



Department of State.

**CERTIFICATE OF INCORPORATION
OF**

BLUE BEETLE OWNERS' ASSOCIATION NUMBER 4, INC.

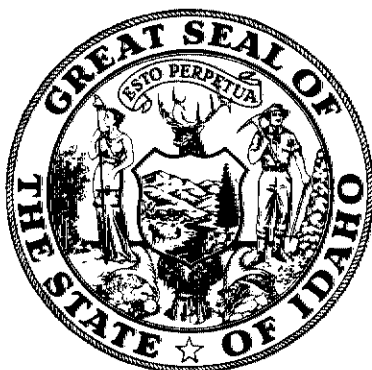
I, PETE T. CENARRUSA, Secretary of State of the State of Idaho, hereby certify that duplicate originals of Articles of Incorporation for the incorporation of _____

BLUE BEETLE OWNERS' ASSOCIATION NUMBER 4, 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 September 6, _____, 19 89.



Pete T. Cenarrusa

SECRETARY OF STATE

Elizabeth M. Balala

Corporation Clerk

RECEIVED
SEC. OF STATE

ARTICLES OF INCORPORATION

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OF

BLUE BEETLE OWNERS' ASSOCIATION NUMBER 4, INC.

In compliance with the requirements of the Idaho Non-Profit Corporation Law, pursuant to Idaho Code 30-117A, the undersigned, all of whom are citizens of the United States and all of whom are of full age, have this day voluntarily associated themselves for the purpose of forming a corporation not for profit and do hereby certify as follows:

ARTICLE I

NAME

The name of the corporation shall be BLUE BEETLE OWNERS' ASSOCIATION NUMBER 4, ^{INC.} and its existence shall be perpetual. For convenience the corporation shall be referred to in this instrument as the "Association".

ARTICLE II

OFFICE

The principal office of the Association is located at Sandpoint, Idaho. The agent for service of process is Dwight Sheffler, 319 Church Street, Sandpoint, Idaho.

ARTICLE III

JURISDICTION

Property over which this Association has jurisdiction and "property subject to the jurisdiction of this

Association", as the foregoing terms are used in these Articles, are and refer to that certain real property, or any part or parts or portion of portions thereof, or interest or estate therein in the County of Bonner, State of Idaho, more particularly described as follows:

A tract of land in the Southeast Quarter of Section 20, Township 58 North, Range 2 West, Boise Meridian, Bonner County, Idaho, described as follows:

From the northeasternmost corner of Lot 12, Block 1, of Schweitzer Basin Village Plat as recorded in the Bonner County Courthouse; thence North 25 degrees 30' West along the right of way line of the road shown on said plat a distance of 14.00 feet; thence continuing along said right of way line on a curve to the left whose radius is 542.96 feet, a distance of 65.81 feet to the TRUE POINT OF BEGINNING; thence continuing along said right of way line on a curve to the left whose radius is 542.96 feet, a distance of 90.00 feet; thence South 48 degrees, 03'27" West, 100 feet; thence on a curve whose radius is 442.96 feet and whose chord bears South 37 degrees 11'38" East, a distance of 73.42 feet; thence 57 degrees, 33'18" East, 100.0 feet to the true point of beginning.

ARTICLE IV.

PURPOSE AND POWERS OF THE ASSOCIATION

This Association shall have no capital stock and is not formed for profit. It is an Association which does not contemplate the distribution of accumulations, gains, profits, or dividends to the members thereof, and is an Association, of which no part of the accumulations, gains or profits shall be paid or inure to the benefit of any private person, member or individual. No part of the activities of

this Association shall consist of the carrying on of propaganda or otherwise to influence legislation. The specific purposes for which the Association is formed are to provide for maintenance, preservation and architectural control of the property over which the Association has jurisdiction, and to promote the health, safety and welfare of the residents within the above-described property and any additions thereto as may hereafter be brought within the jurisdiction of this Association. To achieve these purposes the Association shall:

A. Have all of the common law and statutory powers of a corporation not for profit not in conflict with terms of these Articles.

B. Have the powers and duties set forth in the Condominium Act of the State of Idaho, Idaho Code 55-1501 et. seq., except as limited by these Articles and Condominium Declaration and all the powers and duties reasonably necessary to operate the Condominium Project pursuant to the Declaration and as it may be amended from time to time, including but not limited to the following:

(1) To make and collect assessments against members as Condominium owners to defray the cost of common expenses and losses of the Condominium Project;

(2) To use the proceeds of assessments in the exercise of its powers and duties;

- (3) To provide for the maintenance, repair, replacement and operation of the Condominium property;
- (4) To provide for the purchase of insurance on the Condominium property and insurance for the protection of the Association and its members as Condominium owners;
- (5) To make and amend reasonable regulations respecting the use of the property and the Condominium;
- (6) To enforce by legal means the provisions of the Condominium Act, the Declaration of Condominium, these Articles, the By-Laws of the Association, and the Regulations for the use of the property in the Condominium;
- (7) To contract for the management of the Condominium and to delegate to such contractor all powers and duties of the Association except as such are specifically required by the Declaration of Condominium to have the approval of the Board of Directors or the membership of the Association;
- (8) To employ personnel to perform the services required for proper operation of the Condominium project.

C. The Association shall not have the power to purchase a condominium unit except at sales and foreclosures of liens for assessments for common expenses, at which sales the Association shall bid no more than the amount secured by its lien. This provision shall not be changed without unanimous approval of the members and the joinder of all record owners of mortgages upon the Condominium.

D. All funds and the titles of all properties acquired by the Association and their proceeds shall be held in trust for the members in accordance with the provisions of the Condominium Declaration, these Articles of Incorporation and the By-Laws.

E. Members of the Association shall be subject to and its duties and obligations shall be exercised in accordance with the provisions of the Condominium Declaration and the By-Laws.

F. The Association shall have the power to borrow money (with the assent of five-eighths (5/8) of the members), mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred. The Association shall have the power to participate in mergers and consolidations of other non-profit corporations organized for the same purpose or annex additional residential property and Common Area, provided that any such merger, consolidation or annexation shall have the assent of five-eighths (5/8) of the members. The Association shall have the power to dedicate, sell or transfer any or all part of a 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. No such dedication or transfer shall be effective unless an instrument has been signed by five-eighths (5/8) of the members agreeing to such dedication, sale or transfer.

G. The Association shall have the power to acquire (by gift, purchase or otherwise), own, hold, improve, build on, operate, maintain, convey, sell, lease, transfer, dedicate to public use or otherwise dispose of real or personal property in connection with the affairs of the Association except as provided in Paragraph C above.

H. The powers of the Association shall be subject to and shall be exercised in accordance with the provisions of the Declaration of Condominium and the By-Laws.

ARTICLE V.

MEMBERSHIP

Every person or entity who is a record owner of a fee interest in any condominium, or is purchasing a condominium pursuant to a conditional sales contract, who is subject by covenants of record to assessment by the Association, shall be members of the Association. The foregoing is not intended to 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 apartment which is subject to assessment by the Association.

ARTICLE VI.

VOTING RIGHTS

The Association shall have one class of voting membership and the rights of this membership are enumerated in the Condominium Declaration.

ARTICLE VII.

BOARD OF DIRECTORS

A. The affairs of the Association shall be managed by a Board consisting of a number of directors determined by the By-Laws but not less than three (3) directors, and in the absence of such determination shall consist of three (3) directors. The directors need not be members of the Association.

B. The directors of the Association shall be elected at an annual meeting of the members in a manner determined by the By-Laws, and in the absence of such determination, at the first annual meeting the members shall elect three directors who shall have a term of three (3) years. Directors may be removed and vacancies on the Board of Directors shall be filled in a manner provided by the By-Laws. The names and addresses of the persons who are to act in the capacity of directors until the election of their successors are:

<u>NAME</u>	<u>ADDRESS</u>
BERT SCHOLZ, JR.	Rt. 1 Box 207 Colfax, WA 99111
STANLEY L. BOLES	W. 417 - 26th Spokane, WA 99203
CHRISTIE P. ANDERSON	E. 3725 Westwood Chattaroy, WA 99003

ARTICLE VIII.

OFFICERS

Any person may hold two more offices except that the President shall not also be the Secretary.

ARTICLE IX.

INDEMNIFICATION

Every director and every officer of the Association shall be indemnified by the Association against all expenses and liabilities, including attorneys' fees, reasonably incurred or imposed upon him in connection with any proceeding or any settlement of any proceeding to which he may be a party or in which he may become involved by reason of his being or having been a director or officer of the Association, whether or not he is a director or officer at the time such expenses are incurred. These expenses will be paid in every instance except when the director or officer is adjudged guilty of willful misfeasance or malfeasance in the performance of his duties; provided that in the event of a settlement the indemnification shall apply only when the Board of Directors approves such settlement and reimbursement as being for the best interest of the Association. The foregoing right of indemnification shall be in addition and not exclusive of all other rights to which such director or officer may be entitled.

ARTICLE X.

DEDICATION

All of the assets and property of this corporation are irrevocably dedicated to community and civic welfare and interest, and upon the liquidation, dissolution or abandonment of this corporation none of its assets or property shall inure to the benefit of any private person, but shall be distributed to a fund or funds, foundation or foundations, or corporation or corporations organized and operated for the purpose of aiding and developing community and civic welfare and interest within the limits and elsewhere; provided, however, that in the absence of a specific designation or designations by the person or persons or board having authority to do so, then the same shall be distributed to the County of Bonner, State of Idaho, for park or recreational purposes.

ARTICLE XI.

DISSOLUTION

The association may be dissolved with the unanimous asset given in writing and signed by not less than all of the members. Upon dissolution of the Association, other

than incident to a merger or consolidation, the assets of the Association shall be dedicated to an appropriate public agency to be used for the purpose similar to those for which this Association was created. In the event that such dedication is refused acceptance, and such assets shall be granted, conveyed and assigned to any non-profit corporation, association, trust, or other organization to be devoted to such similar purposes.

ARTICLE XII.

AMENDMENTS

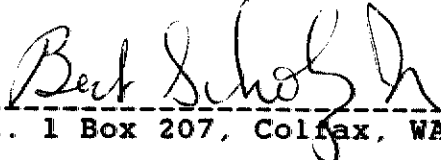
Amendments to the Articles of Incorporation shall be proposed and adopted by the members in the following manner:

A. Notice of the subject matter of the proposed amendment shall be enclosed in the notice of any meeting in which a proposed amendment is considered.


B. An amendment shall be approved by three-quarters (3/4) of the members. Members may vote in person or by proxy at the meeting considering the amendment.

C. Provided, however, that no amendment shall make any changes in the qualifications for membership nor the voting rights of members. No amendments shall be in conflict with the Condominium Act or the Condominium Declaration.

IN WITNESS WHEREOF, the undersigned incorporators have
hereunto set their hands and seals this ____ day of
_____, 1988.



Rt. 1 Box 207, Colfax, WA 99111



W 417 -26th, Spokane, Wa 99203



E. 3725 Westwood, Chattaroy, Wa
99003

STATE OF WASHINGTON)
) ss.
County of Spokane)

I certify that I know or have satisfactory evidence
that Bert Scholz, Jr., Stamey L. Boles and Christie P.
Anderson signed this instrument and acknowledged it to be
their free and voluntary act for the uses and purposes
mentioned in the instrument.

DATED

Aug 14, 1989

John F. Sweeney
Notary Public in and for the
State of Washington
Residing at Spokane

My Commission Expires: 1/91