

FILED EFFECTIVE

ARTICLES OF INCORPORATION

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OF

AMENDED PATRIOT SUBDIVISION NO. 1

STATE OF IDAHO

HOMEOWNERS ASSOCIATION, INC.

The undersigned, acting as the incorporator of a nonprofit corporation ("Association") organized under and pursuant to the Idaho Nonprofit Corporation Act, Chapter 3, Title 30, Idaho Code, ("Act"), adopts the following Articles of Incorporation ("Articles").

ARTICLE I

NAME

The name of the Association is Amended Patriot Subdivision No. 1 Homeowners Association, Inc.

ARTICLE II

NONPROFIT STATUS

The Association is a nonprofit corporation.

ARTICLE III

DURATION

The period of duration of the Association is perpetual.

ARTICLE IV

REGISTERED OFFICE AND AGENT

The street address of the initial registered office of the Association is 4635 North Buckboard, Boise, Idaho 83713, and the name of the initial registered agent at this office is Jerry W. Anderson.

ARTICLE V

PURPOSES

The purposes for which the Association is organized and will be

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A. To associate its members together for their mutual benefit, and to that end to own, manage, improve, maintain, repair and operate the subdivision known as Amended Patriot Subdivision No. 1, and related easements and improvements located in or near Amended Patriot Subdivision No. 1, according to the official plat thereof recorded in Elmore County, Idaho, and as provided in the Declaration of Covenants, Conditions and Restrictions for Amended Patriot Subdivision No. 1 (CC&Rs), together with any and all other assets and facilities owned by the Association, and to engage in any activity related thereto; and to enforce compliance with the CC&Rs.

B. To exercise all powers granted by law necessary and proper to carry out the foregoing purposes. Nothing herein contained shall be deemed to authorize or permit the Association to carry on any business for profit, to exercise any power, or to do any act that a corporation formed under the Act, or any amendment thereto or substitute therefor, may not at that time lawfully carry on or do.

ARTICLE VI

POWERS

A. Borrowing: To borrow from any source, provided that such borrowing is reasonably necessary to carry out the necessary functions and purposes of the Association and is approved by two-thirds (2/3) of the votes cast by the members at a meeting called for the purpose of considering such borrowing.

B. Affiliations: To acquire, and to hold, own and exercise all rights of ownership in, and to sell, transfer or pledge shares of capital stock or bonds, or become a member or a stockholder of any corporation or association if such is necessary to carry out the functions of the Association.

C. Property Ownership: To buy, lease, hold or exercise all privileges of ownership in and to the real or personal property necessary or convenient for the conduct and operation of the business of the Association, or incidental thereto.

D. Maintaining Reserves: To establish reserves and to invest the funds therein in such property as the Association may deem advisable, provided that such funds and the earnings derived therefrom shall be used solely to pay expenses incurred by the Association to carry out its purposes.

E. Assessments: To set fees and levy assessments in such manner and in such amount as may be provided by the Association consistent with the CC&Rs, its Articles and By-laws, provided that said funds are used solely to pay expenses incurred by the Association to carry out its purposes.

F. State Law Powers: To have and exercise all powers, privileges and rights conferred on non-profit corporations by the laws of the State of Idaho not inconsistent with the above-stated purposes or the provisions of the Act.

ARTICLE VII

LIMITATIONS

No part of the net earnings or the assets 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 V thereof. No substantial part of the activities of the Association shall be for the carrying on of propaganda, or otherwise attempting to influence legislation, 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 provisions of these Articles, the Association shall not carry on any other activities not permitted to be carried on by a Homeowner's Association as defined for federal income tax purposes under Section 528 of the Internal Revenue Code of 1986, as amended from time to time.

ARTICLE VIII

MEMBERS

The members of the Association shall be the record owners of the fee simple title to any Lot within Amended Patriot Subdivision No. 1 as provided in the CC&Rs. Membership is appurtenant to, and inseparable from, ownership of said lots. Members shall have such rights as are provided in the Act, the CC&Rs, these Articles and the Association By-laws. There shall be two classes of voting memberships, as set forth in the CC&Rs.

ARTICLE IX

BOARD OF DIRECTORS

The affairs of the Association shall be managed by its Board of Directors. The number of Directors serving on the Board of Directors shall be fixed in accordance with the Association's By-Laws. Other than the Directors constituting the initial Board of Directors as designated in these Articles, each Director shall be a member of the Association and shall be elected by the members of the Association in the manner and for the term provided in the By-Laws of the Association.

The names and addressees of the persons constituting the initial Board of Directors are:

Jerry W. Anderson

4635 North Buckboard
Boise, Idaho 83713

Sandra Anderson

4220 Perkins
Meridian, Idaho 83642

Brian Anderson

4220 Perkins
Meridian, Idaho 83642

The initial Directors shall serve until the first annual meeting of members. The members of the initial Board need not be members of the Association.

ARTICLE X

MEMBERSHIP ASSESSMENTS

As provided in the CC&Rs, the Association is authorized to levy assessments upon all members to pay the costs incurred by the Association in order to carry out its purposes.

ARTICLE XI

DISTRIBUTION ON DISSOLUTION

Upon dissolution of the Association, the Board of Directors shall, after paying or making provision for the payment of all liabilities of the Association, distribute all the assets of the Association consistent with the purposes of the Association to a public body or other nonprofit organization with similar purposes. Any such assets not so distributed shall be distributed by the district court of the county in which the principal office of the Association is then located, exclusively for the purposes or to such organizations, as such court shall determine to be consistent with the purposes of the Association.

ARTICLE XII

INCORPORATORS

The name and street address of the incorporator is:

Jerry W. Anderson

4635 North Buckboard
Boise, Idaho 83713

ARTICLE XIII

BY-LAWS

Provisions for the regulation of the internal affairs of the Association shall be set forth in the By-Laws.

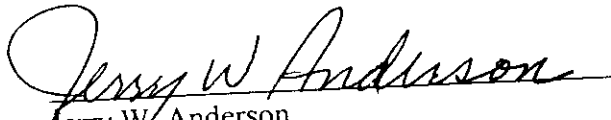
ARTICLE XIV
AMENDMENT OF ARTICLES

Amendment of these Articles requires the approval of two-thirds (2/3) of the votes cast by the members at a meeting called for the purpose of considering such amendments.

ARTICLE XV
HUD/VA APPROVALS

As long as there is a Class B membership as defined in the CC&Rs, annexation of additional properties, mergers and consolidations, mortgaging of any common areas, dissolution and amendment of the Articles shall require prior approval of HUD/VA.

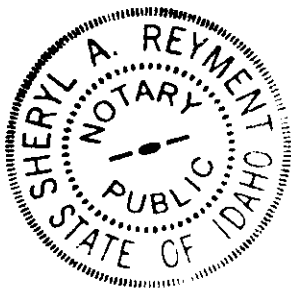
Dated this 31 day of March, 2003.

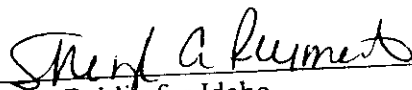

Jerry W. Anderson

STATE OF IDAHO,)
) ss.
COUNTY OF ELMORE,)

On this 31 day of March, 2003, before me, the undersigned, a Notary Public in and for said state, personally appeared Jerry W. Anderson, known to me to be the person whose name is subscribed to the 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 in this certificate first above written.




Notary Public for Idaho
Residing at: Mountain Home
My commission expires: 12-27-05