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SECRETARY OF STATE
STATE OF IDAHO

ARTICLES OF INCORPORATION

OF

ARROWROCK RANCH ASSOCIATION, INC.

IDAHO SECRETARY OF STATE
10/03/2003 05:00
CR: none CT: 39360 DN: 704933
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KNOW ALL PERSONS BY THESE PRESENTS:

The undersigned, for the purpose of forming a nonprofit 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 1. NAME

The name of the corporation shall be ARROWROCK RANCH ASSOCIATION, INC. (hereinafter, the "Corporation").

ARTICLE 2. TERM

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

ARTICLE 3. NONPROFIT

This Corporation shall be a nonprofit, membership corporation.

ARTICLE 4. REGISTERED AGENT

The location and street address of the initial registered office of this Corporation shall be 660 E. Franklin, Suite 240, Meridian, Idaho 83642, and Greg Johnson is hereby appointed the initial registered agent of the Corporation.

ARTICLE 5. 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 in connection with the election and/or appointment of Delegates from the Corporation to the Association for Arrowrock Ranch Subdivision according to the plat thereof recorded in the official records of Ada County, Idaho (the "Planned Development"), which Planned Development is covered by the Declaration of Covenants, Conditions and Restrictions for Arrowrock Ranch Subdivision recorded in the official records of Ada County, Idaho ("Declaration"); and to promote the health, safety and welfare of the residents within Arrowrock Ranch Subdivision (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; and

(B) Have and exercise any and all powers, rights and privileges which a corporation organized under the Idaho Nonprofit 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 6. MEMBERSHIP

Each person or entity holding fee simple interest of record to a Building Lot which is a part of the Subdivision, and sellers under executory contracts of sale, but excluding those having such interest merely

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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 7. VOTING RIGHTS

The Corporation shall have two (2) classes of voting membership:

(A) Class A Members. The Class A Members shall be Owners of Building Lots within the Subdivision, except for Grantor. The Class A Members shall be entitled to one (1) vote for each single-family residential Building Lot owned by such Class A Members.

(B) Class B Member. Grantor shall be the Class B Member, and shall be entitled to five (5) votes for each single-family residential Building Lot owned by Grantor within the Subdivision. The Class B Member shall cease to be a voting Member in the Corporation at the earlier of: (1) the Class B Member holds no more than five percent (5%) of the Building Lots within the Subdivision; or (2) ten (10) years from the date the first Building Lot within the Subdivision is conveyed by Grantor.

ARTICLE 8. MEMBERSHIP

There shall be one (1) membership in the Association for each Building Lot located in the Subdivision. Members of the Corporation must be and remain Owners of Building Lots within the Subdivision, and the Corporation shall include as Members all Owners of Building Lots within the Subdivision.

ARTICLE 9. BOARD OF DIRECTORS

The affairs of this Corporation shall be managed by a Board of three (3) 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). The names and addresses of the persons who are to act in the capacity of Directors until the selection of their successors are:

| | |
|-----------------|-------------------------------------|
| Greg Johnson | P. O. Box 344 Meridian, ID 83680 |
| Matthew Schultz | P. O. Box 344 Meridian, ID 83680 |
| Marilea Boncz | P. O. Box 344 Meridian, ID 83680 |

ARTICLE 10. ASSESSMENTS

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

ARTICLE 11. 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, if any, 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 nonprofit 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.

ARTICLE 12. 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. No amendment which is inconsistent with the provisions of the Declaration or Project Documents shall be valid.

ARTICLE 13. 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", "Board", "Building Lot", "Bylaws", "Common Area", "Association", "Grantor", "Member", "Owner", "Project Documents" and "Property."

ARTICLE 14. INCORPORATION

JoAnn C. Butler, 251 E. Front Street, Suite 200, Boise, Idaho 83702, shall be the incorporator of the Corporation.

IN WITNESS WHEREOF, I have hereunto set my hand this 2nd day of October, 2003.

Jo Ann Butler
JOANN C. BUTLER, Incorporator