

ARTICLES OF INCORPORATION

OF

PARKSTONE CONDOMINIUMS OWNERS' ASSOCIATION, INC.

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STATE
IDAHO

In compliance with the requirements of Title 30, Chapter 3, Idaho Code, and Title 55, Chapter 15, Idaho Code, the undersigned, who is a resident of Idaho and is of full age, has this day formed a corporation not for profit and does hereby certify:

ARTICLE I
NAME OF CORPORATION

The name of the corporation is Parkstone Condominiums Owners' Association, Inc., hereafter called the "Association" or the "Corporation."

ARTICLE II
REGISTERED OFFICE

The initial registered office of the Association is located at 1250 E. Iron Eagle Drive, Suite 200, Eagle, Idaho 83713.

ARTICLE III
REGISTERED AGENT

Randy Steed, whose address is 1250 E. Iron Eagle Drive, Suite 200, Eagle, Idaho 83616, is hereby appointed the initial registered agent of the Association.

ARTICLE IV
INCORPORATORS

The name and address of the incorporator of the Association is Michael T. Spink, 251 E. Front Street, Suite 200, Boise, Idaho 83702.

ARTICLE V
PURPOSE AND POWERS OF THE ASSOCIATION

This Association is a non-profit corporation. The specific purposes for which it is formed are to provide for maintenance and preservation of the Condominiums and Common Area within the Condominium Plat for Parkstone Condominiums, according to the official plat thereof recorded or to be recorded in the official records of Ada County, Idaho, hereinafter called the "Property"; and to promote the health, safety and welfare of the Owners and tenants of the Property and any additions thereto as may hereafter be brought within the jurisdiction of this Association, and for this purpose to:

(a) exercise all of the power and privileges and to perform all of the duties and obligations of the Association as set forth in that certain Declaration of Covenants, Conditions, Restrictions and Easements for Parkstone Condominiums, hereinafter called the "Declaration," applicable to the Property and recorded or to be recorded in the official records of Ada County, Idaho, and as the same may be amended from time to time as therein provided, said Declaration being incorporated herein as if set forth at length;

(b) fix, levy, collect and enforce payment by any lawful means, all charges or Assessments pursuant to the terms of the Declaration; to pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the Association, including all

licenses, taxes or governmental charges levied or imposed against the Property of the Association;

(c) acquire (by gift, purchase, or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Association;

(d) borrow money, and with the assent of sixty-seven percent (67%) of each class of Members of the Association, mortgage, pledge, deed-in-trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred;

(e) dedicate, sell or transfer all or any part of the Common Area to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the Members of the Association. No such dedication or transfer shall be effective unless an instrument has been signed by sixty-seven percent (67%) of each class of Members of the Association, agreeing to such dedication, sale or transfer;

(f) participate in mergers and consolidations with other non-profit corporations organized for the same purposes or annex additional commercial property and Common Area, provided that any such merger, consolidation or annexation shall have the assent of sixty-seven percent (67%) of each class or Members; and

(g) have and to exercise any and all powers, rights and privileges which a corporation organized under the Non-Profit Corporation Law of the State of Idaho by law may now or hereafter have or exercise.

ARTICLE VI MEMBERSHIP

Every person who is a record Owner of a fee or undivided fee interest in any Unit which is subject by covenants of record to Assessment by the Association, including contract sellers, shall be a Member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of any Unit which is subject to assessment by the Association. The Association shall also be a member of the owners' association to be formed subsequently for Heron River Village Center Owners' Association, Inc., or some similar association formed pursuant to the Declaration of Covenants, Conditions and Restrictions for Heron River (Parkstone Subdivision) No. 3 (Heron River Village Center).

ARTICLE VII VOTING RIGHTS

The Association shall have three (3) classes of voting membership:

Class A. Class A Members shall be all Owners, with the exception of the Declarant, and shall be entitled to one (1) vote for each Unit owned. When more than one person holds an interest in any Unit, all such persons or entities shall be Members of the Association. The vote for such Unit shall be exercised as the Owners of such Unit determine, but in no event shall more than one (1) vote be cast with respect to any Unit. Cumulative voting is not permitted.

Class B. The Class B Member of the Association shall be the Declarant (as defined in the Declaration), and shall be entitled to ten (10) votes for each Unit owned by Declarant. The Class B Membership shall cease and be converted to Class A Membership on the happening of either of the following events, whichever occurs earlier:

- (a) when one hundred percent (100%) of the Units have been conveyed by deed to Owners other than Declarant; or
- (b) on December 31, 2017.

ARTICLE VIII BOARD OF DIRECTORS

The affairs of the Association 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 Association, but in no event shall the number be fewer 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:

<u>NAME</u>	<u>ADDRESS</u>
Randy Steed	1250 E. Iron Eagle Drive, Suite 200 Eagle, ID 83616
Scott Raymes	1250 E. Iron Eagle Drive, Suite 200 Eagle, ID 83616
Scott Jones	1250 E. Iron Eagle Drive, Suite 200 Eagle, ID 83616

At the first annual meeting the Members shall elect one (1) director for a term of one (1) year, one (1) director for a term of two (2) years, and one (1) director for a term of three (3) years; and at each annual meeting thereafter the Members shall elect one (1) director for a term of three (3) years.

ARTICLE IX DISSOLUTION

The Association may be dissolved, either by unanimous written consent of all Members or by an alternative vote of not less than sixty-seven percent (67%) of each class of Members at a duly noticed meeting, provided there shall first have been obtained the express consent of the City of Star, a municipal corporation of the State of Idaho. Upon dissolution of the Association, other than incident to a merger or consolidation, the assets of the Association shall be dedicated to an appropriate public agency to be used for purposes similar to those for which this Association was created. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed and assigned to any non-profit corporation, association, trust or other organization to be devoted exclusively to such similar purposes. No part of the monies, properties or assets of the Association, upon dissolution or otherwise, shall inure to the benefit of any private person or individual or any Member of the Association. Notwithstanding any other provisions of these Articles, the Association shall not carry on any other activities not permitted by an organization exempt from federal income tax under Section 528 of the Internal Revenue Code of 1986 (or the corresponding provisions of any future United States internal revenue law).

ARTICLE X DURATION

The corporation shall exist perpetually.

ARTICLE XI AMENDMENTS

Amendment of these Articles shall require the consent of sixty-five percent (65%) of the entire ownership of the Association.

IN WITNESS WHEREOF, for the purpose of forming this corporation under the laws of the State of Idaho, I, the undersigned, the incorporator of this Association, have executed these Articles of Incorporation this 26th day of March, 2008.



Michael T. Spink