

FILED EFFECTIVE

2003 SEP 25 AM 8:35

2003 SEP 23 PM 12:58

STATE  
OF IDAHO

ARTICLES OF INCORPORATION

STATE  
IDAHO

OF

MOUNTAIN SAGE SUBDIVISION HOMEOWNERS' ASSOCIATION, INC.

KNOW ALL MEN BY THESE PRESENTS:

The undersigned, acting as the incorporator, hereby adopts the following Articles of Incorporation to incorporate and establishes the Mountain Sage Subdivision Homeowners' Association, Inc., pursuant to the Idaho Non-Profit Corporation Act.

ARTICLE I

NAME

The name of said corporation shall be the Mountain Sage Subdivision Homeowners' Association, Inc.

ARTICLE II

PURPOSE

The purpose for which this corporation is organized is to function as a property owners' association, and in that capacity to undertake all duties and obligations imposed upon it by the Declaration of Covenants, Conditions and Restrictions of Mountain Sage Subdivision, City of Hailey, Blaine County, Idaho, recorded November 1, 2002, as Instrument No. 473096, records of Blaine County, Idaho ("Declaration"), which relate to, and govern the use of certain real property within Mountain Sage Subdivision located in the City of Hailey, Blaine County, Idaho, and to otherwise transact all lawful activities related thereto.

ARTICLE III

TERM

This corporation shall be perpetual in duration, unless sooner terminated according to the laws of the State of Idaho.

IDAHO SECRETARY OF STATE  
09/29/2003 05:00  
CK: 68576 CT: 89379 BH: 784100  
1 @ 30.00 = 30.00 INC NONP # 2

C/51066

#### ARTICLE IV

##### INITIAL REGISTERED AGENT AND OFFICE

The initial Registered Office of the corporation shall be 2151A East 3950 North, Filer, Idaho, 83328, and the initial Registered Agent at that office shall be Crest Hughes.

#### ARTICLE V

##### INCORPORATOR

The Incorporator of this corporation is Crest Hughes, 2151A East 3950 North, Filer, Idaho, 83328.

#### ARTICLE VI

##### MEMBERSHIP

Interest in this non-profit corporation shall be evidenced by certificates of membership. Each owner of a Lot as that term is defined in the Declaration ("Lot") shall be a member of the corporation. Such membership shall at all times be identified with, and appurtenant to, the ownership of said Lot, and no membership shall be subject to or conditioned upon the approval of the Board of Directors of the corporation, or the other members of the corporation. There shall be the right to one (1) vote for each membership, whether said membership, and the appurtenant ownership in a Lot is held in common, jointly or separately. In the event any one (1) of said Lots is owned by more than one (1) person or entity, the membership or memberships appurtenant to that Lot shall be held by said persons or entities in the same fractional interest; provided, however, that all such owners shall be entitled to cast only one (1) vote collectively for each membership in the corporation. No person or entity who is not the owner of a Lot, or an interest therein, shall become or remain a member of the corporation, and each membership, or interest therein, shall be transferred automatically upon the transfer of ownership of the Lot, or interest therein, to which it is appurtenant.

#### ARTICLE VII

##### DUES AND ASSESSMENTS

Each member shall be deemed to covenant and agree with every other member, and with the corporation, to pay dues and assessments duly levied by the corporation for the purposes provided in

the Declaration and these Articles of Incorporation. Dues and assessments shall be made, secured, and collected as to each Lot, and the owners thereof, as provided for in the Declaration.

#### ARTICLE VIII

##### BY-LAWS

By-laws not inconsistent with the Articles of Incorporation may be adopted, altered, amended or repealed at any duly constituted meeting of the Board of Directors, by an affirmative vote of a majority of the members present at such meeting. A quorum for such meeting shall be the attendants of directors entitled to cast not less than a majority of the total votes entitled to be cast by all members of the Board of Directors.

#### ARTICLE IX

##### DIRECTORS

The corporation shall initially be managed by a Board of Directors comprised of three (3) persons. The initial Board of Directors shall consist of Crest Hughes, Judy Hughes and Christina Hughes, the mailing address for all of whom is 2151A East 3950 North, Filer, Idaho, 83328, who shall serve until the first organizational meeting of the members, at which time a new Board of Directors shall be elected, comprised of three (3) members, who shall be elected by a majority vote of the members of the corporation, and who shall serve a term of three (3) years from the date he or she is elected, or until his or her successor has been duly elected, which ever shall last occur.

#### ARTICLE X

##### DISTRIBUTION OF ASSETS ON DISSOLUTION

Upon dissolution, the assets of the corporation shall first be distributed toward the payment of its outstanding indebtedness, with the remainder, if any, then distributed to its members.

#### ARTICLE XI

##### AMENDMENT

These Articles of Incorporation may be amended only upon receiving the following approvals:

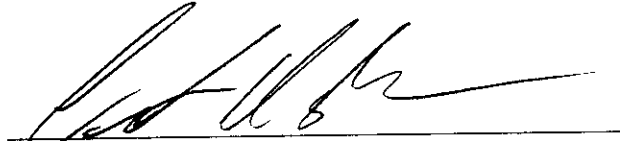
- A. By the affirmative vote of a majority of the full Board of Directors at a duly constituted meeting thereof called for the purpose of considering said amendment;

and

B. The affirmative vote of a majority of the total members of the corporation, cast at a duly constituted meeting of the members called for that purpose.

IN WITNESS WHEREOF, the undersigned has set his hand this 10<sup>th</sup> day of

September, 2003.



CREST HUGHES  
Incorporator

!r\w\Corp\Artsnp.Mountain Sage Subdivision