

# State of Idaho

## Department of State

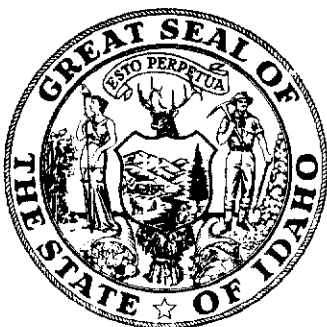
### CERTIFICATE OF INCORPORATION OF

CELEBRATE COEUR D'ALENE, INC.  
File number C 118601

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 CELEBRATE COEUR D'ALENE, 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: March 10, 1997



*Pete T. Cenarrusa*  
SECRETARY OF STATE

By *Sheryl Devries*

**ARTICLES OF INCORPORATION**  
**OF**  
**CELEBRATE COEUR D'ALENE, INC.**

IDAHO SECRETARY OF STATE  
DATE 03/10/1997  
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#1 C

KNOW ALL MEN BY THESE PRESENTS that Brad Dugdale, Jr., being over the age of eighteen (18) years, and for the purposes of forming a corporation under the Idaho Nonprofit Corporation Act, hereby certify and adopt, in duplicate, the following Articles of Incorporation. It is the incorporator's express intention to create a nonprofit corporation in compliance with the Idaho Nonprofit Corporation Act and the Internal Revenue Code, as they are currently written or subsequently amended, and all provisions of these Articles and the Bylaws shall be construed consistent with such intent.

**ARTICLE I.**  
**NAME**

1.1. The name of the Corporation (hereinafter called "Corporation") is CELEBRATE COEUR D'ALENE, INC.

**ARTICLE II.**  
**DURATION**

2.1. The duration of this Corporation shall be perpetual.

**ARTICLE III.**  
**PURPOSES AND POWERS**

3.1. The purpose or purposes for which the Corporation is organized are to foster the education of society and instill patriotic values relating to the history of the City, State and Country and thereby promote the welfare of society; to conduct the annual Fourth of July parade; and to transact any or all other lawful business and have all powers allowed under Idaho Non-Profit Business Corporation Act.

3.2. No part of the net earnings of the Corporation shall inure to the benefit of or be distributable to any member, director, or officer of the Corporation, or any other private person, except that the Corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of its purposes as set forth in these Articles of Incorporation.

No part of the activities of the Corporation shall be the carrying on of propaganda or otherwise attempting to influence legislation, and the Corporation 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 these Articles of Incorporation, the Corporation shall not carry on any other activities not permitted to be carried on by a Corporation organized and operated exclusively for example purposes within the meaning of the Internal Revenue Code. Additionally:

3.2.1. The Corporation shall distribute its income for each taxable year at such time and in such manner as may be required so as not to become subject to the tax on undistributed income imposed by Section 4942 of the Internal Revenue Code of 1954, or to corresponding provisions of any subsequent federal tax laws.

3.2.2. The Corporation shall not engage in any act of self-dealing as defined in Section 4941(d) of the Internal Revenue Code of 1954, or corresponding provisions of any subsequent federal tax laws.

3.2.3. The Corporation shall not retain any excess business holdings as defined in Section 4943(c) of the Internal Revenue Code of 1954, or corresponding provisions of any subsequent federal tax laws.

3.2.4. The Corporation shall not make any investments in such manner as to subject it to tax under Section 4944 of the Internal Revenue Code of 1954, or corresponding provisions of any subsequent federal tax laws.

3.2.5. The Corporation shall not make any taxable expenditures as defined in Section 4945(d) of the Internal Revenue Code of 1954, or corresponding provision of any subsequent federal tax laws.

#### **ARTICLE IV. MEMBERS AND MEMBERSHIP**

4.1. Non-Stock Corporation. Participation in management and ownership of the Corporation shall be by Directorship only. The Corporation shall issue no stock and shall have no shareholders.

4.2. Members. This Corporation shall have no members.

**ARTICLE V.  
INITIAL REGISTERED OFFICE AND AGENT**

5.1. The initial registered office of the Corporation shall be 1712 Golf Course Road, Coeur d'Alene, Idaho, 83814, and the name of its registered agent is: Brad Dugdale, Jr.

**ARTICLE VI.  
INCORPORATORS**

6.1. The name and address of the incorporator of the Corporation shall be as follows:

<u>NAME</u>	<u>ADDRESS</u>
Brad Dugdale, Jr.	1712 Golf Course Road Coeur d'Alene, Idaho 83814

**ARTICLE VII.  
BOARD OF DIRECTORS**

7.1. The affairs of this Corporation shall initially be managed by a Board of five (5) Directors. The number of Directors may be increased or decreased in accordance with the Bylaws of the Corporation. The names and addresses of the initial Directors the Corporation of the Corporation until the selection of their successors, are:

<u>NAME</u>	<u>ADDRESS</u>
Brad Dugdale, Jr.	1712 Golf Course Road Coeur d'Alene, Idaho 83814
Don Donart	1712 Golf Course Road Coeur d'Alene, Idaho 83814
Marie Kling	1712 Golf Course Road Coeur d'Alene, Idaho 83814
Dennis Hall	1712 Golf Course Road Coeur d'Alene, Idaho 83814
Jack Beebe	1712 Golf Course Road Coeur d'Alene, Idaho 83814

## **ARTICLE VIII. DISSOLUTION**

In the event of dissolution, liquidation, or winding up of the Corporation, none of the property nor any proceeds of the Corporation or inure to the benefit of any individual. After all liabilities and obligations of the Corporation have been paid and discharged, all remaining property and assets of the Corporation shall be distributed to one or more organizations designated as follows:

1. pursuant to the plan of distribution adopted as provided for under the Idaho Non-profit Corporation Act as it now exists or is amended in the future; or

2. if there is no appropriate plan of distribution, as a court of competent jurisdiction may direct;

provided however, that such property shall be distributed only to organizations which shall comply with all of the following conditions:

(a) each organization shall be organized under written articles of organization which comply with the requirements of the Internal Revenue Code necessary to qualify the organization as an exempt organization;

(b) each organization shall be exempt from federal taxes by reason of Section 501, or other applicable sections of the Internal Revenue code as it now exists or is amended in the future.

(c) contributions to each such organization shall be deductible by reason of Section 170 of the Internal Revenue Code as it now exists or is amended in the future;

(d) each organization shall be operated exclusively for a recognized exempt purpose, and the manner of operation of each organization shall be in compliance with the requirements to qualify the organization as an exempt organization.

## **IX. LIMITATION OF LIABILITY OF DIRECTORS**

9.1. A Director of the Corporation shall not be personally liable to the Corporation for monetary damages for conduct as a Director, except for liability of the Director (a) for acts or omissions which involve intentional misconduct by the Director or a knowing violation of law by the Director, or (b) for any transaction from which the

Director will personally receive a benefit in money, property or services to which the Director is not legally entitled.

## **X.**

### **INDEMNIFICATION OF OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS**

#### **10.1. Definitions. As used in this Article:**

10.1.1. "Act" means the Idaho Business Corporation Act now or hereafter in force.

10.1.2. "Corporation" means this Corporation and any domestic or foreign predecessor entity which, in a merger or other transaction, ceased to exist.

10.1.3. "Director" means an individual who is or was a Director of the Corporation or an individual who, while a Director of the Corporation, is or was serving at Corporation's request as a Director, officer, partner, trustee, employee or agent of another foreign or domestic corporation, partnership, joint venture, trust, employee benefit plan or other enterprise. "Director" includes, unless the context requires otherwise, the estate or personal representative of a Director.

10.1.4. "Expenses" include counsel fees.

10.1.5. "Indemnitee" means an individual made a party to a proceeding because the individual is or was a Director, officer, employee or agent of the Corporation, and who possesses indemnification rights pursuant to these Articles, the Bylaws or other corporate action. If these Articles so provide, the term shall also include, for officers, employees or agents, service at the Corporation's request as a Director, officer, partner, trustee, employee or agent of another foreign or domestic corporation, partnership, joint venture, trust, employee benefit plan or other enterprise. "Indemnitee" shall also include the heirs, executors and other successors in interest of such individuals.

10.1.6. "Liability" means the obligation to pay a judgment, settlement, penalty or fine, including an excise tax assessed with respect to an employee benefit plan or reasonable expenses incurred with respect to a proceeding.

10.1.7. "Party" includes an individual who was, is or is threatened to be named a defendant or respondent in a proceeding.

10.1.8. "Proceeding" means any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, and whether formal or informal.

10.2. Indemnification Rights of Officers, Employees and Agents. The Corporation shall indemnify its officers, employees and agents against liability arising out of a proceeding to which such individual was made a party because the individual is or was an officer, employee or agent of the Corporation. The Corporation shall advance expenses incurred by such persons who are parties to a proceeding in advance of final disposition of the proceeding as provided herein.

10.3. Procedure for Seeking Indemnification and/or Advancement of Expenses.

10.3.1. Notification and Defense of Claim. Indemnatee shall promptly notify the Corporation in writing of any proceeding for which indemnification could be sought under this Article. In addition, Indemnatee shall give the Corporation such information and cooperation as it may reasonably require and as shall be within Indemnatee's power.

With respect to any such proceeding as to which Indemnatee has notified the Corporation:

10.3.1.1. The Corporation will be entitled to participate therein at its own expense;

10.3.1.2. Except as otherwise provided below, to the extent that it may wish, the Corporation, jointly with any other indemnifying party similarly notified, will be entitled to assume the defense thereof, with counsel satisfactory to Indemnatee. Indemnatee's consent to such counsel may not be unreasonably withheld.

After notice from the Corporation to Indemnatee of its election to assume the defense, the Corporation will not be liable to Indemnatee under this Article for any legal or other expenses subsequently incurred by Indemnatee in connection with such defense. However, Indemnatee shall continue to have the right to employ its counsel in such proceeding at Indemnatee's expense; and if:

10.3.1.3. The employment of counsel by Indemnatee has been authorized by the Corporation;

10.3.1.4. Indemnatee shall have reasonably concluded that there may be a conflict of interest between the Corporation and Indemnatee in the conduct of such defense; or

10.3.1.5. The Corporation shall not in fact have employed counsel to assume the defense of such proceeding, the fees and expenses of Indemnitee's counsel shall be at the expense of the Corporation.

The Corporation shall not be entitled to assume the defense of any proceeding brought by or on behalf of the Corporation or as to which Indemnitee shall reasonably have made the conclusion that a conflict of interest may exist between the Corporation and the Indemnitee in the conduct of the defense.

10.3.2. Information to be Submitted and Method of Determination and Authorization of Indemnification. For the purpose of pursuing rights to indemnification under this Article, the Indemnitee shall submit to the Board a sworn statement requesting indemnification and reasonable evidence of all amounts for which such indemnification is requested (together, the sworn statement and the evidence constitute an "Indemnification Statement").

Submission of an Indemnification Statement to the Board shall create a presumption that the Indemnitee is entitled to indemnification hereunder, and the Corporation shall, within sixty (60) calendar days thereafter, make the payments requested in the Indemnification Statement to or for the benefit of the Indemnitee unless: (1) within such sixty (60) calendar day period it shall be determined by the Corporation that the Indemnitee is not entitled to indemnification under this Article; (2) such vote shall be based upon clear and convincing evidence (sufficient to rebut the foregoing presumption); and (3) the Indemnitee shall receive notice in writing of such determination, which notice shall disclose with particularity the evidence upon which the determination is based.

At the election of the President, the foregoing determination may be made by either: (1) the Board of Directors by majority vote of a quorum consisting of Directors not at the time parties to the proceeding; (2) a committee chosen by written consent of a majority of the Directors of the Corporation and consisting solely of two (2) or more Directors not at the time parties to the proceeding; (3) by special legal counsel as provided in RCW 23B.08.550; or (4) by the members, if any, by the majority vote of a quorum consisting of members not parties to the proceeding.

Any determination that the Indemnitee is not entitled to indemnification and any failure to make the payments requested in the Indemnification Statement shall be subject to judicial review by any court of competent jurisdiction.

10.3.3. Special Procedure Regarding Advance for Expenses. An Indemnitee seeking payment of expenses in advance of a final disposition of the



proceeding must furnish the Corporation as part of the Indemnification Statement:

10.3.3.1. A written affirmation of the Indemnitee's good faith belief that the Indemnitee has met the standard of conduct required to be eligible for indemnification; and

10.3.3.2. A written undertaking constituting an unlimited general obligation of the Indemnitee to repay the advance if it is ultimately determined that the Director did not meet the required standard of conduct.

If the Corporation determines that indemnification is authorized, the Indemnitee's request for advance of expenses shall be granted.

10.3.4. Settlement. The Corporation is not liable to indemnify Indemnitee for any amounts paid in settlement of any proceeding without Corporation's written consent. The Corporation shall not settle any proceeding in any manner which would impose any penalty or limitation on Indemnitee without Indemnitee's written consent. Neither the Corporation nor Indemnitee may unreasonably withhold its consent to a proposed settlement.

#### 10.4. Contract and Related Rights.

10.4.1. Contract Rights. The right of an Indemnitee to indemnification and advancement of expenses is a contract right upon which the Indemnitee shall be presumed to have relied in determining to serve or to continue to serve in his or her capacity with the Corporation. Such right shall continue as long as the Indemnitee shall be subject to any possible proceeding. Any amendment to or repeal of this Article shall not adversely affect any right or protection of an Indemnitee with respect to any acts or omissions of such Indemnitee occurring prior to such amendment or repeal.

10.4.2. Optional Insurance, Contracts and Funding. The Corporation may:

10.4.2.1. Maintain insurance at its expense to protect itself and any Indemnitee against any liability, whether or not the Corporation would have power to indemnify the individual against the same liability under the Act;

10.4.2.2. Enter into contracts with any Indemnitee in furtherance of this Article and consistent with the Act; and

10.4.2.3. Create a trust fund, grant a security interest or use other means (including, without limitation, a letter of credit) to ensure the payment of such amounts as may be necessary to effect indemnification as provided in this Article.

10.4.3. Severability. If any provision or application of this Article shall be invalid or unenforceable, the remainder of this Article and its remaining applications shall not be affected thereby and shall continue in full force and effect.

10.4.4. Right of Indemnitee to Bring Suit. If (1) a claim under this Article for indemnification is not paid in full by the Corporation within sixty (60) days after a written claim has been received by the Corporation, or (2) a claim under this Article for advancement of expenses is not paid in full by the Corporation within twenty (20) days after a written claim has been received by the Corporation, then the Indemnitee may, but need not, at any time thereafter bring suit against the Corporation to recover the unpaid amount of the claim. To the extent successful in whole or in part, the Indemnitee shall be entitled to also be paid the expense (to be proportionately prorated if the Indemnitee is only partially successful) of prosecuting such claim.

Neither (1) the failure of the Corporation (including its Board of Directors, its shareholders or independent legal counsel) to have made a determination prior to the commencement of such proceeding that indemnification or reimbursement or advancement of expenses to the Indemnitee is proper in the circumstances, nor (2) an actual determination by the Corporation (including its Board of Directors, its shareholders or independent legal counsel) that the Indemnitee is not entitled to indemnification or to the reimbursement or advancement of expenses shall be a defense to the proceeding or create a presumption that the Indemnitee is not so entitled.

10.5. Exceptions. Any other provision herein to the contrary notwithstanding, the Corporation shall not be obligated pursuant to the terms of these Articles to indemnify or advance expenses to Indemnitee with respect to any proceeding:

10.5.1. Claims Initiated by Indemnitee. Initiated or brought voluntarily by Indemnitee and not by way of defense, except with respect to proceeding brought to establish or enforce a right to indemnification under these Articles or any other statute or law or as otherwise required under the statute; but such indemnification or advancement of expenses may be provided by the Corporation in specific cases if the Board of Directors finds it to be appropriate.

10.5.2. Lack of Good Faith. Instituted by Indemnitee to enforce or interpret this Article, if a court of competent jurisdiction determines that each of the material assertions made by Indemnitee in such proceeding was not made in good faith or was frivolous.

10.5.3. Insured Claim. For which any of the expenses or liabilities for indemnification is being sought have been paid directly to Indemnitee by an insurance carrier under a policy of officers' and Directors' liability insurance maintained by the Corporation.

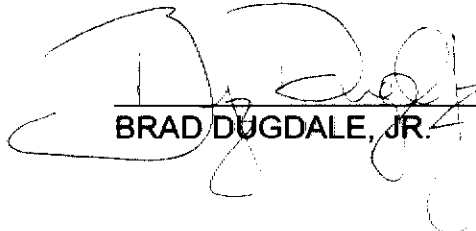
## **ARTICLE XI. AMENDMENT OF ARTICLES**

11.1. Amendments to the Articles can be made by the vote or written assent of at least two-thirds (2/3) of a quorum of the Directors.

## **XII. BYLAWS**

12.1. The initial Bylaws shall be adopted by the initial Board of Directors. The power to amend and repeal the Bylaws shall be vested in the Directors.

For the purposes of forming this Corporation under the laws of the State of Idaho, we, the undersigned incorporators have executed these Articles of Incorporation on the 4 day of MARCH, 1997.

  
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BRAD DUGDALE, JR.

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