

State of Idaho

Department of State

CERTIFICATE OF INCORPORATION OF

PINEWOOD BAY HOMEOWNERS ASSOCIATION, INC.

File number C 109549

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 PINEWOOD BAY HOMEOWNERS ASSOCIATION, 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: February 24, 1995



Pete T. Cenarrusa
SECRETARY OF STATE

By *Ana Sikes*

ARTICLES OF INCORPORATION

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PINWOOD BAY HOMEOWNERS ASSOCIATION, INC.

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The undersigned, acting as incorporator of a corporation under the Idaho Nonprofit Corporation Act (IC 30-3), adopts the following Articles of Incorporation for the corporation.

ARTICLE 1. NAME.

The name of this corporation is Pinewood Bay Homeowners Association, Inc.

ARTICLE 2. DURATION.

The duration of this corporation is perpetual.

ARTICLE 3. PURPOSES.

This corporation is organized to provide an owners association pursuant to the Restrictive Covenants for Pinewood Bay Subdivision, as recorded under Bonner County Auditor's No. 349051 and as subsequently amended (hereinafter called "the Covenants"), to provide for maintenance, preservation, and architectural control of the lots and common areas of the Pinewood Bay residential subdivision as more particularly described in the Covenants, located in Bonner County, Idaho, and to engage in all such activities as are incidental or conducive to the attainment of the objectives of the corporation and all activities which are permitted to be done by a non-profit corporation under any laws that may now or hereafter be applicable or available to this corporation. The powers of this corporation shall be subject to and shall be exercised in accordance with the laws of the State of Idaho and with the Covenants as they may from time to time be amended.

ARTICLE 4. DISSOLUTION.

Upon dissolution or final liquidation of the corporation, the assets of the corporation shall be distributed among the members of the corporation in accordance with the Covenants and the Bylaws.

ARTICLE 5. MEMBERS.

The corporation shall have one class of members, which shall consist of the owners of the parcels and dwelling units in Pinewood Bay, as those terms are defined in the Covenants. The rights, privilege and obligations of the members are set forth in the Covenants and in the Bylaws of the corporation.

ARTICLE 6. REGISTERED OFFICE AND AGENT.

The name of the initial registered agent of the corporation is:

LON PECKHAM

The address of the initial registered office of the corporation is:

Route 1, Box 300
Priest River, IDAHO

ARTICLE 7. DIRECTORS.

The number of directors of this corporation shall be fixed by the Bylaws and may be increased or decreased from time to time in the manner specified therein. The initial Board of Directors shall consist of five (5) directors. The names and addresses of the persons who shall serve as directors until the first meeting of the members and until their successors are elected and qualify unless they resign or are removed are:

Lionel Greenwood

1417 W. Crestwood
Spokane WA 99218

Joe Esposito

4907 E. Glennaire Dr.
Spokane WA 99223

LON PECKHAM

Route 1, Box 300
Priest River ID

Doug Johnston

2527 S. Park Rd.
Spokane WA 99212

Pete Arthur

37020 N. Valley Rd.
Elk WA

ARTICLE 8. LIMITATION OF LIABILITY.

A director of the corporation shall not be personally liable to the corporation or its members for monetary damages for conduct as a director, except for liability of the director (i) for acts or omissions which involve intentional misconduct by the director or a knowing violation of law by the director, or (ii) 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.

Any repeal or modification of this Article by the directors or members of the corporation shall not adversely affect any right or protection of any individual who is or was a director of the corporation which existed at the time of such repeal or modification.

ARTICLE 9. INDEMNIFICATION.

To the full extent permitted by the Idaho Nonprofit Corporation Act, the corporation shall indemnify against all expenses and liabilities, including reasonable attorneys' fees, any individual made a party to a proceeding because that individual is or was a director or officer of the corporation and shall advance or reimburse the reasonable expenses incurred by such individual in advance of final disposition of the proceeding, without regard to any limitations in IC 30-1-5 of the Idaho General Business Corporation Act, or any other limitation which may hereafter be enacted to the extent such limitation may be disregarded if authorized by the Articles of Incorporation, to the full extent and under all circumstances permitted by applicable law.

Any indemnification provided under this Article shall, unless limited by the terms of the undertaking to indemnify, continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of his or her heirs, executors and administrators.

Any repeal or modification of this Article by the directors or members of the corporation shall not adversely affect any right or protection of any individual who is or was a director or officer of the corporation existing at the time of such repeal or modification.

ARTICLE 10. AMENDMENT.

Any amendment to these Articles of Incorporation shall require the approval of sixty-seven percent (67%) of the votes of the members of the corporation and such other approvals as may be required in the Covenants.

ARTICLE 11. INCORPORATOR.

The name and address of the incorporator is as follows:

Glenn Baldwin
9314 N. Londale Dr.
Spokane WA 99208

EXECUTED in duplicate on 9/28, 1994.

[Signature]
Incorporator

STATE OF Washington) ss.
County of Spokane)

Glenn Baldwin, being first duly sworn on oath says:
That he/she is the incorporator of Pinewood Bay Homeowners Association, that he/she has read the foregoing Articles of Incorporation of Pinewood Bay Homeowners Association, knows the contents thereof, and believes the same to be true.

DATED this 28th day of September, 1994.

[Signature]
NOTARY PUBLIC in and for the State
of Washington residing at Spokane
My commission expires 9-13-98

RE-PB/AOI