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ARTICLES OF INCORPORATION

OF

PINERIDGE

TOWNHOMES OWNERS ASSOCIATION, INC.

The undersigned, acting as incorporator(s) of a corporation under the Idaho Nonprofit Corporation Act, adopt the following Articles of Incorporation.

ARTICLE I

NAME

The name of the corporation is PINERIDGE TOWNHOMES OWNERS ASSOCIATION, INC., hereinafter called "Association".

ARTICLE II

REGISTERED OFFICE AND REGISTERED AGENT

The registered office of the Association is 675 Sun Valley Road, Suite A, Ketchum, Idaho and the post office address is Post Office Box 3310 Ketchum, Idaho 83340. The registered agent of the Association is Edward A. Lawson, Esq. of Lawson & Laski, PLLC.

ARTICLE III

INCORPORATORS

The incorporator and his address are as follows:

Richard K. Robbins
C/O Wareham Development Corporation
1120 Nye Street, Suite 400
San Rafael, CA 94901

ARTICLE IV

PURPOSE AND POWERS OF THE ASSOCIATION

The purposes for which the Association is formed are:

(a) The specific and primary purposes for which the Association is formed are to be a residential real estate management association and to provide for the acquisition, construction, management, maintenance and care of real and personal property held by the Association or commonly held by the members of the Association or located in the development and owned by members of the Association and otherwise to act and be operated as a

“homeowners association” as defined in Section 528 of the Internal Revenue Code of 1986, as amended.

(b) Subject to the provisions of the recorded or to be recorded Declaration of Covenants, Conditions and Restrictions applicable to the development (hereinafter referred to as the “Declaration”), the general purposes and powers of the Association are:

(1) To promote the health, safety and welfare of the residents within the development;

(2) To 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 Declaration of Covenants, Conditions and Restrictions for the Pineridge Townhomes, and any supplemental declaration, hereinafter called the “Declaration”, applicable to the property and recorded or to be recorded in the Office of the Blaine County Recorder 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;

(3) To 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;

(4) To 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;

(5) To 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;

(6) To 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.

(7) To participate in mergers and consolidations with other nonprofit corporations organized for the same purposes or annex additional property and common area;

(8) To 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.

The foregoing statement of purposes shall be construed as a statement both of purposes and of powers, and purposes and powers in each clause shall in no way be limited or restricted by reference to or inference from the terms or provisions of any other clause, but shall be broadly construed as independent purposes and powers. Notwithstanding any of the above statements of purposes and powers, the Association shall not, except to an insubstantial degree, engage in any

activities or exercise any powers that are not in furtherance of the primary purposes of the Association.

ARTICLE V

MEMBERSHIP

Every person or entity who is a record owner of a fee or undivided fee interest in any Townhome which is subject by the declaration 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 Townhome which is subject to assessment by the Association.

ARTICLE VI

VOTING RIGHTS

The authorized number and qualifications of members of the Association, if any, the property, voting, and other rights and privileges of members, and their liability for assessments and the method of collection thereof, shall be as set forth in the Bylaws or the Declaration.

ARTICLE VII

BOARD OF DIRECTORS

The affairs of this Association shall be managed by a board of five (5) directors, who shall be members of the Association. The number of directors may be changed by amendment of the Bylaws of the Association.

The initial directors of the Association and their addresses are as follows:

Richard K. Robbins
1120 Nye Street, Suite 400
San Rafael, CA 94901

Gary Van Acker
1120 Nye Street, Suite 400
San Rafael, CA 94901

James Goddard
1120 Nye Street, Suite 400
San Rafael, CA 94901

ARTICLE VIII

DISSOLUTION

The Association may be dissolved as provided by law. Upon the dissolution of the Association, the Board of Directors shall, after paying or making provision for the payment of all of the liabilities of the Association, dispose of all of the assets of the Association exclusively for the purposes of the Association in such manner as the Board of Directors shall determine. Any such assets not so disposed of shall be disposed of by the District Court of the Fifth Judicial District of the State of Idaho, in and for Blaine County as said court shall determine.

ARTICLE IX

NONPROFIT LIMITATIONS

No part of the net earnings of the Association shall inure to the benefit of, or be distributable to, its members, Directors, Officers, or other private persons, except that the Association shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Article IV hereof. The Association shall not participate in, or intervene in (including the publishing or distribution of statements), any political campaign on behalf of any candidate for public office. Notwithstanding any other provision of these Articles, the Association shall not carry on any other activities not permitted to be carried on by a corporation exempt from federal income tax under Section 501(c)(4) of the Internal Revenue Code of 1986 (or the corresponding provision of any future Untied States Internal Revenue Law).

ARTICLE X

DURATION

The Association shall exist perpetually.

ARTICLE XI

AMENDMENTS

Amendments of these Articles shall require the vote of the members representing at least sixty-seven percent (67%) of the Association members entitled to vote, except as to amendments in these Articles relating to membership and voting as set forth in Article V of the Declaration and assessments as set forth in Section 6.4.3.B. of Article VI of the Declaration, which amendments shall require the vote of the members representing at least seventy-five percent (75%) of the Owners. Owners shall be entitled to cast their votes solely in accordance with Exhibit "A" to the Declarations setting forth the allocated percentage interest for voting rights.

IN WITNESS WHEREOF, for the purpose of forming this corporation under the laws of the State of Idaho, the undersigned, the incorporator of this Association, has executed these Articles of Incorporation this 29 day of November, 2005.

Richard K. Robbins