

FILED/EFFECTIVE

**ARTICLES OF INCORPORATION
OF
STONE RIDGE TOWNHOMES
OWNER'S ASSOCIATION, INC.**

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SECRETARY OF STATE
STATE OF IDAHO

The undersigned, acting as incorporator, in order to form a nonprofit corporation for the purposes hereinafter stated, pursuant to Chapter 3, Title 30 of the *Idaho Code* entitled "Idaho Nonprofit Corporation Act", does hereby adopt the following Articles of Incorporation for such corporation.

ARTICLE I

The name of the corporation shall be STONE RIDGE TOWNHOMES OWNER'S ASSOCIATION, INC.

ARTICLE II

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

ARTICLE III

The corporation shall be a nonprofit membership corporation.

ARTICLE IV

The address of the corporation's initial registered office shall be 172 West 950 South, Victor, Idaho 83455. The name of the corporation's initial registered agent at such address is Ed Byington.

ARTICLE V

The names and address of the incorporator is:

Charles A. Homer
HOLDEN, KIDWELL, HAHN & CRAPO, P.L.L.C.
P.O. Box 50130
Idaho Falls, Idaho 83405

IDAHO SECRETARY OF STATE

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ARTICLE VI

Three (3) Directors shall constitute the initial Board of Directors of the corporation and the name and address of the persons who are to serve as Directors until the first annual meeting of the members or until their successors are elected and shall qualify are:

Allen Ball
5465 South 5th West
Idaho Falls, Idaho 83404

Connie Ball
5465 South 5th West
Idaho Falls, Idaho 83404

Ed Byington
172 West 950 South
Victor, Idaho 83455

ARTICLE VII

This corporation shall be the Association defined in the Declaration of Covenants, Conditions and Restrictions for Stone Ridge Townhomes P.U.D. and Stone Ridge Townhomes P.U.D. Phase 2, Teton County, Idaho (hereinafter referred to as the "Declaration"). The words and terms defined in the Declaration shall have the same meaning and definition herein as contained in the definitions section of the Declaration, which definitions are incorporated herein by reference.

ARTICLE VIII

The nature of the business and the object and purpose of this corporation shall be as follows:

A. The transaction of any lawful business for which corporations may be incorporated under the Idaho Business Corporation Act and the Idaho Nonprofit Corporation Act.

B. To form a corporation under Title 30, Chapter 3 of the *Idaho Code*, for the purpose of providing an Association to which all owners of residential townhome units located in Stone Ridge Townhomes P.U.D. and Stone Ridge Townhomes

P.U.D. Phase 2, Teton County, Idaho (hereinafter collectively referred to as "Stone Ridge Townhomes Development"), shall belong for the purpose of maintaining and creating an environment that will provide maximum opportunity for the orderly use and development of Stone Ridge Townhomes Development.

C. To form an Association in which the rights, privileges, burdens, responsibilities and interests of all members shall be based upon the ownership of residential townhome units in Stone Ridge Townhomes Development. This corporation shall have all powers incidental to a corporate structure except as its powers are restricted in the Declaration.

D. To receive and accept and to be obligated to receive and accept from various parties grants of right, title and interest in Association property, to assume the functions and obligations imposed upon the Association property as provided for under the Declaration. All Association property, both real and personal, received and accepted by the corporation shall be held for the benefit and use of the members of the corporation.

E. The corporation shall have the power to levy regular or special assessments to fulfill the obligations and purposes set forth in these Articles of Incorporation and the Declaration.

ARTICLE IX

No dividend shall be paid and no part of the income of the corporation shall be distributed to its members, directors, or officers. The corporation may pay compensation in a reasonable amount to its members, directors or officers for services rendered, and upon dissolution or final liquidation may make distributions to its members, as allowed pursuant to the terms of the Idaho Nonprofit Corporation Act.

ARTICLE X

A. Each owner of a residential townhome unit in Stone Ridge Townhomes Development, by virtue of being such an owner and for so long as he/she is such an owner, shall be deemed a member of the Association. The Association membership of each owner shall be appurtenant to a residential townhome unit for which it is issued in Stone Ridge Townhomes Development and such membership shall not be transferred, pledged or alienated in any way except upon the transfer of title to said unit, and then only to transferees of title to said unit. Any attempt to make a

prohibited transfer shall be void. Any transfer of title to said unit shall operate automatically to transfer said membership to the new owner thereof.

B. (1) Every member shall be entitled to one vote for each residential townhome unit owned.

(2) The vote for each such unit shall, if at all, be cast as a unit, and fractional votes shall not be allowed. In the event that joint owners are unable to agree among themselves as to how their vote or votes shall be cast, they shall lose their right to vote on the matter in question. If any owner casts a vote representing a certain unit, it will thereafter be conclusively presumed for all purposes that he or they were acting with the authority and consent of all other owners of the same unit.

(3) The right to vote may not be severed or separated from the ownership of the unit to which it is appurtenant, except that any owner may give a revocable proxy, or may assign his/her right to vote for the term of a lease or deed of trust, and any sale, transfer or conveyance of such unit to a new owner or owners shall operate automatically to transfer the appurtenant vote to the new owner, subject to any assignment of the right to vote to a lessee or beneficiary as provided herein.

ARTICLE XI

Each member shall be liable for payment of all regular and special assessments provided for in the Declaration and for payment and discharge of the liabilities of the corporation as provided in the Declaration and Bylaws of the corporation.

Dated this ____ day of September, 2000.

Charles A. Homer, Incorporator

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