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PRIORITY



STATE OF MONTANA

FILED

OCT 31 2007

SECRETARY OF STATE

**ARTICLES OF INCORPORATION FOR
RIDGEWATER HOMEOWNERS ASSOCIATION, INC.**

The undersigned, a natural person of legal age, acting as incorporator of a non-profit Corporation under the provisions of the Montana Non-profit Corporation Act, hereby adopts the following articles of Incorporation for such non-profit Corporation:

1. Name. The name of the Corporation is Ridgewater Homeowners Association, Inc.
2. Period of Duration. The period of duration of the Corporation is perpetual.
3. Designation. The corporation is a mutual benefit corporation and will have members.
4. Purposes. The Corporation is organized for the purpose of carrying out the duties and responsibilities of a homeowners' association, all as set out in the Declaration of Covenants, Conditions and Restrictions for Ridgewater Phase 1, and such subsequent phases and property as may be brought under the governance of said Declaration.
5. Provisions for Regulation of Internal Affairs of the Corporation.
 - a. By-laws. The initial Bylaws shall be adopted by the Board of Directors. The power to alter, amend or repeal the By-Laws shall be as set out in the By-Laws. The By-Laws may contain any provisions for the regulation and management of the Corporation consistent with these Articles of Incorporation and the laws of Montana.
 - b. Transactions in Which Directors Have an Interest. Any contract or other transaction between the Corporation and one or more of its directors, or between the Corporation and any firm of which one or more of its directors are members or employees, or in which they are interested, or between the Corporation and any Corporation or association of which one or more of its directors are shareholders, members, directors, officers or employees, or in which they are interested, shall be valid for all purposes, notwithstanding the presence of the director or directors at the meeting of the Board of Directors of the Corporation that acts upon, or in reference to, the contract or transaction, and notwithstanding his or their participation in the action, if the

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fact of such interest shall be disclosed or known to the Board of Directors and the Board of Directors shall, nevertheless, authorize or ratify the contract or transaction. The interested director or directors shall be counted in determining whether a quorum is present and to be entitled to vote on such authorization or ratification. This section shall not be construed to invalidate any contract or other transaction that would otherwise be valid under the common or statutory law applicable to it.

- c. Indemnification of Directors, Officers and Employees. The Corporation shall have the power to indemnify any person made a party to any action, suit or proceeding, whether civil or criminal, by reason of the fact that he, or the decedent whose estate he represents, is or was a director, officer or employee of the Corporation, or of any Corporation which he served in such capacity at the request of the Corporation, against the reasonable expenses, including attorney's fees, actually and reasonably incurred by him in connection with the defense of the action, suit or proceeding, or in connection with any appeal in it, and to reimburse any such person any amount paid upon any judgement or the reasonable costs of settlement of any such action, suit or proceeding; but to make no indemnification or reimbursement in relation to matters as to which it shall be finally adjudged in this action, suit or proceeding the director, officer or employee is liable for gross negligence or willful misconduct in the performance of duty to the Corporation.
- d. Amendment of Articles of Incorporation. The Corporation reserves the right from time to time to amend, alter or repeal any provision of its Articles of Incorporation in any manner now or hereafter permitted by the laws of the State of Montana.
6. Limitation of Personal Liability. A director shall have no liability to the Corporation, any member or any other person for any action taken or not taken as a director, if the director acted in compliance with Montana Code Annotated §35-2-416 or otherwise pursuant to the Montana Non-profit Corporation Act.
7. Registered Office and Registered Agent. The address of the initial registered office of the Corporation is 312 Montana Landing, Polson, MT 59860. The name of the initial registered agent at such address is Dennis Duty, who by his signature below accepts appointment as registered agent.
8. Distribution on Dissolution. Upon dissolution of the corporation pursuant to Montana Code Annotated § 35-2-720 et seq. all assets remaining after the payment of known creditors shall be distributed as follows:

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- a. All real property, including its improvements, and other rights therein shall be conveyed jointly to all members of the corporation in equal shares as tenants in common.
 - b. All other assets of the corporation shall be liquidated and reduced to cash, the proceeds of which shall be distributed to the members in equal shares, unless otherwise agreed to by the members.
9. Directors. The Board of Directors shall consist of three (3) members. The number of directors who shall manage the business affairs of the Corporation shall be such as from time to time may be fixed by, or in the manner provided in, the By-Laws and amendments thereto, but the number of directors may not be less than three (3). The initial Board may have directors who are not members.
10. Incorporator. The name and address of the incorporator of the Corporation is Dennis Duty, 312 Montana Landing, Polson, Montana 59860.

Dated this 24th day of OCTOBER, 2007.

D. R. Duty
Dennis Duty, incorporator/registered agent