

**ARTICLES OF INCORPORATION**

**OF**

**CANYON RIVER HOMEOWNERS ASSOCIATION  
a Montana not for profit corporation**

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**KNOW ALL MEN BY THESE PRESENTS:**

That the Undersigned, natural person of legal age, acting as incorporator of a nonprofit corporation under the Montana Nonprofit Corporation Act, Title 35, Chapter 2, Montana Code Annotated, adopts the following Articles of Incorporation for the public benefit, nonprofit corporation:

ARTICLE I: NAME

The name of this nonprofit corporation shall be "Canyon River Homeowners Association."

ARTICLE II: PURPOSES

The purposes for which this nonprofit corporation is organized are:

- A. To provide for the acquisition, construction, management, maintenance and care of real and personal property owned by the corporation, or commonly held by the members of the corporation, or within the corporation privately held by such members relating to Canyon River, all as described in the Declaration of Covenants, Conditions, Restrictions and Easements for Canyon River (the "Declaration"), which defines the corporation as the "Association," and has been or will be recorded in Missoula County, Montana.
- B. To carry on, in general terms, any other similar business in connection with the foregoing, and to have and exercise all powers conferred by the laws of Montana upon nonprofit corporations, and to do any and all things hereinbefore set forth to the extent as natural persons might or could do.
- C. To obtain to the extent allowed by law Section 501(c) of the United States Internal Revenue Code of 1954, as amended, tax-exempt status for the corporation.

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The foregoing clauses shall be construed both as objects and powers, and it is hereby expressly provided that the foregoing enumeration of specific powers shall not be held to limit or restrict in any manner the powers of this nonprofit corporation.

### ARTICLE III: MUTUAL BENEFIT CORPORATION

The corporation is a mutual benefit corporation.

### ARTICLE IV QUALIFICATION AS EXEMPT ORGANIZATION

This corporation is organized and shall be operated exclusively as a homeowners association organized for the purposes described above and within the meaning of Section 501(c) of the United States Internal Revenue Code of 1954, as amended. The corporation shall be nonpartisan, and no part of the activities of the corporation shall be partisan, and none of its income or funds shall be used for carrying on propaganda or otherwise attempting to influence legislation or participating or intervening in (including the publication or distribution of statements) any politician campaign on behalf of or in opposition to any candidate for public office.

### ARTICLE V: PROHIBITED ACTIVITIES

No part of the net earnings of the Corporation shall inure to the benefit of, or be distributable to its members, trustees, officers, or other private persons, except that the organization shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in the purpose clause hereof. No substantial part of the activities of the organization shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the organization shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of any candidate for public office. Notwithstanding any other provision of this document, the organization shall not carry on any other activities not permitted to be carried on (a) by an organization exempt from federal income tax under Section 501(c)(7) of the Internal Revenue Code, or corresponding section of any future federal tax code, or (b) by

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an organization, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code, or corresponding section of any future federal tax code.

ARTICLE VI REGISTERED OFFICE AND AGENT

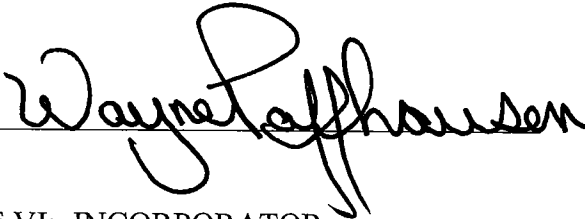
The corporation's initial registered office and mailing address are:

700 Blacktail Loop Road  
Butte, Montana 59701

The corporation's initial registered agent is:

Wayne Paffhausen

Signature of Agent (Required)



ARTICLE VI: INCORPORATOR

The name and address of the incorporator is:

Wayne Paffhausen  
700 Blacktail Loop Road  
Butte, Montana 59701

ARTICLE VII: MEMBERS

The corporation shall have members and the Bylaws may establish criteria or procedures for admission of members.

ARTICLE VIII: DISTRIBUTION OF ASSETS UPON DISSOLUTION

Upon the dissolution of the corporation, assets shall be distributed for one or more exempt purposes within the meaning of Section 501(c) of the Internal Revenue Code, or corresponding section of any future federal tax code, or shall be distributed to the federal government, or to a state or local government, for a public purpose. Any such assets not disposed of shall be disposed of by the District Court of the county in which the principal office of the corporation is then located, exclusively for such purposes or to such organization or

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organizations, as said Court shall determine, which are organized and operated exclusively for such purposes.

#### ARTICLE IX: DURATION OF CORPORATION

The corporation is to have perpetual existence.

#### ARTICLE X: POWERS

Except as limited herein, the corporation shall have all of the powers granted nonprofit corporations under the laws of the State of Montana.

#### ARTICLE XI: BOARD OF DIRECTORS

The affairs of the corporation shall be managed by the Board of Directors. The number of persons who shall comprise the first Board of Directors shall be a total of three (3) directors, who shall serve as officers and/or directors until the first annual meeting of the corporation or until their successors are duly elected. The number of Directors may be increased or decreased by amendment to the bylaws, except that the number of directors shall never be less than three (3) nor more than seven (7).

#### ARTICLE XII: LIMITATION OF DIRECTORS' LIABILITY AND INDEMNIFICATION

To the extent allowed by law, including but not limited to by Sections 35-2-213(1)(e) and 35-2-447, Montana Code Annotated, the personal liability of a director to the corporation for monetary damages for breach of a director's duties to the corporation and its members shall be limited or eliminated, excepting that the director's personal liability shall not be eliminated or limited:

- i) for a breach of the director's duty of loyalty to the corporation;
- ii) for acts or omissions not in good faith or that involve intentional misconduct or knowing violation of law;
- iii) for a transaction from which a director derived an improper personal economic benefit; or
- iv) under sections 35-2-418, 35-2-435, or 35-2-436 Montana Code Annotated.

#### 4. ARTICLES OF INCORPORATION

IN WITNESS WHEREOF, the Undersigned has hereunto set his hand this 23<sup>rd</sup> day of March, 2005.

INCORPORATOR:

Wayne Paffhausen  
Wayne Paffhausen

STATE OF MONTANA )  
 ) : ss.  
County of Silver Bow )

On this 23<sup>rd</sup> day of March, 2005, before me, a Notary Public for the State of Montana, personally appeared Wayne Paffhausen, known to me to be the person whose name is subscribed to the within instrument and acknowledged to me that she executed the same.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my notarial seal the day and year in this certificate first above written.

Alan McCormick  
(signature)



ALAN F. McCORMICK  
NOTARY PUBLIC-MONTANA  
Residing at Missoula, Montana  
My Comm. Expires Sept 29, 2007

Alan F. McCormick  
(print name)

Notary Public for the State of Montana  
Residing at Butte, Montana  
My Commission Expires: Sept 29, 2007

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# SECRETARY OF STATE

STATE OF MONTANA  
BRAD JOHNSON

# PRIORITY



Montana State Capitol  
PO Box 202801  
Helena, MT 59620-2801  
(406)444-3665  
<http://www.sos.mt.gov>

GARLINGTON LOHN & ROBINSON  
WILLIAM T WAGNER  
PO BOX 7909  
MISSOULA MT 59807 7909

March 24, 2005

Dear Sir or Madam:

Re: CANYON RIVER HOMEOWNERS  
ASSOCIATION  
ARTICLES OF INCORPORATION  
Filing Date: March 23, 2005  
Filing Number: D141948 - 596913

I've approved the filing of the documents for the above named entity. The document number and filing date have been recorded on the original document. This letter serves as your certificate of filing and should be maintained in your files for future reference.

Thank you for giving this office the opportunity to serve you. If you have any questions in this regard, or need additional assistance, please do not hesitate to contact the Business Services Bureau professionals at (406) 444-3665.

Sincerely,

A handwritten signature in cursive script that reads "Brad Johnson".

BRAD JOHNSON  
Secretary of State