

01/29/2001 8:50

STATE OF IDAHO

**ARTICLES OF INCORPORATION
OF
MOUNTAIN CREEK TOWNHOMES
HOMEOWNERS' ASSOCIATION, INC.**

* * * * *

KNOW ALL MEN BY THESE PRESENTS: That we, the undersigned, being natural citizens of full age and citizens of the United States of America, in order to form a corporation for the purposes hereinafter stated, under and pursuant to the provisions of the general laws of the State of Idaho, do hereby certify as follows:

ARTICLE I

The name of the Corporation shall be "**MOUNTAIN CREEK TOWNHOMES HOMEOWNERS' ASSOCIATION, INC.**"

ARTICLE II

EXISTENCE

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

ARTICLE III

This Corporation shall be a non-profit cooperative association.

IDAHO SECRETARY OF STATE
11/29/2001 05:00
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ARTICLE IV

REGISTERED AGENT AND OFFICE

The location and post office address of the Corporation's registered office in this state shall be: 400 1st Avenue North, Ketchum, Idaho, 83340. That John R. Rutherford shall be the registered agent, whose address is 400 1st Avenue North, Ketchum, Idaho, 83340.

ARTICLE V

PURPOSE, NATURE AND OBJECTIVES OF THE ASSOCIATION

The nature, purposes and objectives of this residential real estate management corporation is to provide an entity for the acquisition, construction, management, maintenance and care of the associations' common property, and to own and operate such roads, water systems, water rights, community TV system or other common interests of the association members.

This non-profit corporation hereinafter referred to as "The Association" shall perform such duties and functions as are required by it to be performed pursuant to these Articles of Incorporation and a certain Declaration of Covenants, Conditions and Restrictions which shall be recorded in the office of the County Recorder for Blaine County, State of Idaho, for Idaho Mountain Creek Townhomes Homeowners' Association, Inc., and shall be governed by the By-Laws adopted by the total membership of The Association.

The Association shall have the power to have, exercise and enforce all rights and privileges and to assume, incur, perform and carry out and discharge all duties, obligations and responsibilities of an association as provided for by Idaho Law and as the Declaration of Covenants, Conditions and Restrictions require as they are originally executed or as amended, if they are amended. The Association shall have the power to adopt and enforce rules and regulations

covering the use of any "property", as that term is defined in the Declaration of Covenants, Conditions and Restrictions, to levy and collect the periodic and special assessments and charges against the lots and the members thereof, and in general to assume and perform all of the functions to be assumed and performed by The Association as provided for in said Declaration. It shall have the power to transfer, assign or delegate such duties, obligations or responsibilities to other persons or entities as provided for and permitted by Idaho Law, the Declaration, The Association's By-Laws or in any agreement executed by The Association with respect thereto.

The Association shall actively foster, promote and advance the interest of owners of lots within the "property".

ARTICLE VI

ADDITIONAL ASSOCIATION POWERS

In addition to the foregoing, when not inconsistent with Idaho Law or the Declaration of Covenants, Conditions and Restrictions referred to above, the corporation shall have the following powers:

- (1) The authority as set forth in Title 30 of the Idaho Code relating to the organization and conduct of general business corporations.
- (2) To buy, sell, acquire, hold or mortgage or enter into security agreements, pledge, lease, assign, transfer, trade-in and deal with all kinds of real and personal property, goods, wares and merchandise of every kind, nature and description.
- (3) To buy, sell, lease, let, mortgage, exchange or otherwise acquire or dispose of lands, lots, houses, homesites, buildings or other real property, hereditaments and appurtenances of all kinds wherever situated, and of any interests and rights therein, to the same extent as natural persons might or could do, and without limit as to amount.
- (4) To borrow money, draw, make, enforce, transfer, and execute promissory notes, debentures and other evidences of indebtedness, and for the purpose of securing any of its obligations or contracts, to convey, transfer, assign, deliver,

mortgage and/or pledge all or any part of the property or assets, real or personal, at any time owned or held by this corporation.

(5) To have the foregoing clauses to be construed both as objects and powers as hereby expressly provided, the enumeration herein of the objects, powers and purposes shall not be held to restrict in any manner the general powers of the corporation. The corporation shall have the power to do all acts that are necessary and convenient to obtain the objects and purposes herein set forth to the same extent and as fully as any natural person could or might do within the framework of these Articles of Incorporation, Declaration of Covenants, Conditions and Restrictions and the General Corporation Laws for the State of Idaho.

(6) Notwithstanding any of the foregoing to the contrary, The Association shall perform only such functions which will qualify it to be treated as a "homeowners' association" under Section 528 of the 1954 Internal Revenue Code as added by Section 2101 of the Tax Reform Act of 1976. The Association, by and through its authorized officers, is specifically authorized to make such election under Section 528 of the Internal Revenue Code to qualify it as a "homeowners' association" as that act exists at the time of the execution of this document or as the same shall be amended to include the requisitions promulgated thereunder, to include all interpreted governmental actions.

ARTICLE VII

MEMBERSHIP CERTIFICATES, VOTING POWER AND

DETERMINATION OF PROPERTY RIGHTS AND INTERESTS

Section 1. Each member shall be entitled to receive a certificate of membership for each lot, which he owns pursuant to the Declaration of Covenants, Conditions and Restrictions.

Section 2. The number of memberships shall be two (2). The members of the Corporation must be, and remain owners of lots within the property set forth in the Declaration of Covenants, Conditions and Restrictions, to be recorded in Blaine County, State of Idaho, and the Association shall include all owners of lots within said project, except common areas which the Association owns. If title to a lot is held by more than one person, the persons owning said lots

thereof will designate one of them as the "member" and that person's name shall appear on the certificate and shall be entitled to the voting rights created herein.

Section 3. No person or entity other than an owner may be a member of the Association. A member shall not assign or transfer his membership certificate except in connection with the transfer of his or her lot thereof. Members shall not have preemptive rights to purchase other memberships in the Association or other lots within the development.

ARTICLE VIII

ASSESSMENTS

Each member shall be liable for the payment of periodic and special assessments as provided for in the Declaration of Covenants, Conditions and Restrictions.

ARTICLE IX

BY-LAWS (ALTERATION, ADOPTION OR AMENDMENT)

The members are specifically empowered to draft such By-Laws as are necessary to govern the internal affairs of this Association. The By-Laws of this Association may be altered, amended, or new By-Laws adopted at any regular or special meeting of the Corporation called for that purpose by the affirmative unanimous vote of the membership.

ARTICLE X

AUTHORITY TO INCORPORATE BY REFERENCE

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 thereof, including the liability of the members for the payment of assessments, the By-Laws may incorporate by reference the provisions of the Declaration of Covenants, Conditions and

Restrictions recorded in Blaine County, State of Idaho, provided that a true and correct copy of such Declaration of Covenants, Conditions and Restrictions is attached to and made a part of the By-Laws of the Corporation.

ARTICLE XI

The name and post office address of the incorporator is as follows:

<u>Name</u>	<u>Address</u>
John R. Rutherford	400 1 st Avenue North Ketchum, Idaho, 83340

ARTICLE XII

BOARD OF DIRECTORS

The Board of Directors shall consist of three (3) Directors.

ARTICLE XII

NAMES AND ADDRESSES OF DIRECTORS

<u>Name</u>	<u>Address</u>
John R. Rutherford	400 1 st Avenue North Ketchum, Idaho 83340
Thomas Wm. Douglas	204 Georginia Road P. O. Box 1719 Ketchum, Idaho 83340
J. Dee May	P. O. Box 1846 Twin Falls, Idaho 83303-1846

ARTICLE XIII

Upon dissolution of the Corporation all assets owned by the Corporation will be distributed equally between the members of the Corporation.

DATED this 10 day of November, 2001.

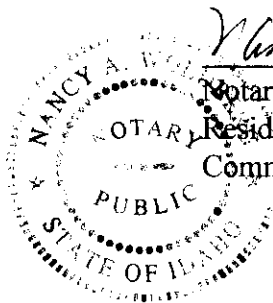


JOHN R. RUTHERFORD

STATE OF IDAHO)
 : ss.
County of Blaine)

On this 20th day of November, 2001, before me, the undersigned, A Notary Public in and for said State, personally appeared **JOHN R. RUTHERFORD**, known to me (or proved to me on the oath of _____) or identified to me to be the person who executed 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.

 Nancy A. Waldberg

Notary Public for State of Idaho
Residing at Poyette, therein.
Commission Expires: 9-7-05