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SECRETARY OF STATE
STATE OF IDAHO

ARTICLE I **NAME**

The name of the corporation is Mountainside Village Association, Inc., hereinafter called the "Association".

ARTICLE II **PURPOSES**

The Association does not contemplate monetary gain or profit to the Members thereof, and the specific purposes for which it is formed are to provide for the management, maintenance and care of certain real estate within the development known as "Mountainside Village" located in Victor, Idaho according to those plats recorded in the Teton County Recorder's Office, Driggs, Idaho as Instrument #s 171131 and 183464, and any other properties that may be made subject to the Mountainside Village Community Operating Agreement and Mountainside Village Book of Operating Principles (the "Book") recorded in the in the Teton County Recorder's Office as Instrument # 171686, as the same may be amended or supplemented from time to time, and to provide a means whereby the Members, acting together, may provide for the management, maintenance, care and operation of the Commons and for this purpose to: (a) enforce the Book and exercise all of the powers and privileges and perform all of the duties and obligations of the Association thereunder; (b) fix, levy, collect and enforce payment by any lawful means of all charges or assessments pursuant to the Book and the Bylaws of the Association; (c) pay all expenses of the Association; (d) subject to the Book and the Bylaws, acquire, 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; and (e) have and exercise any and all powers, rights and privileges which a corporation organized under the Idaho Nonprofit Corporation Act, as amended, may by law now or hereafter have or exercise. No part of the net earnings of the Association shall inure (other than by providing management, maintenance and care of the Commons and other than by a rebate of excess membership dues, fees and assessments) to the benefit of any private individual.

ARTICLE III **DEFINITIONS**

Except as expressly defined herein, all capitalized terms used herein shall have the respective meanings set forth in the Book and/or the Bylaws.

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ARTICLE IV **MEMBERSHIP**

The Association shall have three Classes of Members as set forth in the Bylaws. Every Owner of a Parcel subject to the Book shall be a Member of the Association. Membership of an Owner shall not be separated from ownership of such Parcel. Upon the closing of the sale of a Parcel, the membership appurtenant to the Parcel of the selling Owner shall cease and the purchasing Owner shall become a Member of the Association.

ARTICLE V **VOTING RIGHTS**

Section 5.1 Votes. Each Member shall be entitled to cast that number of votes equal to relative value allocated to his Parcel type under the Book. Where ownership of a Parcel is in more than one person or is held by an entity, voting shall be conducted in accordance with the Bylaws.

Section 5.2 Suspension of Voting Rights. The Board of Directors of the Association (the "Board") may suspend the voting rights of any Member subject to assessment under the Book during the period when any assessment shall remain delinquent, but upon payment of such assessment, the voting rights of such Member shall automatically be restored.

ARTICLE VI **BOARD OF DIRECTORS**

Section 6.1 Number and Classes of Directors. The number of directors shall be five. There shall initially be three classes of directors, Class A, Class B and Class C. Class A directors shall be elected by the Class A Members; Class B directors shall be elected by the Class B Members; and Class C directors shall be appointed by the Founder. Initially, all five (5) directors shall be Class C directors. Once 20 Parcels in the Neighborhood have been purchased by Members other than the Founder or its designated entities, there shall be one (1) Class A Director and four (4) Class C Directors. Once 85 Parcels in the Neighborhood have been purchased by Members other than the Founder or its designated entities, there shall be one (1) Class A Director, one (1) Class B Director, and three (3) Class C Directors. Once 170 Parcels in the Neighborhood have been purchased by Members other than the Founder or its designated entities, there shall be two (2) Class A Directors, one (1) Class B Director, and two (2) Class C Directors. After all the Parcels in the Neighborhood have been conveyed to Members other than the Founder or its designated entities, there shall be only two classes of directors, Class A and Class B, and the Board shall consist of four (4) Class A Directors and one (1) Class B Director. The Founder may, at its sole option, accelerate the point(s) in time where there Members elect additional Class A and Class B Directors. The Class C Directors need not be Members.

Section 6.2 Founder's Right to Appoint and Remove Directors. Founder shall have the right to appoint or remove Class C Directors.

Section 6.3 Election of Class A and Class B Directors. Each Class A Director shall be elected by a vote of the Class A Members. Each Class B Director shall be elected by a vote of the Class B Members.

Section 6.4 Removal of Class A and Class B Directors. At any regular or special Duly Called Meeting of the Association where the meeting notice states that the purpose, or one of the purposes, of the meeting is removal of one or more Class A Directors, such Class A Director(s) may be removed, with or without cause, by a majority of the votes entitled to be cast by the Class A Members. Similarly, at any regular or special Duly Called Meeting of the Association where the meeting notice states that the purpose, or one of the purposes, of the meeting is removal of one or more Class B Directors, such Class B Director(s) may be removed, with or without cause, by a majority of the votes entitled to be cast by the Class B Members.

Section 6.5 Vacancies. When there are no longer any Class C Directors on the Board, vacancies in the Board occurring for any reason other than the removal of a director by vote of the Members shall be filled by a vote of the majority of the remaining directors, even though less than a quorum, at any meeting of the Board. During the period when Class A and Class C, or Class A, B and C Directors are on the Board, if a vacancy occurs as to the Class A or Class B Director(s), the remaining directors (or, if none, the Founder) shall call a special meeting of the Association as soon as practical thereafter in order to elect new Class A or Class B Director(s) as appropriate. The Founder shall fill all vacancies of Class C Directors. Each person elected or appointed to fill a vacancy as described in this section shall serve the unexpired portion of the term of the director being replaced.

Section 6.6 Disqualification for Contracts with Founder. As long as the requirements of Section 30-3-81 of the Idaho Code are met, no director shall be required to disqualify himself or herself upon any vote upon any management contract or other contract or lease or matter between the Founder (or any individual, partnership, corporation or other entity having an affiliation with the Founder) and the Association.

Section 6.7 Term of Office. Class A and Class B Directors, other than those elected to fill the unexpired portion of the term of a director being replaced as provided for in Section 6.5 above, shall serve until the second annual meeting following their election. Directors may be reelected for subsequent terms. Class C Directors shall serve until required to resign due to the transition provisions of Section 6.1 of these Articles of Incorporation or until removed by the Founder.

ARTICLE VII

LIMIT ON LIABILITY AND INDEMNIFICATION

Section 7.1 Limit on Liability. In every instance in which the Idaho Nonprofit Corporation Act, as it exists on the date hereof or may hereafter be amended from time to time, permits the limitation or elimination of liability of directors or officers of a corporation, the directors and officers of this Association shall not be liable to the Association or its Members.

Section 7.2 Mandatory Indemnification. The Association shall indemnify any individual who is, was or is threatened to be made a party to a civil, criminal, administrative,

investigative or other proceeding (including a proceeding by or in the right of the Association or by or behalf of its Members) because such individual is or was a director or officer of the Association, or of any other legal entity controlled by the Association, against all liabilities and reasonable expenses incurred by him or her on account of the proceeding in accordance with Section 30-3-88 of the Idaho Code, and, except such liabilities and expenses as are incurred because of his or her willful misconduct or knowing violation of the criminal law. Unless a determination has been made that indemnification is not permissible, the Association shall make advances and reimbursement for expenses incurred by any of the persons named above upon receipt of an undertaking from him or her to repay the same if it is ultimately determined that such individual is not entitled to indemnification. The Association is authorized to contract in advance to indemnify any of the persons named above to the extent it is required to indemnify them pursuant to this Section.

Section 7.3 Miscellaneous. The rights of each person entitled to indemnification under this Article shall inure to the benefit of such person's heirs, executors and administrators. Indemnification pursuant to this Article shall not be exclusive of any other rights of indemnification to which any person may be entitled, including indemnification pursuant to a valid contract, indemnification by legal entities other than the Association and indemnification under policies of insurance purchased and maintained by the Association or others. However, no person shall be entitled to indemnification by the Association to the extent he or she is indemnified by another, including an insurer.

ARTICLE VIII **DISSOLUTION**

If and when the Association is dissolved, all of the assets of the Association shall be transferred to another nonprofit owners' association or governmental agency having a similar purpose.

ARTICLE IX **AMENDMENT**

Subject to the Book, these Articles may be amended with the approval of two-thirds of the voting interests and, during the period in which the Founder may appoint Class B Directors, the consent of the Founder. The Board may amend these Articles in accordance with Section 30-3-90 of the Idaho Code, with the consent of the Founder during the time in which the Founder may appoint Class B Directors.

ARTICLE X **REGISTERED OFFICE AND AGENT**

The name of the registered agent is Tim Conroy, who is a resident of Idaho and whose business office is the same as the registered office. The post office and street address of the registered office, which is located in the City of Victor, Idaho is 541 Village Way, Victor, ID 83455.

ARTICLE XI
INITIAL DIRECTORS

The initial directors and their respective addresses are:

Lawrence Thal

2160 Coyote Loop
Wilson, WY 83014

Laurie Thal

3800 W. Linn Dr.
Wilson, WY 83014

Richard Thal

PO BOX 2965
Madison, WI 53701-2965

Meagan Shoaf

519 Village Way
Victor, ID 83455

Tim Conroy

PO Box 734
Wilson, WY 83014

Dated September 26, 2008



Paul E. D'Amours, Incorporator

Address of Incorporator:
Hess Carlman & D'Amours, LLC
PO Box 449
Jackson, WY 83001

**Articles of Incorporation
of
Mountainside Village Association, Inc.**

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