

State of Idaho

Department of State

CERTIFICATE OF INCORPORATION OF

ARROWWOOD CONDOMINIUMS PHASE II ASSOCIATION, INC.
File number C 116562

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 ARROWWOOD CONDOMINIUMS PHASE II 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: September 26, 1996



Pete T. Cenarrusa
SECRETARY OF STATE

By *Sari Smock*

SEP 26 8 55 AM '96

ARTICLES OF INCORPORATION

SECRETARY OF STATE
STATE OF IDAHO

OF

ARROWWOOD CONDOMINIUMS PHASE II ASSOCIATION, INC.

IDAHO SECRETARY OF STATE
DATE 09/26/1996 0900 27835

CK # 4124 CUST# 5149

INC NONP

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KNOW ALL MEN BY THESE PRESENTS: That we, the undersigned, each being a natural person of full age and a citizen of the United States of America, have voluntarily and do hereby associate ourselves together for the purpose of forming a corporation under the laws of the state of Idaho, title 30, chapter 3, Idaho Code. We do hereby certify, declare, and adopt the following Articles of Incorporation:

ARTICLE I

The name of this corporation is Arrowwood Condominiums Phase II Association, Inc. This corporation is hereinafter referred to as the "Association."

ARTICLE II

The period of existence and duration of the life of the Association shall be perpetual.

ARTICLE III

The Association shall be a nonprofit membership corporation.

ARTICLE IV

The location and post office address of the registered office of the Association shall be the City of Sun Valley, RANCH CLUBHOUSE ELKHORN VILLAGE SUN VALLEY [street address], P.O. Box 1291, Ketchum [post office address], Idaho 83353, and the Association's registered agent at that address shall be Stephen B. Fitts.

ARTICLE V

The Association is formed to be a Management Body as permitted by the provisions of the Idaho Condominium Property Act, title 55, chapter 15, Idaho Code, and the Association's powers are and shall be consistent with the provisions of the Act.

ARTICLE VI

Section 1. The nature of the business and the object and purpose of the Association shall be as follows:

ARTICLES OF INCORPORATION OF ARROWWOOD
CONDOMINIUMS PHASE II ASSOCIATION, INC. - 1

(a) The Association shall be the "Management Body" as defined in Section 55-1503, Idaho Code, and as provided for in the terms and conditions of that certain Condominium Declaration for Arrowwood Condominiums Phase II (hereinafter referred to as the "Declaration") to be executed by the Dempsey Construction Corporation, which delegates and authorizes the Association to exercise certain functions as the Management Body. The Declaration shall be recorded in the Office of the County Recorder of Blaine County, State of Idaho, together with a copy of these Articles of Incorporation appended thereto.

(b) The Association shall have the power to have, 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 of any condominium project or any area or units thereof, to levy and collect the annual and special assessments and charges against the condominiums and the members thereof, and in general to assume and perform all the functions to be assumed and performed by a Management Body as provided for in the Declaration. The Association shall have the power to transfer, assign, or delegate 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 thereto. The Association shall actively foster, promote, and advance the interest of owners of condominium units within the condominium project.

Section 2. In addition to the foregoing, where not inconsistent with either the Idaho Condominium Property Act (title 55, chapter 15, Idaho Code) or Title 10, Idaho Code, the Association shall have the following powers:

(a) The Association shall have the authority set forth in Title 30 of the Idaho Code relating to the organization and conduct of general business corporations.

(b) The Association shall have the authority to buy, sell, acquire, hold, mortgage, or enter into security agreements and to pledge lease, assign, transfer, trade, and deal in and with all kinds of personal property, goods, machinery, and merchandize of every kind, nature, and description.

(c) The association shall have the authority to buy, sell, lease, let, mortgage, exchange, or otherwise acquire or dispose of lands, lots, houses, buildings, real property, hereditaments, and appurtenances of all kinds and wheresoever situated and of any interest and rights therein, to the same extent as natural persons might or could do and without limit as to amount.

(d) The Association shall have the authority to borrow money, to draw, make accept, enforce, transfer and execute promissory notes, debentures, and other evidences of

indebtedness, and, for the purpose of securing any of the Association's obligations or contracts, to convey, transfer, assign, deliver, mortgage, and/or pledge all or any part of the property or assets, real or personal, at any time owned or held by the Association.

(e) The Association shall have the authority to have one or more offices to carry on all or any part of the Association's operations and business and to do all and everything necessary, suitable, convenient, or proper for the accomplishment of any of the purposes or the attainment of any one or more of the objects herein named or which shall at any time appear conducive or expedient for the protection or benefit of the Association and which now or hereafter may be authorized by law, and to the same extent and as fully as natural persons might or could do as principals, agents, contractors, trustees, or otherwise and either alone or in connection with any firm, person, association, or corporation.

(f) The foregoing clauses are to be construed both as objects and powers. As hereby expressly provided, an enumeration herein of the objects, powers, and purposes shall not be held to restrict in any manner the general powers of the Association. The Association shall have the power to do all acts that are necessary and convenient to obtain the objects and purposes herein set forth to the same extent and as fully as any natural person could or might do, within the framework of the Idaho Condominium Property Act, these Articles of Incorporation, and the general corporation laws of the state of Idaho.

ARTICLE VII

Section 1. Each member shall be entitled to receive a certificate of membership, which certificate shall state the number of votes that member is entitled to cast as a member of the Association.

Section 2. There shall be one membership in the Association for each condominium in Arrowwood Condominiums Phase II, as established in the Declaration. The members of the Association must be and remain owners of condominiums within the project set forth in the Declaration to be recorded in Blaine County, State of Idaho, and the Association shall include all owners of condominiums within the project. If title to a condominium is held by more than one person, the membership relating to that condominium shall be shared by all such persons in the same proportionate interest and the same type of tenancy in which the title to the condominium is held.

Section 3. No person or entity other than an owner may be a member of the Association. A member shall not assign or transfer such member's membership certificate except in connection with the transfer or sale of a condominium. Every person or entity who is an owner of any condominium unit included in any condominium project for which the Association has been or may be designated as a Management Body 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 the 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 automatically shall pass with the sale or transfer of the title of the unit. Members shall not have preemptive rights to purchase other membership in the Association or other condominium units in the project.

Section 4. The voting rights and interests of a member of the Association shall be determined by the owner member's percentage interest in the "common area" of the condominium project described in the Declaration, as the term "Common Area" is defined in Section 55-1503 of the Idaho Code; therefore, the voting rights and interests of each member owner will not in all cases be equal. The Declaration, or an exhibit attached thereto, shall set forth the percentage interest of each member in the common area, which interest depends upon the number and type of condominium units. The voting rights and interests of new members shall be determined in the same way as such percentage interests and rights were determined for old members.

Section 5. The total number of votes that attach to membership certificates shall be exercised by the members of the Association from and after the date of the incorporation. Each member shall be entitled to vote the same percentage of the ten thousand (10,000) votes, as that member is given percentage in the common area.

ARTICLE VIII

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 (title 55, chapter 15, Idaho Code), and as set forth in the Bylaws of the Association.

ARTICLE IX

The Bylaws the Association may be altered, amended, or new bylaws adopted at any regular or special meeting of the Association called for that purpose by the affirmative vote of two-thirds (2/3) of the members present at such meeting. The Bylaws may also be amended or repealed or new bylaws adopted at any meeting of the Board of Directors by the vote of at least a majority of the entire Board of Directors, provided, any bylaw adopted by the Board of Directors may be amended or repealed by the stockholders in the manner set forth above.

Any proposal to amend or repeal these Bylaws or to adopt new bylaws shall be stated in the notice of the meeting of the Board of Directors or the members or in the waiver of notice thereof, as the case may be, unless all of the directors or the members are present at such meeting.

ARTICLE X

For the purpose of specifying in detail the rights, responsibilities, duties, and obligations of the Board of Directors, the officers, employees, and agents of the Association and the members thereof, including the liability of the members for the payment of assessments, the Bylaws may incorporate by reference the provisions of the Declaration recorded in Blaine County, State of Idaho, provided that a true and correct copy of such Declaration is attached to and made a part of the Bylaws of the Association.

ARTICLE XI

The business and affairs of the Association shall be managed and controlled by the Board of Directors. The original Board of Directors shall consist of three (3) directors; however, the Bylaws of the Association may provide for an increase or decrease in the number of directors, provided that the number of directors shall not be greater than nine (9) or less than three (3). The names and addresses of the initial Board of Directors are as follows:

<u>Name</u>	<u>Address</u>
<u>Thomas J. Dempsey</u>	<u>P.O. Box 1291</u> <u>Ketchum, ID 83340</u>
<u>Stephen B. Fitts</u>	<u>P.O. Box 1291</u> <u>Ketchum, ID 83340</u>
<u>Richard Kassebaum</u>	<u>P.O. Box 1291</u> <u>Ketchum, ID 83340</u>

ARTICLE XII

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

<u>Name</u>	<u>Address</u>
<u>Thomas J. Dempsey</u>	<u>P.O. Box 1291</u> <u>Ketchum, ID 83340</u>
<u>Stephen B. Fitts</u>	<u>P.O. Box 1291</u> <u>Ketchum, ID 83340</u>
<u>Richard Kassebaum</u>	<u>P.O. Box 1291</u> <u>Ketchum, ID 83340</u>

ARTICLE XIII

No part of the net earnings of the Association shall inure to the benefit of any private member or individual, other than by acquiring, constructing, or providing management, maintenance, and care of property held by the Association, commonly held by the members of the Association, or located in the development and owned by members of the Association, and other than by a rebate of excess membership dues, fees, or assessments. Upon dissolution of the association, after paying or making provision for the payment of all liabilities of the Association, the Board of Directors shall distribute all of the assets of the Association consistent with the purposes of the Association to such organizations as shall at that time qualify as an exempt organization under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, in such manner as the Board of Directors shall determine and consistent with applicable law.

IN WITNESS WHEREOF, We have hereunto set our hands and seals this 24 day
of September, 1996.



Thomas J. Dempsey



Stephen B. Fitts



Richard Kassebaum

STATE OF IDAHO)

County of Ada) ss.
~~ADAMS~~)

On this 24 day of September, 1996, before me, _____
the undersigned notary public in and for said state, personally appeared STEPHEN B. FITTS
known or identified to me to be the person whose name is subscribed to 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.





Notary Public for Idaho

Residing at Harley

Commission Expires 10-9-99