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**ARTICLES OF INCORPORATION
OF
THE LOFTS AT 609 SHERMAN
CONDOMINIUM OWNERS' ASSOCIATION, INC.
An Idaho Nonprofit Corporation**

SECRETARY OF STATE
STATE OF IDAHO

The undersigned, acting as an incorporator of a nonprofit corporation pursuant to the Idaho Nonprofit Corporation Act, hereby adopts the following Articles of Incorporation ("Articles") for such nonprofit corporation.

**ARTICLE I.
NAME**

The name of the nonprofit corporation is "The Lofts at 609 Sherman Condominium Owners' Association, Inc.", hereinafter referred to as the "Association".

**ARTICLE II.
DEFINITIONS**

Except as otherwise provided herein or as may be required by the context, all terms defined in the Declaration of Condominium for The Lofts at 609 Sherman, a Condominium Project, a document to be recorded in the official records of Kootenai County, Idaho ("Declaration"), shall have such defined meanings when used in these Articles.

**ARTICLE III.
DURATION**

The Association shall exist perpetually or until dissolved pursuant to law.

**ARTICLE IV.
PURPOSES**

The Association is organized as a nonprofit corporation pursuant to the Idaho Nonprofit Corporation Act, Title 30 Chapter 3 of the Idaho Code (the "Act") and shall be operated exclusively for the purpose of maintaining, operating and governing The Lofts at 609 Sherman, a Condominium Project ("Project") which is located in Coeur d'Alene, Idaho. The Association is organized and shall be operated to perform the functions and provide the services contemplated in the Declaration. No dividend shall be paid and no part of the net income of the Association, if

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any, shall be distributed to the members, directors or officers of the Association, except as otherwise provided herein, in the Declaration or under Idaho law.

ARTICLE V. POWERS

Subject to the purposes declared in Article IV above and any limitations herein expressed, the Association shall have and may exercise each and all of the following powers and privileges:

(a) The power to do any and all things that the Association is authorized or required to do under the Declaration, as the same may from time to time be amended, including, without limiting the generality of the foregoing, the specific power to fix, levy and collect the charges and assessments provided for in the Declaration and suspend a Member's voting rights if such Member is in default of payments;

(b) The power to purchase, acquire, own, hold, lease, mortgage, sell and dispose of any and all kinds and character of real, personal and mixed property (the foregoing particular enumeration in no sense being used by way of exclusion or limitation) and, while owner of any of the foregoing, to exercise all rights, powers and privileges appertaining thereto; and

(c) The power to do any and all things that a nonprofit corporation formed under the Act may now or hereafter do under the laws of the State of Idaho.

ARTICLE VI. MEMBERSHIP

The members of the Association shall be all of the record owners of Condominiums in the Project, as such owners are shown in the official records of Kootenai County, Idaho. The term "record owner" shall not include any mortgagee, trustee or beneficiary under any mortgage, trust deed, or deed of trust, by which a Condominium or any part thereof is encumbered (unless such mortgagee, trustee or beneficiary has acquired title for other than security purposes by means of judicial or nonjudicial action, including, without limitation, a foreclosure proceeding or any deed or other arrangement in lieu of foreclosure), but it shall include persons or entities as contract vendee purchasing a Condominium under a real estate contract. If record ownership of a Condominium in the Project is jointly held, the membership appertaining to such Condominium shall also be jointly held. Each membership in the Association, if appropriate, shall be appurtenant to and shall not be separated from the Condominium to which it relates. No person or entity other than an Owner of a Condominium in the Project may be a member of the Association.

ARTICLE VII. VOTING RIGHTS

All voting rights of the Association shall be exercised by the members, each membership being entitled to the number of votes relating to the Condominium appertaining to such membership, as set forth in the Declaration. If a membership is jointly held, any or all holders thereof may attend any meeting of the members. With respect to those Condominiums where membership is jointly held by two individuals or entities, such holders must act unanimously to cast the votes relating to their joint membership; where three or more individuals or entities jointly hold such membership, such holders shall cast the votes relating to such membership as the majority of said holders shall agree amongst themselves. Any designation of a proxy to act for joint holders of a membership must be signed by all such holders. With respect to matters to be voted upon by the members as provided in the Declaration, the voting requirements and proportions shall be as set forth in the Declaration. Cumulative voting is not permitted.

ARTICLE VIII. ASSESSMENTS

Members of the Association shall be subject to assessments by the Association from time to time in accordance with the provisions of the Declaration and shall be liable to the Association for payment of such assessments. Members shall not be individually or personally liable for the debts or obligations of the Association. However, the foregoing in no way relieves the members of their personal liability for the assessments as such assessments are assessed from time to time against their individual Condominiums.

ARTICLE IX. BYLAWS, RULES AND REGULATIONS

The Board of Directors may, in accordance with the Condominium Act and the Declaration, adopt, amend, repeal and enforce Bylaws and reasonable rules and regulations governing the operation of the Association and the operation and use of the Units, the General Common Area, the Common Area and the Limited Common Area, as those terms are defined in the Declaration, to the extent that the same are not inconsistent with these Articles or the Declaration. With respect to any inconsistency among the Declaration, Articles and Bylaws, the Declaration shall have priority over the Articles and Bylaws, and the Articles shall have priority over the Bylaws.

ARTICLE X. DISTRIBUTION UPON DISSOLUTION

Upon any dissolution of the Association, the assets of the Association shall be distributed in accordance with all applicable laws and the Declaration in a manner approved by the members.

**ARTICLE XI.
INITIAL DIRECTORS**

The following individuals shall serve as the initial directors of the Association until their successors are duly elected and qualified:

<u>Name</u>	<u>Address</u>
Michael Dodge	214 Coeur d'Alene Avenue Coeur d'Alene, ID 83814
James M. Patano	409 Coeur d'Alene Avenue Coeur d'Alene, ID 83814
Dean Ledger	214 Coeur d'Alene Avenue, Suite 2 Coeur d'Alene, ID 83814

**ARTICLE XII.
INITIAL REGISTERED AGENT AND ADDRESS**

The street address of the Association's initial registered office and the name of its initial registered agent at that office are as follows:

<u>Name</u>	<u>Address</u>
Michael Dodge	214 Coeur d'Alene Avenue Coeur d'Alene, ID 83814

**ARTICLE XIII.
INCORPORATORS**

The names and addresses of the incorporators of the Association are as follows:

<u>Name</u>	<u>Address</u>
Michael Dodge	214 Coeur d'Alene Avenue Coeur d'Alene, ID 83814
James M. Patano	409 Coeur d'Alene Avenue Coeur d'Alene, ID 83814
Dean Ledger	214 Coeur d'Alene Avenue, Suite 2 Coeur d'Alene, ID 83814

**ARTICLE XIV.
AMENDMENTS**

Except as otherwise provided by law or by the Declaration, these Articles may be amended by not less than sixty-seven percent (67%) of the Total Votes in the Association.

Dated this 9th day of April, 2008.

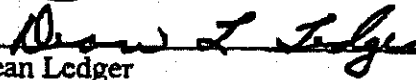
INCORPORATORS:



Michael Dodge



James M. Patano



Dean Ledger