

FILED EFFECTIVE

2005 NOV 15 PM 3: 05

SECRETARY OF STATE
STATE OF IDAHO

**ARTICLES OF INCORPORATION
OF
WESTWOOD PROPERTY OWNERS ASSOCIATION, INC.**

KNOW ALL PERSONS BY THESE PRESENTS: That the undersigned, Neighborhood, Inc., a corporation organized under the laws of the State of Idaho in good standing, has this day formed this nonprofit organization without capital stock, under and pursuant to Title 30, Chapter 3 of the laws of the State of Idaho, and does with this make, acknowledge and declare the following to be the Articles of Incorporation.

ARTICLE ONE

The name of the corporation shall be:

Westwood Property Owners Association, Inc.

ARTICLE TWO

This corporation is a nonprofit corporation, and shall have no capital stock; and no dividends or pecuniary profits shall be declared to the members thereof. This corporation shall issue Membership Certificates to each member upon such terms and conditions as are prescribed in the Bylaws. Every person or entity who is a record Owner of any Lot within the boundaries of that certain plat known and approved as Skyline Meadows Subdivision by the City of Rathdrum and located within the City of Rathdrum, Kootenai County, Idaho shall be entitled to Membership and Voting Rights within Westwood Property Owners Association, Inc., hereinafter referred to as the "Association", in accordance with its By-Laws, subject to the conditions for Membership set forth in Article Five hereof. Membership in said Association is appurtenant to, and inseparable from, ownership of the Lot.

ARTICLE THREE

The duration of this Association is perpetual. If the Association is hereafter dissolved, the assets of the Association shall be transferred and dedicated to a nonprofit organization with similar purposes which qualifies in accordance with Section 5.01(c)(3) of the Internal Revenue Code, or to a political subdivision of the State of Idaho or governmental agency of the United States of America which designated transferee shall be included and set forth in the Articles of Dissolution.

ARTICLES OF INCORPORATION - 11.02.05

IDAHO SECRETARY OF STATE
11/15/2005 03:00
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ARTICLE FOUR

The objects and purposes for which this corporation is formed are as follows:

1. To provide an entity by which the rights and obligations granted to the Westwood Property Owners Association, Inc. may be administered;
2. To maintain all amenities, common recreational facilities, common areas, structures, private roads, buildings or utilities transferred to and accepted by Westwood Property Owners Association, Inc. or required by the City of Rathdrum to be maintained by the Association; and to operate and maintain any future amenities, facilities, common areas, structures, private roadways, buildings, and utilities which subsequently may be developed by or transferred to the Association.
3. To assume and fulfill the duties and obligations of the Property Owners Association referred to and intended to be established in accordance with that certain Declaration of Covenants, Conditions, Restrictions and Reservations of Easements relating to that certain plat known as Skyline Meadows Subdivision located within the City of Rathdrum, Kootenai County, Idaho, and the future duties and obligations of the Property Owners Association, if any, in connection with those properties owned by Grantor, or hereafter acquired by Grantor which lie adjacent to Skyline Meadows Subdivision, or which properties owned or acquired by Grantor are part of a master planned community developed by Grantor or Grantor's assigns in which Grantor or Grantor's assigns, at their sole discretion, would determine that there is a shared benefit, economy of scale or ease of management to including such contiguous properties or portions of a master planned community in the Westwood Property Owners Association. Said additional properties must be owned by or hereafter acquired by, Grantor or Grantor's assigns, and lie within the boundaries of the area bordered by State Highway 41, Nagle Road, Lancaster Avenue and Huetter Road. Nothing contained in these articles is intended to obligate the Grantor to any future development of the property or to any master plan.
4. To enter into and execute such agreements with the City of Rathdrum or any other political subdivision of the State of Idaho, or other public agency, which may be required of the Property Owners Association in accordance with any agreements which may be required by the City of Rathdrum, including such agreements which may have been previously executed by the Grantor, or included in the Declaration of Covenants, Conditions, Restrictions and Reservations of Easements.
5. To undertake any such other purpose as deemed advisable or necessary by the Association in furtherance of the corporation, and to undertake any and all such other acts which may be permitted by law.

ARTICLE FIVE

The Membership rights and ownership of Lots shall be determined by the geographic boundaries and limited to the Owners of Lots within the boundaries of that certain subdivision known and approved as Skyline Meadows by the City of Rathdrum and located with the City of Rathdrum, Kootenai County, State of Idaho as of the date of incorporation.

Neighborhood, Inc., is also the fee simple owner of certain additional real property lying adjacent and contiguous to Skyline Meadows Subdivision. It is contemplated that the adjacent and contiguous properties owned by Grantor Neighborhood, Inc. or hereinafter acquired by Grantor, may be developed by Grantor or Grantor's assigns as part of a master planned community in which Grantor or Grantor's assigns, at their sole discretion, would determine that the Owners of Lots located within said property shall be included as members of the Association, subject to the following terms and conditions:

a. Additional memberships in the Association shall not exceed those Owners of Lots within the boundaries of the area bordered by State Highway 41, Nagle Road, Lancaster Avenue and Huetter Road.

b. Inclusion of such Owners of Lots for membership in the Association shall be at the sole discretion of Neighborhood, Inc. or its successors or assigns, and Neighborhood, Inc. or its successors or assigns shall not be obligated to include such lots for membership.

c. If Neighborhood, Inc. or its successors or assigns choose to include the Owners of Lots within those adjacent and contiguous properties owned by Grantor or hereafter acquired by Grantor for membership in the Association, such inclusion shall be for the entire phase being developed. In other words, Neighborhood, Inc. or its successors or assigns must include all lots within said phase if any of said lots are to be included for membership in the Association.

d. Neighborhood, Inc. or its successors or assigns shall provide written notice to the Association of its intention to include such additional Owners of Lots as Members of the Association prior to the sale of any lot in any such additional phase.

e. Neighborhood, Inc. or its successors or assigns shall provide to the Association a copy of the approved plat of the lots for which Owners are to be included for Membership in the Association with the Owner's notice of its intention to include such lots.

f. Neighborhood, Inc. or its successors or assigns shall, prior to the sale of any lot of any additional phase in which Owners of Lots are to be included as Members of the Association, properly record with the Office of the Recorder of Kootenai County, a Declaration of Covenants, Conditions, Restrictions and Reservations of Easements which shall be generally compatible with those referred to hereinabove, excluding such deviations in architectural control and design standards which may vary from phase to phase dependent upon the respective use and character

of each developed phase. The specific architectural controls and design standards shall be determined for each phase by Neighborhood, Inc., in its sole determination, and may differ substantially from phase to phase. Such differences may include without limitation, specifications relating to structure size, setbacks, construction materials, permitted outbuildings, landscaping, fences, public access, docks, walkways and driveways.

g. Upon such notice to the Association, all Owners of Lots within the additional phase to be included shall become Members of the Association in accordance with the terms of these Declarations, and with all of the privileges, benefits, and obligations of membership, as though they had been originally included as Members, excepting, that any assessments or charges accruing to such membership shall not be retroactive.

h. All of the common areas of any phase subsequently included in accordance with the provisions hereof shall be owned and/or maintained by the Association in accordance with the terms of these Declarations, the documents of transfer, or as may be required by the City of Rathdrum.

i. Neighborhood, Inc.'s, or its successors' or assigns', right to include additional Owners of Lots shall expire twenty (20) years from the date of recording of that certain original Declarations of Covenants, Conditions, Restrictions and Reservations of Easements for Skyline Meadows Subdivision.

No annexation of additional properties exceeding those owned by Grantor or its assigns, or hereafter acquired by Grantor, and included within the boundaries of the area bordered by State Highway 41, Nagle Road, Lancaster Avenue and Huetter Road. Nothing contained in these articles is intended to obligate the Grantor to any future development of the property or to any master plan, nor any merger or consolidation of this corporation with any other corporation or entity, nor any dissolution of the corporation or amendment of its Articles, nor any mortgage of the Common Areas of the corporation shall occur without the approval of the United States Department of Housing and Urban Development and the United States Veterans Administration so long as there exists any Class B Membership in accordance with the By-Laws of the corporation. In the event that the approval of the foregoing relevant agencies of the United States Government is required, such approval shall be in writing. No such approval shall be required upon the cessation of Class B Membership in accordance with the By-Laws.

ARTICLE SIX

The registered agent for the corporation shall be CLIFFORD E. MORT.

ARTICLE SEVEN

The registered office of the corporation shall be 3201 North Huetter Road, Coeur d'Alene, Idaho 83814.

ARTICLE EIGHT

The Board of Directors of this corporation is specifically authorized to fix the amount of assessments and charges to the member and to determine or implement the method of collection thereof, and to make such charges and assessments payable at such time or intervals and upon such notice and such methods that the Directors may so prescribe.

ARTICLE NINE

Bylaws which are not inconsistent with the Articles of Incorporation may be adopted, altered, amended, or repealed at any regular meeting of the members, or at any special meeting of the members of the corporation called for that purpose by the affirmative vote of a majority of the members present at such meetings; provided, however, a quorum, which shall be ten percent (10%) of eligible votes, of which at least one-half (1/2) of said ten percent (10%) shall be from Class B membership as long as such membership exists, shall be present through members and proxy.

ARTICLE TEN

Amendment of these Articles of Incorporation, other than Article Nine, shall require an affirmative vote of not less than two-thirds (2/3) of all of the Lot Owners of record. Article Nine may be amended pursuant to the rules set forth in the Bylaws for amending the Bylaws. Any amendment of these Articles or the Bylaws of the corporation shall require the approval of the United States Department of Housing and the United States Veterans Administration as long as there is in existence any Class B Membership as set forth in the Bylaws of the corporation.

ARTICLE ELEVEN

The business of this Association shall be managed by a Board of Directors of not less than three (3) nor more than five (5) directors. The qualifications, terms of office, method of election, powers and duties of such directors shall be such as may be prescribed by law, these Articles and such Bylaws as may, from time to time, be enacted.

ARTICLE TWELVE

The following named persons shall serve as the Board of Directors until their successors are duly elected and qualified, to-wit:

Clifford E. Mort
c/o 3201 North Huetter Road
Coeur d'Alene, ID 83814

