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SECRETARY OF STATE  
STATE OF IDAHO

**ARTICLES OF INCORPORATION  
OF  
SKYWAGON COMMERCIAL CONDOMINIUMS  
OWNERS' ASSOCIATION, INC.**

KNOWN ALL MEN BY THESE PRESENTS that HIGH WING CONSTRUCTION, INCORPORATED, an Idaho corporation, for the purpose of forming a corporation under the Idaho Nonprofit Corporation Act, hereby certifies and adopts, in duplicate, the following Articles of Incorporation.

**ARTICLE I.  
NAME**

The name of the corporation (hereinafter referred to as the "Corporation") is "SKYWAGON COMMERCIAL CONDOMINIUMS OWNERS' ASSOCIATION, INC."

**ARTICLE II.  
DURATION**

The duration of this Corporation shall be perpetual.

**ARTICLE III.  
PURPOSE AND POWERS**

3.1 This Corporation is not organized for profit and no part of its gains or earning shall inure or be distributed to its members. The specific primary purposes for which it is formed are to: (i) carry out and enforce the DECLARATION OF COVENANTS, CONDITIONS & RESTRICTIONS of SKYWAGON COMMERCIAL CONDOMINIUMS OWNERS' ASSOCIATION, INC. (herein the "Declaration"); (ii) provide for the acquisition, construction, management, operation, administration, maintenance, repair, improvement, preservation, insurance and architectural control of association property within that certain commercial development known as the SKYWAGON COMMERCIAL CONDOMINIUMS project (herein the "Project") located in the city of Post Falls, Kootenai County, Idaho; (iii) promote the health, safety and welfare all of all property owners and tenants occupying or otherwise utilizing any portion of the property as defined in the Declaration for the Project and any additions thereto as may hereafter be brought within the jurisdiction of this Corporation for such purposes, all according to the Declaration recorded or to be

ARTICLES OF INCORPORATION OF SKYWAGON COMMERCIAL  
CONDOMINIUMS OWNERS' ASSOCIATION, INC. -1

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recorded with respect to such property in the office of the County Recorder of Kootenai County, Idaho; and (iv) the transaction of any lawful activity in which corporations may engage within the State of Idaho.

3.2 In furtherance of said purposes, and subject to the approval of members as required by law, the Declaration and the remaining Project Documents, the Corporation shall have the power to:

3.2.1 Perform all of the duties and obligations of the Corporation as set forth in the Declaration;

3.2.2 Fix, levy, collect and enforce assessments and fines as set forth in the Declaration and other Project Documents and secure the payment of assessments through liens upon real property as allowed under Idaho law;

3.2.2.1 Pursuant to Idaho Code Section 30-3-17 (5), assessments may be made enforceable by civil action and/or by the forfeiture of membership and/or lien upon any real property to which membership rights are appurtenant, upon notice given in writing twenty (20) days before commencement of such action or such forfeiture.

3.2.3. Pay all expenses and obligations incurred by the Corporation in the conduct of its business, including, without limitation, all licenses, taxes or governmental charges levied or imposed against the Corporation's property;

3.2.4 Acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, exchange, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Corporation;

3.2.5 Make contracts and incur liabilities, borrow money and mortgage, pledge, deed in trust or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred;

3.2.6 Dedicate, sell, transfer or grant easements over all or part of any of the Corporation's property to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the members;

3.2.7 Participate in mergers and consolidations with other nonprofit corporations organized for the same purposes, or annex additional property to the property managed by the Corporation;

3.2.8 Litigate, mediate, arbitrate any and/or all corporate rights and obligations specified in law and/or by Declaration or other Project Documents. This Corporation in addition to other provisions, may provide for the qualification of members, the terms and conditions of admission, the time, mode, conditions and effect of expulsion or withdraw from the restoration of membership, admission fees, charges and assessments; and for reimbursement for services rendered to and expenses incurred on behalf of the Corporation by any member to the Corporation, and such other rules and regulations as are not repugnant to the laws of the State of Idaho or the purposes of the project;

3.2.9 Exercise the same powers as an individual to do all things necessary or convenient to carry out its affairs; and

3.2.10 Have and exercise any and all powers, rights and privileges which a corporation organized under the Idaho Nonprofit Corporation Act, which may now or hereafter exist.

#### **ARTICLE IV. MEMBERS AND MEMBERSHIP**

4.1 Non-Stock Corporation. Participation in management and ownership of the Corporation shall be by membership only. The Corporation shall issue no stock and shall have no shareholders.

4.2 Membership. The Owner of a Unit in the SKYWAGON COMMERCIAL CONDOMINIUMS project shall automatically, upon becoming an Owner, be a member of the Corporation, and shall remain a member thereof until such time as a member's ownership ceases for any reason at which time its membership in the Corporation shall automatically cease. Membership shall be in accordance with these Articles of Incorporation and the Bylaws of the Corporation. The Declarant shall obtain membership rights for each Project Unit as specified in the Declaration upon recording of the Declaration.

4.3 Transferred Membership. Membership in the Corporation shall not be transferred, pledged or alienated in any way except upon the transfer of ownership of a Unit to which it is appurtenant, and then only to the new owner thereof. Any attempt to make a prohibited transfer is void. In the event the owner of any Unit should fail or refuse to transfer the membership registered in its name to the purchaser of its Unit, the Corporation shall have the right and authority to transfer the membership to the purchaser and record the transfer upon the books; thereupon the old membership outstanding in the name of the seller shall be null and void.

4.4 Classes of Membership. The Corporation shall have multiple classes of voting membership established according to the following provisions:

4.4.1 Class "A" Membership. Class A membership shall be that held by each Owner of a Unit other than Developer (including any successor in interest as Developer of the Project). Each Class A Member shall be entitled to one (1) vote for each Unit owned within the Project. If a Unit is owned by more than one person, each such person shall be a member of the Corporation, but there shall be no more than one (1) vote for each Unit. The voting power attributable to each Unit shall not be increased by joint ownership and the vote attributable to each Unit shall not be split. Multiple owners of a Unit have joint rights and obligations but in the event they cannot agree how to vote on any particular issue, then they shall lose their collective right to vote and may not exercise any vote with respect to that specific issue.

4.4.2 Class "B" Membership. Class B Membership shall be that held by the Declarant (including any successor in interest as Developer of the Project), who shall be entitled to triple the voting power otherwise attributable to any specific Unit. Class B voting rights shall exist with respect to all Units expected to be constructed within the Project, whether completed or subject to future construction. Class B membership shall be converted to Class A membership and shall forever cease to exist on the occurrence of whichever of the following is first in time:

- (i) When the total outstanding voting power held by Class A members equals the total outstanding voting power (tripled as stated above) held by the Class B member; or
- (ii) On the tenth (10<sup>th</sup>) anniversary of the recordation of the Declaration and other original Project Documents.

4.5 Voting Requirements. Except where otherwise expressly provided in the Declaration, these Articles of Incorporation or Bylaws, any action by the Corporation must have the approval of the Corporation membership before being undertaken and shall require the vote or written assent of the prescribed percentage of the total power of all combined classes of the Corporation membership.

4.6 Limitation of Payment to Dissenting Member. Membership in the Corporation is appurtenant to and cannot be segregated from ownership of a Unit within the Jurisdiction of the Corporation. Except under dissolution of the Corporation, a dissenting member shall not be entitled to any return of any contribution or other interest in the Corporation.

## **ARTICLE V.**

### **INITIAL REGISTERED OFFICE AND AGENT**

The initial registered office of the Corporation shall be 409 Coeur d'Alene Avenue, Coeur d'Alene, Idaho, 83814, and the name of its registered agent at such address is Brent G. Schlotthauer, Esq.

**ARTICLE VI.**  
**BOARD OF DIRECTORS; INCORPORATORS**

The affairs of this Corporation shall initially be managed by a Board of three (3) Directors. All subsequent directors must be members of the Corporation. The number of directors may be increased by amendment of Bylaws to an odd number not exceeding five (5) Directors at any time after the termination of Class B membership. The names and addresses of the initial Directors of the Corporation until the nomination and election of their successors, are:

<u>Name</u>	<u>Address</u>
ROBERT R. GUINDON	601 E. Seltice Way, Suite 2-B Post Falls, ID 83854
DONNA M. GUINDON	601 E. Seltice Way, Suite 2-B Post Falls, ID 83854
BRENT G. SCHLOTTHAUER	409 Coeur d'Alene Avenue Coeur d'Alene, ID 93914

The name and address of the incorporator of the Corporation is as follows:

<u>Name</u>	<u>Address</u>
ROBERT R. GUINDON	601 E. Seltice Way, Suite 2-B Post Falls, ID 83854

**ARTICLE VII.**  
**INDEMNIFICATION**

A Director of the Corporation shall not be personally liable to the Corporation for monetary damages arising from any conduct as a Director, except this limitation on liability shall not apply to: (i) acts or omissions involving intentional misconduct by the Director or a knowing violation of law by the Director; or (ii) any transaction from which the Director will personally receive a benefit in money, property or services to which the Director is not legally entitled. In the event the Idaho Business Corporation Act and/or the Idaho Nonprofit Corporation Act is amended to authorize corporate action further eliminating or limiting the personal liability of corporate Directors, then the liability of a Director of this Corporation shall be eliminated or limited to the fullest extent permitted by such law or laws, as so amended.

Any repeal or modification of the forgoing paragraph shall not adversely affect the right or protection of a Director of the Corporation existing at the time of such repeal or modification. The Corporation shall have all powers set forth in Idaho Code Section 30-3-88 or any revised or successor statute.

#### **ARTICLE VIII. DISSOLUTION**

In the event of dissolution, liquidation or winding up of the Corporation, after paying off or adequately providing for the debts and obligation of the Corporation, the Directors or persons in charge of the liquidation shall distribute any remaining assets, properties and/or money to such public entity or nonprofit organization with similar purposes of the Corporation in a manner consistent with the purposes of the Corporation.

#### **ARTICLE IX. AMENDMENT OF ARTICLES**

These Articles shall be amended only by the vote or willing assent of at least two-thirds (2/3) of the membership; provided, the percentage of the voting power necessary to amend a specific clause or provision herein shall not be less than the percentage of affirmative votes prescribed for action to be taken under said clause or provision. Any amendment shall not be inconsistent with Idaho law.

For the purposes of forming this Corporation under the laws of the State of Idaho, the undersigned, constituting the incorporator of the Corporation, has executed these Articles of Incorporation on the 11<sup>th</sup> day of September, 2006.

  
ROBERT R. GUINDON, Incorporator

STATE OF IDAHO )

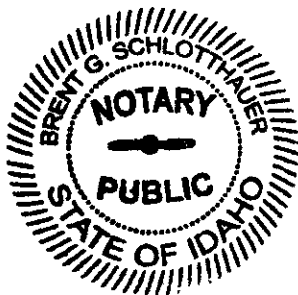
: ss.

County of Kootenai )

On this 11<sup>th</sup> day of September, 2006, before me, Brent G. Schlotthauer, a notary public, personally appeared **ROBERT R. GUINDON**, to me known to be the individual described in and who executed the foregoing instrument and acknowledged that he signed and sealed the same as his own free and voluntary act and deed, for the uses and purposes therein mentioned.

GIVEN UNDER MY HAND AND OFFICIAL SEAL the day and year in this certificate first written above.

(SEAL)



A handwritten signature of Brent G. Schlotthauer, consisting of stylized initials "BS" followed by a long horizontal stroke.

Notary Public in and for the State of Idaho

Residing At: Hayden - ID

My Commission Expires: 01/06/12