

ARTICLES OF INCORPORATION OF BLUE GROUSE CONDOMINIUM ASSOCIATION, INC. (REINCORPORATION)

The undersigned, acting as the incorporator of a nonprofit corporation organized under and pursuant to the Idaho Nonprofit Corporation Act, Chapter 3, Title 30, Idaho Code ("Act"), adopts the following Articles of Incorporation.

ARTICLE I

The name of the corporation is BLUE GROUSE CONDOMINIUM ASSOCIATION, INC., hereinafter called "Association."

ARTICLE II

The principal office of the Association is P.O. Box 254, 411 Leadville, Suite #1. Ketchum, Idaho 83340, and the name of the initial registered agent is Becky Klassen.

ARTICLE III

The name and address of the initial incorporator is:

Brian L. Ballard

Hawley Troxell Ennis & Hawley LLP P.O. Box 1617 Boise, ID 83701

ARTICLE IV

This Association is formed to be a Management Body as permitted by the provisions of the Idaho Condominium Property Act, Idaho Code, Title 55, Chapter 15, and its powers are and shall be consistent with the provisions of the Act.

ARTICLE V - PURPOSE AND POWERS OF THE ASSOCIATION

This Association does not contemplate pecuniary gain or profit to the members thereof, and the specific purposes for which it is formed are to provide for the maintenance, preservation and architectural control of the residence lots and common area within that certain tract of property described as Lots 5 and 6, Block 81, of the original Ketchum townsite, according to the official plat thereof on file in the office of the County Recorder, Blaine County, Idaho, and to promote the health, safety and welfare of the residents within the above-described property and any additions thereto as may hereafter be brought within the jurisdiction of this Association for this purpose to:

- (a) Exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as set forth in that certain Condominium Declaration for Blue Grouse Condominiums and any supplemental declaration for hereinafter called the "**Declaration**," applicable to the property and recorded in the Office of the Blaine County Recorder on January 26, 1979, as instrument No. 190830, 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 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. No such dedication or transfer shall be effective unless an instrument has been signed by three-fourths (3/4) of members agreeing to such dedication, sale or transfer;
- (f) Participate in mergers and consolidations with other nonprofit corporations organized for the same purposes or annex additional residential property and common area, provided that any such merger, consolidations or annexation shall have the assent of three-fourths (3/4) of members; and
- (g) Have and to exercise any and all powers, rights and privileges which a corporation organized under the Nonprofit Corporation Law of the State of Idaho by law may now or hereafter have or exercise.

ARTICLE VI - MEMBERSHIP

Every owner shall be entitled and required to be a member of the Association. If title to a condominium is held by more than one (1) person, the membership related to that condominium shall be shared by all such persons in the same proportionate interest and by the same type of tenancy in which the title to the condominium is held. An owner shall be entitled to one (1) membership for each condominium owned by him. No person or entity other than an owner may be a member of the Association, and membership in the Association may not be transferred except in connection with the transfer of a condominium, provided, however, that the rights of membership may be assigned to a mortgagee or beneficiary of the trust deed as further security for a loan secured by lien on a condominium.

ARTICLE VII - VOTING RIGHTS

The total number of votes which may be cast by all members of the Association shall be four (4). Each Association member shall have and be entitled to vote the same percentage of the total number of votes of the Association as such owner's percentage interest in the common area as set forth in Exhibit B of the Condominium Declaration.

ARTICLE VIII - BOARD OF DIRECTORS

The affairs of this Association shall be managed by a board of three (3) directors, who must be members of the Association. The number of directors may be changed by amendment of the Bylaws of the Association.

The names and addresses of the initial directors, who shall serve until the first election of directors are:

Gerard Kelly P.O. Box 573

Ketchum, ID 83340

Tanya Wasserman P.O. Box 6215

Ketchum, ID 83340

Pete Ross P.O. Box 3093

Ketchum, ID 83340

ARTICLE IX -DISSOLUTION

The Association may be dissolved with the assent given in writing and signed by all of its members or by adoption of a resolution of dissolution by a vote of at least two-thirds (2/3) of the outstanding shares of the corporation. 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 nonprofit corporation, association, trust or other organization to be devoted to such similar purpose.

ARTICLE X - DURATION

The corporation shall exist perpetually.

ARTICLE X - BYLAWS

Provisions for the regulation of the internal affairs of the Association are set forth in the Bylaws of the Association, which are filed in the Minute Book of the Association.

ARTICLE XII - AMENDMENTS

Amendments of these Articles shall require the approval of three-fourths (3/4) of the membership.

Brian L. Ballard, Incorporator

STATE OF IDAHO) ss. County of Ada)

On this 7th day of ______, 2000, before me, a Notary Public in and for said State, personally appeared Brian L. Ballard, known or identified to me to be the individual who executed the within and 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.

NOTAR DE LIC

Notary Public for Idaho
Residing at Boise 1

My commission expires 5/20/2000