Larry Van Hees
410 South Orchard, Suite 124
Boise, Idaho


IN WITNESS WHEREOF, the said incorporator has executed these Articles of Incorporation this 22nd day of October, 1996.


Larry Van Hees

STATE OF IDAHO)
 : ss.
County of Ada)

On this 22nd day of October, 1996, before me, the undersigned, a notary public in and for said State, personally appeared Larry Van Hees, known to me to be the person whose name is subscribed to the within and foregoing 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 first above written.


Notary Public for Idaho
Residing At: Boise Idaho
My Commission Expires: 4-15-98