

2002 MAY -6 AM 8:37
SECRETARY OF STATE
STATE OF IDAHO

**ARTICLES OF INCORPORATION
OF
120 SECOND AVENUE BUILDING ASSOCIATION, INC.**

IDAHO SECRETARY OF STATE
05/06/2002 05:00
CK: 5100 CT: 2204 BH: 463034
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The undersigned, acting as the incorporator of a nonprofit corporation organized under and pursuant to the Idaho Nonprofit Corporation Act, Chapter 3, Title 30, Idaho Code ("Act"), adopts the following Articles of Incorporation.

**ARTICLE I
NAME**

The name of the corporation is 120 SECOND AVENUE BUILDING ASSOCIATION, INC., hereinafter called "Association."

**ARTICLE II
NONPROFIT STATUS**

The Association is a nonprofit corporation.

**ARTICLE III
DURATION**

The period of duration of the Association is perpetual.

**ARTICLE IV
PURPOSE AND POWERS OF THE ASSOCIATION**

1. The nature of the business and the objective and purpose of this Association shall be as follows:

(a) This Association shall be the "Management Body" as defined in Section 55-1503, Idaho Code, and as provided for in the terms and conditions of that certain Condominium Covenants, Conditions and Restrictions for the Offices and Residences at 120 Building dated December 8, 2001 and recorded on January 10, 2002 as Instrument No. 460152, records of Blaine County, Idaho, as the same may be amended from time to time as therein provided ("Declaration"), which delegates and authorizes this Association to exercise certain functions as the Management Body. Any capitalized term herein shall have the same meaning and definition as set forth in the Declaration, unless specifically indicated to the contrary herein.

(b) The Management Body shall have the power to have, exercise, and enforce all rights and privileges to assume, incur, perform, carry out, and discharge all duties, obligations, and responsibilities of a Management Body as provided for in the Idaho Condominium Property

Act (as defined below) and in the Declaration, as such Declaration is originally executed or, if amended, as amended. The Management Body shall have the power to adopt and enforce rules and regulations covering the use of any condominium project or any area or units thereof, to levy and collect the annual and special assessments and charges against the Condominiums and the Members thereof, and, in general, to assume and perform all the functions to be assumed and performed by the Management Body as provided for in the Declaration. It shall have the power to transfer, assign, or delegate such duties, obligations, or responsibilities to other persons or entities as permitted or provided for in the Idaho Condominium Property Act, the Declaration, or in an agreement executed by the Association with respect thereto. The Management Body shall actively foster, promote, and advance the interest of owners of the Condominium Units within the Condominium project.

2. In addition to the foregoing, where not inconsistent with either the Idaho Condominium Property Act (Title 55, Chapter 15, Idaho Code) or Title 30, Idaho Code, the Association shall have the following powers:

(a) The Association shall have the authority set forth in Title 30 of the Idaho Code relating to the organization and conduct of general business corporations.

(b) The Association shall have the power to buy, sell, acquire, hold, mortgage, or enter into a security agreement, pledge, lease, assignment, transfer, trade, and deal in and with all kinds of personal property, goods, wares, and merchandise of every kind, nature, and description.

(c) The Association shall have the power to buy, sell, lease, let, mortgage, exchange, or otherwise acquire or dispose of lands, lots, houses, buildings and real property, hereditaments, and appurtenances of all kinds and wheresoever situated, and any interest and rights therein, to the same extent as natural persons might or could do and without limit as to amount.

(d) The Association shall have the power to borrow money, draw, make, accept, enforce, transfer, and execute promissory notes, debentures, and other evidences of indebtedness, and for the purpose of securing any of its obligations or contracts, to convey, transfer, assign, deliver, mortgage, and/or pledge all or any part of the property or assets, real or personal, at any time owned or held by this Association.

(e) The Association shall have the power to have one or more officers to carry on all or any part of its operations and businesses and to do all and everything necessary, suitable, convenient, or proper for the accomplishment of any of the purposes, or the attainment of any one or more of the objectives herein named, or which shall at any time appear conducive or expedient for the protection or benefit of the Association, and which now or hereafter may be authorized by law, and this to the same extent and as fully as natural persons might or could do as principals, agents, contractors, trustees, or otherwise, and either alone or in connection with any firm, person, association, or corporation.

(f) To dedicate, sell or transfer all or any part of the common area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the Members;

(g) To participate in mergers and consolidations with other nonprofit corporations organized for the same purposes or annex additional property and common area;

The foregoing clauses are to be construed both as objectives and powers. As hereby expressly provided, an enumeration herein of the objectives, powers, and purposes shall not be held to restrict in any manner the general powers of the Association. The Association shall have the power to do all acts that are necessary and convenient to obtain the objectives and purposes herein set forth to the same extent and as fully as any natural person could or might do within the framework of the Idaho Condominium Property Act, these Articles of Incorporation, and the general corporation laws of Idaho.

ARTICLE V BOARD OF DIRECTORS

The affairs of this Association shall be managed by its Board of Directors. The Board of Directors shall consist of not less than three (3) nor more than five (5) individuals, each of whom need not be Members of the Association. The actual number of Directors shall be fixed by the Bylaws of the Association. Other than the Directors constituting the initial Board of Directors, who are designated in these Articles, the Directors shall be elected or appointed by the Members of the Association in the manner and for the term provided in the Bylaws of the Association.

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

James Doub, 928 Carpenteria Street, Santa Barbara, CA 93101
Wright Watling, 928 Carpenteria Street, Santa Barbara, CA 93101
Granville Harper, 2206 Alameda Padre Serra, Santa Barbara, CA 93103

ARTICLE VI PRINCIPAL OFFICE AND REGISTERED AGENT

The initial principal office and mailing address of the Association is 221 Northwood Way, P.O. Box 2180, Ketchum, Idaho 83353. The initial registered agent of the Association is Matthew Engel.

ARTICLE VII INCORPORATOR

The incorporator and his address are as follows:

ARTICLE VIII

MEMBERSHIP

Every person or entity who is a record owner, whether one or more persons or entities, of a fee simple title to any Condominium as defined in the Declaration and which is subject by the Declaration to assessment by the Association, including contract sellers (the "Owners"), shall be a member of the Association. Each Owner consents to such membership in the Association by virtue of being a condominium Owner. The foregoing shall not 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. Any assessment made by the Association on any condominium in the Development shall be secured by a lien on such condominium as provided in the Declaration.

ARTICLE IX

VOTING RIGHTS

The authorized number and qualifications of members of the Association, the different classes of members, if any, the property, voting, and other rights and privileges of members, and their liability for assessments and the method of collection thereof, shall be as set forth in the Bylaws and/or Declaration. Cumulative voting shall be allowed.

ARTICLE X

LIABILITY FOR ASSESSMENTS

Each Member shall be liable for the payment of assessments provided for in the Declaration and for the payment and discharge of the liabilities of the Association as provided for in the Declaration, the Idaho Condominium Property Act (Title 55, Chapter 15, Idaho Code), and as set forth in the Bylaws of the Association.

ARTICLE XI

DISSOLUTION

The Association may be dissolved as provided by law.

Upon the dissolution of the Association, the Board of Directors shall, after paying or making provision for the payment of all of the liabilities of the Association, dispose of all of the assets of the Association exclusively for the purposes of the Association in such manner as the Board of Directors shall determine. Any such assets not so disposed of shall be disposed of by

the District Court of the Fifth Judicial District of the State of Idaho, in and for Blaine County as said court shall determine.

ARTICLE XII
NONPROFIT LIMITATIONS

No part of the net earnings of the Association shall inure to the benefit of any Member or individual (other than by acquiring, constructing, or providing management, maintenance, and care of property held by the Association, commonly held by the Members of the Association, or located in the Condominium Project and owned by Members of the Association, and other than by a rebate of excess membership dues, fees, or assessments).

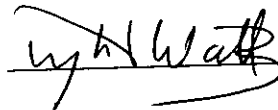
ARTICLE XIII
BYLAWS

Provisions for the regulation of the internal affairs of the Association shall be set forth in the Bylaws.

ARTICLE XIV
AMENDMENTS

Amendments of these Articles shall require the approval of the Members of each class by two-thirds (2/3) of the votes cast by each class, or a majority of the voting power of each class, whichever is less.

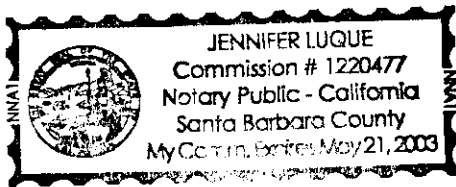
IN WITNESS WHEREOF, for the purpose of forming this corporation under the laws of the State of Idaho, the undersigned has executed these Articles of Incorporation this 29th day of April, 2002.

 _____, Incorporator

STATE OF California
County of Santa Barbara) ss.

On this 29 day of April, 2002, before me, Jennifer Luque, a Notary Public in and for said State, personally appeared W. Wright Watkinson, known or identified to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.



Jennifer Luque
Notary Public
Residing at Santa Barbara, California
My commission expires May 21, 2003