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SECRETARY OF STATE
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ARTICLES OF INCORPORATION

OF

THE VILLAGE AT ELK HILLS HOMEOWNERS ASSOCIATION

In compliance with the requirements of Section 35-2-101 et. seq., M.C.A., the undersigned, who are residents of Missoula County, Montana, and who are of full age, and for the purpose of forming a corporation not for profit, do hereby certify:

ARTICLE I

The name of the corporation is The Village at Elk Hills Homeowners Association, hereinafter called the "Association".

ARTICLE II

The principal office of the Association is located in Missoula, Montana.

ARTICLE III

Rea K. Hook, whose address is 1096 Bear Creek Trail, Victor, Montana 59875, is hereby appointed the initial registered agent for this Association.

ARTICLE IV

PURPOSE AND POWERS OF THE ASSOCIATION

This association is formed for the mutual benefit of its members. This association does not contemplate pecuniary gain or profit to the members thereof, and the specific purposes for which it is formed are to provide for maintenance, repair and replacement of the common elements of The Village at Elk Hills and to provide for the orderly progression of all business contemplated by the governing documents for The Village at Elk Hills, including all possible accomplishment of those tasks

contemplated in the bylaws of said project, and whatever additional services are provided by the Association as set forth in the Declaration, and to enhance and perfect the value, desirability and attractiveness of the property located at The Village at Elk Hills, and to promote the health, safety and welfare of the residents within The Village at Elk Hills and any additions thereto that may hereafter be brought within the jurisdiction of this Association, for this purpose to:

a) exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as the same will be set forth in a Declaration of Restrictions, hereinafter called the "Declaration", applicable to the property described herein and to be recorded in the office of the Clerk and Recorder of Missoula County, Montana, as the same may be amended from time to time as therein provided, said Declaration being incorporated herein as if set forth at length;

b) fix, levy, collect and enforce payment by any lawful means, all charges or assessments pursuant to the terms of the Declaration; to pay all expenses in connection therewith and all 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;

c) improve, build upon, operate, maintain, lease, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Association;

d) borrow money, and with the assent of one hundred (100%) percent of each class of members, mortgage, pledge, deed

in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred;

e) participate in mergers and consolidations with other nonprofit corporations organized for the same purposes or annex additional residential property and Common elements, provided that any such merger, consolidation or annexation shall have the asset of two-thirds (2/3) of each class of members;

f) have and exercise any and all powers, rights and privileges which a corporation organized under the Non-Profit Corporation Law of the State of Montana by law may now or hereafter have or exercise.

ARTICLE V

MEMBERSHIP

Every person or entity who is a record owner of a fee or undivided fee interest in any condominium which is subject by declaration of record to assessment by the Association, including contract purchasers, shall be a member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of any condominium which is subject to assessment by the Association.

ARTICLE VI

VOTING RIGHTS

The Association shall have two classes of voting membership, Class A members shall be all Owners of a condominium who shall be entitled to one vote for each condominium owned;

The Class B member shall be the Declarant who shall be entitled to forty-eight (48) votes. When more than one person holds an interest in any condominium, all such persons shall be members. The vote for such condominium shall be exercised as they determine, but in no event shall more than one vote be cast with respect to any unit. Cumulative voting shall not be allowed. In addition, a condominium owner, in accordance with the bylaws, may vote by proxy given any other duly qualified member of the Association.

ARTICLE VII

BOARD OF DIRECTORS

The affairs of this Association shall be managed by a Board of three (3) Directors, who shall be members of the Association. The number of Directors may be changed by amendment of the By-laws of the Association. The names and addresses of the person who are to act in the capacity of Directors until the selection of their successors shall be noted in the minute book of the corporation.

At the first annual meeting the members shall elect one (1) Director for a term of one year, and two (2) Directors for a term of two years; and at each annual meeting thereafter the members shall elect the appropriate number of retiring Directors for a term of two (2) years.

ARTICLE VIII

DISSOLUTION

The Association may be dissolved with consents given in writing and signed by not less than One Hundred (100%) percent of the membership of the same. Upon dissolution of the Association, other than incident to a merger or consolidation, the assets of the Association shall be distributed in accordance with the percentage ownership of each owner as set forth in the Declaration.

ARTICLE IX

DURATION

The Corporation shall have perpetual existence.

ARTICLE X

AMENDMENTS

Amendment of these Articles shall require the assent of Ninety (90%) percent of the entire membership.

ARTICLE XI

The name and address of the incorporators are:

Rea K. Hook
1096 Bear Creek Trail
Victor, MT 59875

Edwin Russo
5101 Clearview
Missoula, MT 59801

IN WITNESS WHEREOF, for the purpose of forming this corporation under the laws of the State of Montana, the undersigned, constituting the Incorporators have executed these Articles of Incorporation this 11 day of October, 1996.

Rea K. Hook
REA K. HOOK

Edwin Russo
EDWIN RUSSO

STATE OF MONTANA

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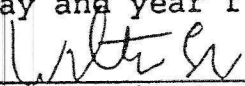
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COUNTY OF RAVALLI

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On this 11 day of October, 1996, before me, the undersigned, a Notary Public for the State of Montana, personally appeared REA K. HOOK, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that she executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Notarial Seal the day and year first above written.



Notary Public for the State of Montana

Residing at Missoula

My commission expires: 07/12/97

STATE OF MONTANA

COUNTY OF MISSOULA

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: ss
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On this 11 day of October, 1996, before me, a Notary Public for the State of Montana, personally appeared EDWIN RUSSO, known to me to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Notarial Seal the day and year first above written.

[Signature]
Notary Public for the State of Montana
Residing at Billings
My commission expires: Aug 10, 1997

Unit No. ____ and associated limited common elements plus a 1/46th undivided interest in the common elements of a residential condominium which is a portion of The Village at Elk Hills being a portion of the Southeast quarter of Section 6, Township 12 North, Range 19 West, P.M.M., City of Missoula, Montana and being described as follows:

Commencing at the Southeast corner of Elk Hills - Phase 1, a recorded subdivision in Missoula County, thence S88°15'00"W along the southern boundary of said Elk Hills - Phase 1, 232.18 feet to the point of beginning; thence, continuing S88°15'00"W, 90.82 feet; thence S84°20'45"W, 169.73 feet; thence S05°31'30"E, 152.30 feet; thence S84°00'00"W, 100.00 feet; thence S40°00'00"W, 50.00 feet; thence S15°00'00"E, 125.00 feet; thence S67°04'30"E, 123.64 feet; thence S61°51'24"E, 204.56 feet; thence S48°05'43"E, 189.96 feet; thence N22°47'57"E, 187.34 feet; thence northerly 175.24 feet along the arc of a tangent curve with a radius of 924.93 feet; thence N76°35'13"W, 50.07 feet; thence N62°59'29"W, 170.81 feet; thence N04°46'56"W, 183.86 feet to the point of beginning.

Said tract containing 4.4 acres, more or less.

SUBJECT TO those rights, reservations, exceptions and easements of record including the easement for ingress, egress and utility purposes for Lot 7 as shown on the approved plat for The Village at Elk Hills.

RESERVING unto Grantor, its successors and assigns, for the benefit of Lot 7, the right to use the public access easements for ingress, egress and utility purposes, which easements are located along the southern and western boundaries of Lot 7, located on Lot 1 and Lot 6 as shown on the approved plat for the Village at Elk Hills.

ADDENDUM A