

FILED EFFECTIVE
ARTICLES OF INCORPORATION

OF

RED BARON ESTATES PILOTS AND HOMEOWNER'S ASSOCIATION, INC.

The undersigned, acting as the incorporators of a nonprofit corporation ("Corporation" organized under and pursuant to the Idaho Nonprofit Corporation Act, Chapter 3, Title 30, Idaho Code ("Act"), adopts the following Articles of Incorporation ("Articles").

Article I Name.

The name of the Corporation is Red Baron Estates Pilots and Homeowner's Association, Inc.

Article II Nonprofit Status.

The Corporation is a nonprofit corporation.

Article III Period of Duration.

The period of duration of the Corporation is perpetual.

Article IV Registered Office and Agent.

The location of the Corporation is in the County of Elmore, State of Idaho. The address of the initial registered office is 2844 Desert Wind Road, Mountain Home, Idaho 83647, and the name of the initial registered agent at this address is Kenneth P. Casper.

Article V Purposes.

The purposes for which the Corporation is organized and will be operated are as follows:

A. The exercise of all the powers and privileges and the performance of all the duties and obligations of the Corporation as set forth in the Declaration of Covenants, Conditions and Restrictions for Red Baron Estates Phase 1 and Red Baron Estates Phase 2, recorded in the official records of Elmore County, Idaho (the "Declaration"), as amended from time to time.

B. The transaction of any or all lawful business for which corporations may be incorporated under the Idaho Nonprofit Corporation Act, subject only to limitations in the Bylaws and the Declaration and the amendments and supplements thereto.

C. Charitable, religious, educational, or scientific within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended from time to time, including, for such purposes, the making of distributions to organizations that qualify as exempt under such Section 501(c)(3).

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D. To exercise all powers granted by law necessary and proper to carry out the foregoing purposes, including, but not limited to, the power to accept donations of money, property, whether real or personal, or any other things of value. Nothing herein contained shall be deemed to authorize or permit the Corporation to carry on any business for profit, to exercise any power, or to do any act that a corporation formed under the Act, or any amendment thereto or substitute therefor, may not at that time lawfully carry on or do.

Article VI Limitations.

No part of the net earnings or the assets of the Corporation shall inure to the benefit of, or be distributable to, its members, directors, officers, or other private persons 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 the purposes set forth in Article V hereof. No substantial part of the activities of the Corporation shall be for 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 provisions of these Articles, the Corporation shall not carry on any other activities not permitted to be carried on by a corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended from time to time.

Article VII Members.

Each person or entity holding fee simple interest of record to a Building Lot (as defined in the Declaration) which is a part of Red Baron Estates Phase 1 and Red Baron Estates Phase 2 and sellers under executory contracts of sale, but excluding those having such interest merely as security for the performance of an obligation, shall be a Member of the Corporation. Membership shall be appurtenant to and may not be separated from ownership of any Building Lot located in Red Baron Estates Phase 1 and Red Baron Estates Phase 2. There shall be one (1) membership in the Corporation for each Building Lot located in Red Baron Estates Phase 1 and Red Baron Estates Phase 2. Members of the Corporation must be and remain owners of Building Lots within Red Baron Estates Phase 1 and Red Baron Estates Phase 2.

Article VIII Voting Rights

The Corporation shall have two (2) classes of voting membership:

(A) Class A Members. The Class A Members shall be owners of Building Lots within Red Baron Estates Phase 1 and Red Baron Estates Phase 2, except for Grantor (as defined in the Declaration). The Class A Members shall be entitled to one (1) vote for each Building Lot owned by such Class A Members on the day of the vote.

(B) Class B Member. Grantor shall be the Class B Member, and shall be entitled to three (3) votes for each Building Lot owned by Grantor within Red Baron Estates Phase 1 and Red Baron Estates Phase 2. The Class B Member shall cease to be a voting Member

in the Corporation at the earlier of: (2) when Class B Members hold no more than 25% of the Building Lots within the Red Baron Estates; or (2) on January 1, 2009.

Article IX Associate Members

Associate Members shall be pilots who do not own a lot in the Subdivision, but shall be entitled and have the right to use the aircraft runway and taxiways in the Subdivision. Declarants Kenneth P. Casper and Sheila M. Casper, husband and wife, may sell Associate Memberships to no more than thirty-seven pilots who do not own property in the Subdivision. Associate Members shall be entitled to use the Common Area, including the aircraft runway and taxiways, for aircraft purposes in accordance with the restrictions and regulations as are set forth in this Declaration, the Articles, Bylaws, and any rules or regulations adopted by the Association. The Association shall not be entitled to charge fees or collect assessments from Associate Members. Associate Members shall have no right to vote or participate in the operation of the Association. The Associate Members shall have no other right in or to the Property.

Article X Board of Directors.

The affairs of the Corporation shall be managed by its Board of Directors. The number of Directors serving on the Board of Directors shall be fixed in accordance with the Corporation's Bylaws. Other than the Directors constituting the initial Board of Directors, who are designated in these Articles, the Directors shall be elected in the manner and for the term provided in the Bylaws of the Corporation.

The names and street addresses of the persons constituting the initial Board of Directors are:

<u>NAME</u>	<u>ADDRESS</u>
Kenneth P. Casper	2844 Desert Wind Road Mountain Home, Idaho 83647
Sheila M. Casper	2844 Desert Wind Road Mountain Home, Idaho 83647
Robert Ericson	1045 Julia Mountain Home, Idaho 83647

Article XI Assessments.

Each Member, except Associate Members, shall be liable for the payment of Assessments provided for in the Declaration and as otherwise set forth in the Bylaws of the Corporation.

Article XII Distribution on Dissolution.

Upon dissolution of the Corporation, the Board of Directors shall, after paying or making provision for the payment of all liabilities of the Corporation, distribute all the assets of the Corporation consistent with the purposes of the Corporation to such organization or organizations as shall at that time qualify as exempt organizations under Section 501(c)(12) of the Internal Revenue Code of 1986, as amended from time to time, in such manner as the Board of Directors shall determine. Any such assets not so distributed shall be distributed by the district court of the county in which the principal office of the Corporation is then located, exclusively for the purposes or to such organizations, as such court shall determine to be consistent with the purposes of the Corporation.

Article XIII Incorporator.

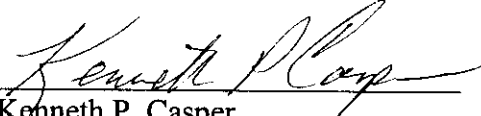
The name and street address of the incorporator is Kenneth P. Casper, 2844 Desert Wind Road, Mountain Home, Idaho 83647.

Article XIV Bylaws.

Provisions for the regulation of the internal affairs of the Corporation shall be set forth in the Bylaws. The Board of Directors of the Corporation shall be authorized to amend the Corporation's Bylaws at a properly noticed special or regular meeting of the Board of Directors. Neither these Articles nor the Bylaws of the corporation shall be amended or otherwise changed or interpreted to be inconsistent with Red Baron Estates Phase 1 and Red Baron Estates Phase 2 Homeowner's Association Declaration.

The undersigned, acting as incorporator of a nonprofit corporation under the Idaho Nonprofit Corporation Act, Chapter 3, Title 30, Idaho Code ("Act"), adopts the foregoing Articles of Incorporation.

DATED this 6th day of October, 2005.


Kenneth P. Casper