



Department of State

**CERTIFICATE OF INCORPORATION
OF**

PEBBLE CREEK MASTER ASSOCIATION, INC.

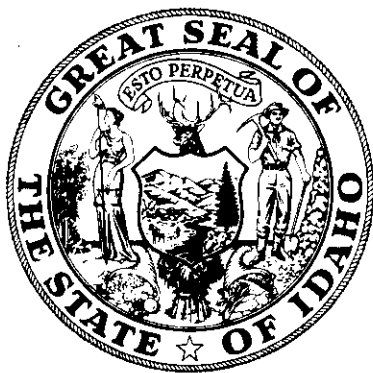
I, PETE T. CENARRUSA, Secretary of State of the State of Idaho, hereby certify that duplicate originals of Articles of Incorporation for the incorporation of _____

PEBBLE CREEK MASTER 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 December 26, 19 79



Pete T. Cenarrusa

SECRETARY OF STATE

Muriel F. Artisch

Corporation Clerk

ARTICLES OF INCORPORATION
OF **DEC 26 3 27 PM '79**
PEBBLE CREEK MASTER ASSOCIATION, INC. **SECRETARY OF STATE**

KNOW ALL MEN BY THESE PRESENTS: That we, the undersigned, being natural persons of full age and citizens of the United States, in order to form a corporation pursuant to Section 30-301 through 30-332, Idaho Code which corporation shall be a non-profit corporative association, for the purposes hereinafter stated, under and pursuant to the provisions of Chapter 3, Title 30, Idaho Code, and the general corporation laws of the State of Idaho except where they may be in conflict with the above-referred to Sections, and all the Acts amendatory thereof and supplemental thereto, do hereby certify as follows:

FIRST

NAME

The name of the corporation is Pebble Creek Master Association, Inc.

SECOND

DEFINITIONS

For purposes of these Articles, the following words and terms shall be accorded definitions as follows:

AECC Rules and Standards: The Rules and Standards promulgated by the AECC as described herein.

Annexed Lands. Parcels of real property added to Pebble Creek by the annexation procedure.

Articles: These Articles of Incorporation of the Master Association which have been filed in the office of the Secretary of State of the State of Idaho.

Board: The Board of Directors and Managers of the Master Association.

Bylaws: The Bylaws of the Master Association which have been or shall be adopted by the Board.

Condominium: A Condominium as defined in Section 55-101B of the Idaho Code, i.e., an estate consisting of (i) an undivided interest in common real estate, in an interest or interests in real property, or in any combination thereof, together with (ii) a separate interest in real property, in an interest or interests in real property, or in any combination thereof.

Condominium Project: A project as defined in Section 55-1503(b) of the Condominium Act of the State of Idaho, i.e., the entirety of an area divided or to be divided into condominiums.

Grantor: Pebble Creek Land Company, an Idaho corporation.

Development: The project to be carried out by Grantor (or that process) resulting in the improvement of Pebble Creek, including landscaping, construction of roadways, utility services and other improvements.

Master Association. That non-profit corporation, or any successor thereof, formed for the purpose of administering the Master Declaration and assuming the duties and obligations set forth therein.

Master Association Assessments: Those regular, special and limited Assessments to be determined by the Board and levied on owners of Pebble Creek.

Master Association Properties: All real and personal property in which the Master Association now or hereafter owns an interest or which is leased by the Master Association for the use of its members.

Master Association Rolls: The official record of owners/members of real property within the Master Association of Pebble Creek regularly kept and maintained under the direction and supervision of the Board.

Notice of Annexation: That notice required by Section 2.06 of the Master Declaration where the Grantor annexes real property contiguous to Pebble Creek, which real property shall be subject to the Master Declaration.

Owner: The record owner, whether one or more persons or entities, of a fee simple title to any real property on Pebble Creek, including contract sellers; provided, however, that prior to the conveyance of any part or portion of an area subject to the Master Declaration, the owner of such area shall be the Grantor.

Owner-Purchaser: A person other than the Grantor who has purchased a Lot, Unit or Tract and is presently the record owner.

Person: A natural individual or any other entity with the legal right to hold title to real property.

Pebble Creek: The parcels of real property described on Exhibit A to the Master Declaration and to which all provisions of the Master Declaration apply.

Property: That real property located within Pebble Creek.

Sub-Association(s): Any not-for-profit Idaho corporation or unincorporated association or the successors of any of them, organized and established by Grantor or by any Owner or group of Owners pursuant to or in connection with a Supplemental Declaration recorded by Grantor for any individual tract.

Sub-Association Assessments: Those regular and special assessments certified by the Presidents and Secretaries of the Sub-Associations to the Master Association which then levies the Assessments on members of the respective sub-Associations and collects the same.

Sub-Association Board: The duly elected and qualified Board of Directors and Managers of a respective Sub-Association.

Sub-Association Properties: All real and personal property in which a Sub-Association now or hereafter owns an interest or which is leased by any one of the Sub-Association for the use of its members.

Sub-Association Rolls: The official record of owners/members of real property within each Sub-Association of Pebble Creek regularly kept and maintained under the direction of the Board.

Sub-Association Rules and Regulations: Those rules and regulations promulgated by the Sub-Association Board and approved by the Board relating to governing conduct upon and use of property of Sub-Association owners/members and Sub-Association Properties, the imposition of fines and forfeitures for violation of Sub-Association Rules and Regulations, and procedural matters for use in the conduct of business of the Sub-Associations.

Subdivision: A parcel of real property on which has been divided or separated into Lots, shown on a Recorded Subdivision Plat.

Tract: An area of Pebble Creek. A Tract may consist of all or parts of one or more Subdivisions, with some degree of commonality, or one or more Lots, whether or not shown as such on any subdivision plat, as the Grantor shall designate from time to time throughout the period of the development.

Unit: A condominium as defined within these definitions.

THIRD

PURPOSES AND OBJECTS

The purposes and objects for which the corporation is formed are:

(a) To provide an entity whose members shall be all the owners of those parcels of real property (units, lots or tracts) located in that parcel of real property in Caribou County, Idaho, commonly known and referred to as Pebble Creek;

(b) To satisfy those duties and requirements set forth in that "Master Declaration of Covenants, Conditions and Restrictions of Pebble Creek Subdivision" filed of record in Caribou County, Idaho, on the 29th day of October, 1979, as Instrument No. 102465.

(c) To be an administrative, managerial, rule making and enforcement body for a planned unit development consisting of several tracts and subdivisions and certain condominium projects.

(d) To provide for maintenance, utilities, gardening and other services benefiting the Master Association and Sub-Associations; to employ personnel and constructors necessary for operation of the subdivision project;

(e) To purchase materials and supplies required for the Associations;

(f) To do such other acts and perform such other functions as may be required for government, maintenance, preservation and architectural control of the subdivision project described above in accordance with the Master Declaration and Supplemental Declarations and applicable law;

(g) To maintain fire, casualty, liability, workmen's compensation and other insurance, and if required, for a fidelity bond or bonds;

(h) To act in the capacity of principal, agent, joint venture, or partner, or otherwise;

(i) To assess, levy, collect and enforce payment by any lawful means, of all assessments pursuant to the terms of the Master Declaration, and to levy, collect and enforce payment by any lawful means of all assessments certified to the Master Association by the Sub-Associations;

(j) To perform any and all acts which are necessary and proper for or incidental to the carrying out of the duties, either express or implied, accorded to the Master Association under terms of the Master Declaration, and these Articles, the Bylaws of this corporation, and the laws of the State of Idaho;

(k) To acquire (by gift, purchase or otherwise) for investment or resale, and to deal in, land and other property of any tenure and any interest therein, and to create, sell, or deal in, any freehold, leasehold, ground rents, and to make advances upon the securing of land, houses and other property, or any interest therein, and to generally deal in, by way of sale, lease, exchange, or otherwise, land and house property and any other property, whether real or personal;

(l) To make any improvements upon any real property, including, but not limited to, the subdivision thereof, the installation of water systems, sewer systems, the building of sites, the building of roads, fences, and any and all other improvements deemed advisable by the Board of the corporation;

(m) To buy, sell, acquire, hold, own, dispose of, convey, mortgage, pledge, lease, assign, transfer, trade and deal in and with all kinds of personal property, franchises, privileges, rights, goods, wares and merchandise of every kind, nature and description;

(n) To buy, sell, convey, lease, let, mortgage, exchange or otherwise acquire and dispose of lands, lots, houses, buildings and 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;

(o) To acquire by purchase, subscription, or otherwise, and to own, hold, sell, negotiate, assign, deal in, exchange, transfer, mortgage, pledge, or otherwise dispose of, any shares of capital stock, script, bonds, mortgages, securities, or evidences of indebtedness, issued or created by any other corporation, joint stock company or association, public or private, or by whomsoever issued, and while the holder or owner thereof to possess and exercise in respect thereof any and all rights, powers and privileges of ownership, including the right to vote thereon;

(p) To make, perform and carry out contracts of every kind and description made for any lawful purpose, without limit as to amount, with any person, firm, association or corporation, either public or private, or with any territory or government, or any agency thereof;

(q) To borrow money, to draw, make, accept, endorse, transfer, assign, execute and issue bonds, debentures, promissory notes, and other evidences of indebtedness, and for the purpose of securing any of its 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 this corporation, upon such terms and conditions as the Board shall authorize, and as may be permitted by laws subject to the provisions of the Master Declaration;

(r) To have one or more offices to carry on all or any part of its 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 Master Association, and which now or hereafter may be authorized by law, and this 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 person, firm, association, or corporation;

(s) To have and to exercise any and all powers and privileges now or hereafter conferred by the laws of the State of Idaho upon corporations formed under the general corporation laws of said state so long as they are not in conflict with Title 30, Chapter 3, Idaho Code, or under any Act amendatory thereof or supplemental thereto or substituted therefor;

(t) To promulgate Master Association rules and regulations and AECC rules and standards for the regulation, control, management and government of and to approve Sub-Association rules and regulations, all in accordance with the provisions of the Master Declaration.

(u) To procure and employ a professional manager for the purpose of assuming and carrying out the general management duties of the Master Association and to delegate sufficient powers and duties to said manager so as to allow said manager to efficiently and competently carry out his duties subject to the ultimate control of the Board and the Master Association.

The foregoing clauses are to be construed both as objects and powers; and it is hereby expressly provided that enumeration herein of specific objects and powers shall not be held to limit or restrict in any manner the general powers of the corporation; provided, however, that nothing contained herein shall be deemed to authorize or permit the corporation to carry on any business or to exercise any power or to do any act which a corporation formed under the Act hereinbefore referred to, or any Amendment thereof or supplement thereto, or substitute therefor, may not at the time lawfully carry on or do. It is the intention that the purposes, objects and powers specified in each of the subparagraphs (a) to (s), inclusive, of paragraph Third of these Articles of Incorporation shall, except as otherwise expressly provided, in no wise be limited or restricted by reference to, or inference from, the terms of any other sub-paragraph, clause or paragraph of these Articles of Incorporation.

FOURTH

EXISTENCE

The corporation is to have perpetual existence.

FIFTH

PRINCIPAL PLACE OF BUSINESS

and

REGISTERED AGENT

The location and post office address of the registered office and principal place of business of the corporation is 450 So. 10th, P.O. Box 1056, Pocatello, Idaho 83201 and the registered agent of the corporation is Billy B. Isley, Jr.

SIXTH

CONDOMINIUM PROJECT

When a Sub-Association has been formed for owners of parcels of real property within a tract designated by Grantor for a Condominium Project, then the Master Association shall be deemed a domestic corporation to serve as a management body and to administer the project pursuant to the provisions of the Condominium Property Act, Title 55, Chapter 15, Idaho Code, and insofar as the provisions of that Act conflict with these Articles of Incorporation, the provisions of the Condominium Property Act shall prevail with respect to the application of these Articles to the Condominium Project and the provisions of these Articles shall be interpreted to be consistent therein.

SEVENTH

MEMBERSHIPS

The number of memberships authorized to be issued by the corporation shall not exceed the number of lots and units eventually contained in, and any real property annexed thereto (annexed lands). Each owner (including Grantor) of a lot or unit, by virtue of being such an owner and for so long as such ownership is maintained, shall be deemed a member of the Master Association. However, should any owner-purchaser hold title to more than one unit or lot, such owner-purchaser shall only hold one membership in the Master Association.

During the period of initial development of Pebble Creek, as more particularly defined in the Master Declaration, there shall be two classes of membership. All owner-purchasers, with the exception of Grantor, shall be Class A members and shall be entitled to one (1) vote each. The Grantor shall be a Class B member and for every lot or unit owned by Grantor in each tract or condominium project, the Grantor shall be entitled to three (3) votes.

The purpose of this distinction is to allow the Grantor to retain sufficient control to assure that the project as developed complies with the provisions of the Master Declaration and the primary objectives of the development as represented to owner-purchasers.

EIGHTH

The name and post office address of the incorporator of Pebble Creek Master Association, Inc. is as follows:

<u>NAME</u>	<u>POST OFFICE ADDRESSES</u>
Pamela Pacotti	P.O. Box 2597 Boise, Idaho 83701

NINTH

LIABILITY OF MEMBERS

Members shall be individually liable for the Assessments of the Master Association assessed and levied upon their lot, or unit, whether for fines, penalties, recovery of costs, or regular, special or limited assessments. Members shall be responsible for the payment of all real property taxes which are a lien upon said members' individual units or lots and only the member's pro rata share of real property taxes levied on

Master Association property, unless the property is part of a Condominium Project, in which case the member shall be responsible for payment of his proportionate share of real property taxes levied on the common area.

Further, pursuant to Section 4.02 of the Master Declaration, member shall be liable to the Master Association for any damage to Master Association property which may be sustained by reason of the negligence or willful misconduct of said member or of his family and guests, both minor and adult.

TENTH

DIRECTORS

The number of directors of the corporation shall be as specified in the Bylaws, and such number may from time to time be increased or decreased in such manner as may be prescribed in the Bylaws, and in accordance with Section 30-1-36, Idaho Code. In case of any increase in the number of directors, the additional directors may be elected by the directors then in office, and the directors so elected shall hold office until the next annual meeting of the members and until their successors are elected and qualified. The terms of the directors shall be for one (1) year.

ELEVENTH

TERMINATION

Any assets of the Master Association available upon liquidation of the Master Association shall be distributable according to provisions of the Master Declaration.

TWELFTH

VALIDITY

No contract or other transaction between the corporation and any other corporation and no act of the corporation shall in any way be affected or invalidated by the fact that any of the directors of the corporation are pecuniarily or otherwise interested in, or are directors or officers of such other corporation, any director individually, or any firm of which any director may be a member, may be a party to, or may be pecuniarily or otherwise interest in, any contract or transaction of the corporation, provided that the fact that he or such firm is so interested shall be the fact that he or such firm is so interested shall be disclosed or shall have been known to the Board or a majority thereof, and any director of the corporation who is also a director or officer of such other

corporation, or who is so interested, may be counted in determining the existence of a quorum at any meeting of the Board of the corporation which shall authorize any such contract or any such transaction with like force and effect as if he were not such director or officer of such other corporation or not so interested.

THIRTEENTH

AMENDMENT

The Membership of the corporation is expressly authorized to repeal and amend the Bylaws of the corporation and to adopt new Bylaws, and the membership reserves the right to amend, alter, change or repeal, any provision contained in these Articles of Incorporation, in the manner now, or hereafter, prescribed by law, by a vote of two-thirds (2/3) of the members of the Master Association, represented in person or by proxy, at any annual meeting of the members of the Master Association or at any special meeting duly called for that purpose, except where the laws of the said State of Idaho otherwise provide.

FOURTEENTH

EXEMPTION

This Association is a corporation intended to be classified as a "home owners association" which, pursuant to Section 528(a) of the Internal Revenue Code of 1954, as amended, is considered an organization exempt from income taxes for the purpose of any law which refers to organizations exempt from income taxes. Further, this Association is an organization which is a condominium management association and a residential real estate management association organized and operated to provide for the acquisitions, construction, management, maintenance and care of Association property, where 60% or more of the gross income of this Association for any taxable year shall consist solely of amounts received as membership dues, fees or assessments from owners of residential units in the case of condominium management and from owners of residences or residential lots in the case of residential real estate management. Further, 90% or more of the expenditures of this Association for any taxable year shall be expenditures for the acquisition, construction, management, maintenance and care of Association property.

Further, no part of the net earnings of this Association shall inure to the benefit of any member or individual.

All provisions of these Articles of Incorporation shall be interpreted in accordance with the provisions of Section

528(c) of the Internal Revenue Code of 1954, as amended, and in case of conflict between that or other applicable sections, any provision within these Articles so in conflict will either be interpreted to be consistent with that provision of the Internal Revenue Code or shall be determined null and void and of no force and effect.

FIFTEENTH

CONFLICT OF PROVISIONS

The provisions contained in these Articles of Incorporation of the Master Association are subject and subservient to the terms and provisions of the Master Declaration and in any conflict between the terms and provisions of these documents, the terms and provisions of the Master Declaration shall prevail.

IN WITNESS WHEREOF, We have hereunto set our hands and seals this 24th day of December, 1979.

INCORPORATOR:

Pamela Pacotti
Pamela Pacotti

STATE OF IDAHO)
 : ss
County of Ada)

On this 24th day of December, 1979, before me, the undersigned, a Notary Public in and for said State, personally appeared PAMELA PACOTTI known to me to be the persons whose names are subscribed to the within and foregoing instrument, and acknowledged to me that they executed the same, and that they were persons over the age of twenty-one years and citizens of the United States of America.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

Susanna Wilson
Notary Public for Idaho
Residing at Boise, Idaho
Commission expires: 10-81