

CERTIFICATE OF INCORPORATION
OF

STONE HILL CONDOMINIUM ASSOCIATION, INC.

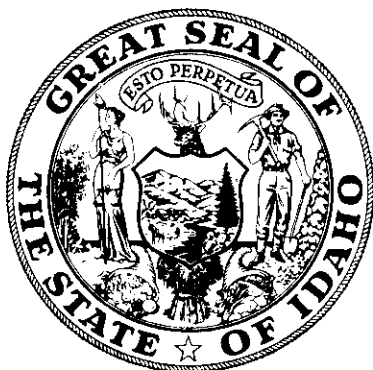
I, PETE T. CENARRUSA, Secretary of State of the State of Idaho, hereby certify that duplicate originals of Articles of Incorporation for the incorporation of _____

STONE HILL CONDOMINIUM ASSOCIATION, INC.

duly signed pursuant to the provisions of the Idaho Nonprofit Corporation Act, have been received in this office and are found to conform to law.

ACCORDINGLY and by virtue of the authority vested in me by law, I issue this Certificate of Incorporation and attach hereto a duplicate original of the Articles of Incorporation.

Dated March 16, 19 82.



SECRETARY OF STATE

Corporation Clerk

ARTICLES OF INCORPORATION
OF
STONE HILL CONDOMINIUM ASSOCIATION, INC.

The undersigned do hereby associate ourselves together for the purpose of forming a non-profit corporation, pursuant to the applicable laws of the State of Idaho relating to such corporations and do hereby certify, declare and adopt the following Articles of Incorporation:

1. The name of the corporation is and shall be Stone Hill Condominium Association, Inc., hereinafter referred to as "the Association". The principal place of business of the Association shall be Blaine County, Idaho, and the Association's address shall be: c/o Kennedy, duPont & Crabtree, 301 Westside Offices, Ketchum, mailing address P. O. Box 2165, Ketchum, Idaho, 83340. The registered agent of the corporation, at said address, shall be J. Stephen Crabtree.

2. The Association is and shall be a non-profit corporation, and is formed pursuant to, and in accordance with, Idaho Code Sections 30-301 through 30-332, inclusive. The Association does not contemplate pecuniary gain or profit to the members thereof. The Association is formed to be a Management Body, as permitted by the provisions of the Idaho Condominium Property Act, Idaho Code Section 55-1501, et seq., and the powers and functions of the Association shall be consistent with the provisions of said Act.

3. Subject to dissolution in the manner provided by Idaho law regarding general business corporations, the life of this Association shall be perpetual.

4. The nature of the business, and the objects and purposes, of this corporation shall be as follows:

(a) This corporation ("the Association") shall be the "Management Body", as defined in Idaho Code Section

55-1503, and as provided for in the terms and conditions of that certain Condominium Declaration for Stone Hill Condominiums (hereinafter referred to as the "Declaration"), which Declaration delegates and authorizes this Association to exercise certain functions as the Management Body. The Declaration is to be recorded in the office of the County Recorder of Blaine County, Idaho, together with a copy of these Articles of Incorporation.

(b) The Association shall have the power to exercise and enforce all rights and privileges, and to assume, incur, perform, carry out and discharge all duties, obligations and responsibilities, of a Management Body, as provided for in the Idaho Condominium Property Act and in the Declaration, as such Declaration is originally executed, or if amended, as amended. The Association shall have the power to adopt and enforce rules and regulations covering the use and functioning of the Stone Hill Condominiums, or any area of units thereof, and, in general, to assume and perform all of the functions to be assumed and performed by the Management Body, as provided for in the Declaration. The Association shall have the power to transfer, assign or delegate any or all of such duties, obligations or responsibilities to other persons or entities, as permitted or provided for in the Idaho Condominium Property Act, the Declaration, or in an agreement executed by the Association with respect to such assignment or delegation. The Association shall actively foster, promote, and advance the interests of all owners of condominium units in the Stone Hill Condominiums.

(c) The Association shall fix, levy, collect, and enforce payment, by any lawful means, of all charges or assessments, including annual and special assessments, which may be deemed necessary to properly manage and maintain the Association and the Stone Hill Condominiums, and to pay all expenses in connection therewith, and all other 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.

(d) To acquire by gift, purchase, or otherwise, and to 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.

(e) To borrow money, and, with the assent of two-thirds of the members of the Association, to mortgage, pledge, or encumber any or all of its real or personal property as security for money borrowed or debts incurred.

(f) To dedicate, sell or transfer all or any part of the common areas of the condominium project to any public agency, authority or utility for such purposes, and subject to such conditions, as may be agreed upon by the members of the Association. No such dedication or transfer shall be effective unless an instrument has been signed by two-thirds of the members, agreeing to such dedication, sale or transfer.

(g) To participate in mergers and consolidations with other non-profit associations organized for the same or similar purposes, or to annex additional residential property and common areas, provided that any such merger or consolidation shall have the assent of two-thirds of the members.

(h) To act as purchasing agent for goods and services for the members of the Association only.

(i) In general, to carry on any other business in connection with the foregoing, and to have and exercise all of the powers conferred by the laws of Idaho upon corporations, as qualified and limited by Idaho Code Sections 30-301 through 30-332, inclusive.

(j) The foregoing clauses shall be construed as objects, purposes and powers; it is hereby expressly provided that any enumeration of specific powers contained herein shall

not be held to limit or restrict in any manner the powers of this Association, except as provided in subparagraph (i) herein.

5. Every person or entity who is a record owner of a condominium unit in the Stone Hill Condominiums shall be a member of the Association, and shall be entitled to receive a certificate of membership. There shall be one membership in the Association for each condominium unit in the Stone Hill Condominiums, as established in the Declaration. The members of the Association must be and remain owners of condominium units within the project, and the Association shall include all owners of condominium units within said project. If title to a condominium unit is held by more than one person or entity, the membership relating to that condominium shall be shared by all such persons or entities in the same purportionate interest and the same type of tenancy in which the title to said condominium is held.

No person or entity other than an owner may be a member of the Association. A member shall not assign or transfer his membership certificate, except in connection with the transfer or sale of a condominium unit. Every person or entity who is an owner of any condominium unit in the Stone Hill Condominiums project shall be required to be a member of the Association and remain a member so long as such person or entity shall retain the ownership of such a condominium unit. Membership in the Association is declared to be appurtenant to the title of the condominium unit upon which such membership is based, and said membership automatically shall pass with the sale or transfer of the title of said condominium unit. Members shall not have preemptive rights to purchase other memberships in the Association, or other condominium units in the project.

The voting rights of a member of the Association shall be determined by the owner member's percentage interest in the "common area" of the condominium project, as described in the Declaration. Therefore, the voting rights of each member

owner will not in all cases be equal. The Declaration, or any exhibit attached thereto, shall set forth the percentage interest of each owner member in the "common area", which interest shall depend upon the number and type of condominium units owned. Each member shall be entitled to vote each membership owned according to the percentage that the condominium represented by any such membership has in the "common area". The voting rights and interests of new members shall be determined in the same manner as such percentage interests and rights were determined for old members.

6. Each member shall be liable for the payment of assessments provided for in the declaration, and for the payment and discharge of the liabilities of the Association, as provided for in the Declaration, the Idaho Condominium Property Act, and as set forth in the By-laws of the Association.

7. The affairs of the Association shall be managed by a Board of Directors, each member of which shall be a member of the Association. The number of directors of the Association shall be three (3). The number of directors may be changed by amendment of the By-laws of the Association. Said directors shall serve for a term of one year and until their respective successors are elected, or until resignation or removal, provided, that if any director ceases to be an owner of a condominium unit, his membership and tenure as a director shall thereupon terminate. The following persons are appointed to act as initial directors until the first election of directors:

<u>Name</u>	<u>Address</u>
<u>Kenneth P. Kester</u>	<u>301 116th Ave. S.E., Bellevue, WA</u> <u>98006 Suite 200</u>
<u>Stephen Crabtree</u>	<u>P.O. Box 437-A, Ketchum, ID 83340</u>
<u>D.B. Aitkins</u>	<u>P.O. Box 3962-B, Bellevue, WA 98009</u>

8. These Articles of Incorporation may be amended by the membership of the Association, but such amendment shall require the affirmative vote of two-thirds of the entire membership.

9. The names and post office addresses of the incorporators of the Association are as follows:

<u>Name</u>	<u>Address</u>
<u>Kenneth P. Kester</u>	<u>301 116th Ave. S.E., Bellevue, WA</u> <u>98004 Suite 200</u>
<u>Stephen Crabtree</u>	<u>P.O. Box 437-A, Ketchum, ID 83340</u>
<u>D.B. Aitkins</u>	<u>P.O. Box 3962-B, Bellevue, WA 98009</u>

IN WITNESS WHEREOF, the undersigned incorporators have hereunto set their hands this 15th day of March, 1982.

Kenneth P. Kester

Stephen Crabtree

D.B. Aitkins

ACKNOWLEDGEMENTS

STATE OF IDAHO)
) ss.
County of Blaine)

On this 15th day of March, 1982, before me, the undersigned, a Notary Public for said State, personally appeared Kenneth P. Kester, known to me to be the person whose name is subscribed to the 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.

[Signature]
Notary Public for IDAHO
Residing at Ketchum, Idaho

STATE OF IDAHO)
) ss.
County of Blaine)

On this 15th day of March, 1982, before me, the undersigned, a Notary Public for said State, personally appeared D. B. Aitkins, known to me to be the person whose name is subscribed to the 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.

J. Stephen Crabtree
Notary Public for IDAHO
Residing at Ketchum, Idaho

STATE OF IDAHO)
) ss.
County of Blaine)

On this 15th day of March, 1982, before me, the undersigned, a Notary Public for said State, personally appeared J. Stephen Crabtree, known to me to be the person whose name is subscribed to the 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.

James B. Doyant
Notary Public for Idaho
Residing at Ketchum, Ida