

97677

State of Idaho

Department of State

CERTIFICATE OF INCORPORATION OF

LOOKOUT RECREATION, 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 the above named corporation, duly signed pursuant to the provisions of the Idaho Business 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 21, 1992



Pete T. Cenarrusa

SECRETARY OF STATE

By

Angie Hakes

**ARTICLES OF INCORPORATION
OF
LOOKOUT RECREATION, INC.**

RECEIVED
SEC. OF STATE

92 FEB 21 AM 7 40

DONALD P. WALDE, being over the age of eighteen (18) years of age and a citizen of the United States of America, for the purpose of forming a corporation under the Idaho Business Corporation Act, adopts the following articles of incorporation.

ARTICLE I

The name of this corporation shall be Lookout Recreation, Inc.

ARTICLE II

The duration of this corporation shall be perpetual.

ARTICLE III

The purpose for which this corporation is organized is to operate a full service ski and recreation area, and to transact any and/or all other lawful business for which corporations may be incorporated under the Idaho Business Corporation Act.

ARTICLE IV

This corporation shall have the authority to issue one thousand (1,000) shares of capital stock of the par value of One Dollar (\$1.00) per share. There shall be no other class or shares of stock in this corporation.

ARTICLE V

The owners of shares of stock of this corporation shall not be entitled to preemptive rights to subscribe for or purchase any part of new or additional issues of stock or securities convertible into stock of any class whatsoever whether now or hereafter authorized, and whether issued for cash, property, services, by way of

dividends or otherwise.

ARTICLE VI

The transfer by any shareholder of any shares of the corporation's capital stock shall be subject to the limitations and restrictions expressed in this article. Should any shareholder desire to sell any shares of the corporation's capital stock, for any reason whatsoever, including but not limited to distribution of the assets of said shareholder's estate or division of property upon marital dissolution, he shall first offer such shares for sale to the corporation and, in the event the corporation declines that offer, then to the shareholder of record who holds the largest number of issued shares. If the shareholder of record who holds the largest number of issued shares is also the shareholder who is seeking to sell his shares, then and only then shall the shareholder to whom the offer is made be the shareholder of record who holds the second largest number of issued shares.

If more than one shareholder holds the largest number of issued shares (or the second largest number of issued shares, if applicable), then said shareholder shall each have the option to purchase an equal fraction of the shares being sold. If any one of said shareholders refuses the fractional offer made to him, then the right to purchase the shares included in the rejected fractional offer shall vest in the remaining shareholder(s) to whom the offer was made. If more than one shareholder qualifies to accept the rejected fractional offer, then each shareholder shall be entitled to purchase an equal fraction of the rejected

fractional offer in addition to the fraction to which each shareholder is otherwise entitled to purchase.

Should the parties be unable to agree on the price of the shares to be sold under this article, then the offering price shall be determined by one of the following two methods. The shareholder who seeks to sell his shares may choose which of the following two methods by which he seeks to value his shares. First, the shares to be sold shall be conclusively valued by an independent accounting firm to be agreed upon by both the selling shareholder and the board. If the selling shareholder is also a member of the board, he shall not be entitled to vote on the matter as either a director or as a shareholder. If the shareholder and the board cannot agree upon an independent accounting firm, they shall each propose two said firms and the president of the corporation shall choose one of the four at random. Second, if the selling shareholder has a "good faith, bona fide offer" from a third-party other than the corporation or a shareholder(s) qualified to accept the offer, then the corporation or shareholder(s) qualified to accept the offer must meet the "good faith, bona fide offer." It shall be required that any offer from a third-party, in order to qualify as a "good faith, bona fide offer" under this article, shall be accompanied by a good faith escrow of U. S. currency in an amount equal to the purchase price which has been offered.

Any sale and purchase to be performed under this article shall be completed no later than 60 days after receipt of notice by the corporation and the shareholder(s) of record who can accept the

offer under this article should the corporation decline to accept the selling shareholder's offer. Notice under this article shall be given by actual notice or by registered mail.

ARTICLE VII

A fifty-two percent (52%) majority of the outstanding shares of the corporation entitled to vote, represented in person or by proxy, shall constitute a quorum at a shareholders' meeting. If less than a fifty-two percent (52%) majority of the outstanding shares is represented at a meeting, a majority of the shares so represented may adjourn the meeting from time to time without further notice. At an adjourned meeting at which a quorum is present or represented, any business may be transacted that might have been transacted at the meeting as originally notified. The shareholders present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough shareholders to leave less than a quorum.

ARTICLE VIII

To the full extent permitted by the Idaho Business Corporation Act, the corporation shall indemnify any person who was or is a party or is threatened to be made a party to any civil, criminal, administrative or investigative action, suit or proceeding (whether brought by or in the right of the corporation or otherwise) by reason of the fact that he is or was a director or officer of the corporation, or is or was serving at the request of the corporation as a director or officer of another corporation, against expenses (including attorney's fees), judgments, fines, and amounts paid in

settlement actually and reasonably incurred by him in connection with such action, suit or proceeding; and the board may, at any time, approve indemnification of any other person which the corporation has the power to indemnify under the Idaho Business Corporation Act. Indemnification provided by this section shall not be deemed exclusive of any other rights to which a person may be entitled as a matter of law or by contract.

ARTICLE IX

The Board of Directors shall have full power to adopt, alter, amend or repeal the bylaws or adopt new bylaws. Nothing herein shall deny the concurrent power of the shareholders to adopt, alter, amend or repeal the bylaws.

ARTICLE X

This corporation reserves the right to amend, alter, change or repeal any provisions contained in its articles of incorporation in any manner now or hereafter prescribed or permitted by statute. All rights of shareholders of this corporation are granted subject to this reservation.

ARTICLE XI

The number, qualifications, terms of office, manner of election, time and place of meetings, and powers and duties of the directors shall be prescribed in the bylaws, but the number of the first directors shall be two (2) and they shall serve until the first meeting of shareholders and until their successors are elected and qualified and their names and post office addresses

are:

NAME

ADDRESS

Donald P. Walde

P.O. Box 108
Wallace, Idaho 83873

James F. Fowler, V

P.O. Box 108
Wallace, Idaho 83873

ARTICLE XII

The address of the registered office of this corporation is: care of John F. Magnuson, Attorney at Law, 424 Sherman Avenue, Suite 205, Coeur d'Alene, Idaho, 83814 and the name of its registered agent at such address is John F. Magnuson.

ARTICLE XIII

The name and post office address of the incorporator of this corporation is as follows:

NAME

ADDRESS

Donald P. Walde

P.O. Box 108
Wallace, Idaho 83873

The incorporator has signed these articles of incorporation this 17th day of February, 1992.

Donald P. Walde
Donald P. Walde

STATE OF IDAHO)
County of Kootenai) ss.

On this 17th day of February, 1992, before me, the undersigned, a Notary Public in and for the said State and County, personally appeared, DONALD P. WALDE, known or identified to me to

be the person whose name is subscribed to the within instrument and who acknowledged that he executed the same.

WITNESS my hand and official seal.

Kurti Nicklaus
Notary Public in and for the
State of Idaho.
Residing at: Hayden Lake
My commission expires: 10/30/96