

State of Idaho

Department of State

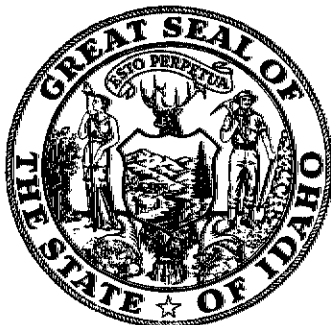
CERTIFICATE OF INCORPORATION OF

THE CORNICE CONDOMINIUMS, INC.
File number C 113965

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 CORNICE CONDOMINIUMS, 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: March 4, 1996



Pete T. Cenarrusa
SECRETARY OF STATE

By *Sheryl DeWine*

Mar 4 8 32 AM '96

ARTICLES OF INCORPORATION
OF
THE CORNICE CONDOMINIUMS, INC.

SECRETARY OF STATE
STATE OF IDAHO

The undersigned, for the purpose of forming a non-profit cooperative association, pursuant to the applicable law of the State of Idaho relating to such associations, hereby certifies and states:

1. The name of the cooperative association is and shall be The Cornice Condominiums, Inc. hereinafter referred to as the "Association".

2. The Association is and shall be a non-profit cooperative association, and is formed pursuant to, and in accordance with Idaho Code 30-301, et seq, known as the "Idaho Non-Profit Corporation Act". The Association does not contemplate pecuniary gain or profit to the members thereof.

3. Subject to dissolution in the manner provided by Idaho law regarding general business corporation, the life of this Association shall be perpetual.

4. The purposes for which this Association is formed are to provide maintenance and improvements on the common areas within The Cornice Condominiums, to provide architectural and aesthetic control of the common areas and improvements thereon, to make reasonable rules and regulations, and to promote the health, safety, and welfare of the residents living within The Cornice Condominiums, which is that certain tract of real property located in Bonner County, Idaho, more particularly described in Exhibit "A" attached hereto and made a part hereof. In order to further these purposes, this Association shall be empowered to:

(a) Exercise all the powers and privileges, and perform all the duties and obligations of the Association as set forth in those certain documents entitled The Cornice Condominiums, Inc., Bylaws and Declaration and Covenants, Conditions, and Restrictions for The Cornice Condominiums, Inc.

(b) Fix, levy, collect, and enforce payment by any lawful means of all charges or assessments pursuant to the terms of the Bylaws, and to pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the Association, including all licenses, taxes, or governmental charges levied or imposed against the property of the Association.

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

IDAHO SECRETARY OF STATE
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(d) Borrow money, and with the assent of two-thirds (2/3) of the members of the Association, mortgage, pledge, or encumber any or all of its real or personal property as security for money borrowed or debts incurred.

(e) Dedicate, sell, or transfer all or any part of the common areas 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 two-thirds (2/3) of the members, agreeing to such dedication, sale, or transfer.

(f) Participate in mergers and consolidations with other non-profit associations organized for the same purposes, or annex additional residential property and common areas, provided that any such merger and consolidation shall have the assent of two-thirds (2/3) of the members.

(g) Act as purchasing agent for goods and services for the members of the Association only.

(h) In general, to carry on any other business in connection with the foregoing, and to have and exercise all of the powers conferred by the law of Idaho upon corporations, as qualified and limited by Idaho Code 32-301, et seq.

(i) To indemnify any director or officer or former director or officer of the corporation, or any person who may have served at its request as a director or officer of any corporation, whether for profit or not for profit, against expenses actually and necessarily incurred by him in connection with the defense of any action, suit, or proceeding in which he is made a party by reason of being or having been such officer or director, except in relation to matters as to which he shall be adjudged in such action, suit, or proceeding to be liable for negligence or misconduct in the performance of duties; but such indemnification shall not be deemed exclusive of any other rights to which such director or officer may be entitled, under Bylaw, agreement, vote or board of directors, or members, or otherwise.

(j) The foregoing clauses shall be construed as objects, purposes, and powers; and it is hereby expressly provided that any enumeration of specific powers shall not be limited to or restrict in any manner the powers of the Association, except as provided in subparagraph (h) herein.

5. Every person or entity who is record owner of any unit, or units, which is located within the real property described herein, and is subject to the Bylaws referred to

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herein shall be a member of the Association. Membership shall be appurtenant to, and may not be separated from ownership of any such unit or units.

6. The Association shall be formed without capital stock, and the Association shall issue membership certificates to each member thereof. Said membership certificates shall be transferable only by means of the sale or transfer of ownership of a unit, or units, located in The Cornice Condominiums. Voting rights of each member of the Association shall be determined by the number of units within The Cornice Condominiums, owned by said member. Any member may attend any meeting of the Association and may vote at such meeting in person, or may cast his/her vote through an agent duly appointed in writing, signed by the member and filed with the Association.

That at any meeting of the membership of the corporation at least the majority of all the voting power of the association must be present in person or by proxy to constitute a quorum.

7. The affairs of the Association shall be managed by a Board of Directors, but it is not necessary that each member of which shall be a member of the Association and owner of a unit, or units, located within The Cornice Condominiums.

The number of Directors of the Association shall be no less than three (3) or more than five (5). The number of Directors may be changed by amendment of the Bylaws of the Association. Said Directors shall serve for a term of one (1) or two (2) years and until their respective successors are elected, or until resignation or removal; however, the term of at least one-third (1/3) of the members of the Board shall expire annually.

The names and addresses of the persons who are to serve as the initial directors of the corporation are as follows:

<u>NAME</u>	<u>ADDRESS</u>
Charles E. Parrish	1605 Westwood Drive Sandpoint, ID 83864
Donna B. Parrish	1605 Westwood Drive Sandpoint, ID 83864
Anna Lyn Evans	1103 Church Street Sandpoint, ID 83864

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8. These Articles of Incorporation may be amended by the membership of the Association, but such amendment shall require the affirmative vote of fifty-one (51%) percent of the entire membership.

9. The initial registered address of the Association shall be 321 N. First Avenue, Sandpoint, ID 83864. The registered agent at that address is Charlie Parrish.

10. The incorporator of this corporation is Charlie Parrish.

11. The net assets of the corporation are to be distributed in the event the corporation is dissolved to the then owners of units in The Cornice Condominiums, Inc., each membership receiving one portion.

12. This corporation shall not pay dividends, and no part of the income of the corporation shall be distributed to its members, directors, or officers. The corporation may pay compensation in any reasonable amount to its members, directors, or officers for service rendered, as may be provided in the Bylaws.

The foregoing Articles of Incorporation are dated and executed this 28th day of FEBRUARY, 1996.

Charles E. Parrish

CHARLES E. PARRISH

STATE OF IDAHO)) ss. County of Bonner)

I, the undersigned, a Notary Public in and for the State of Idaho, hereby certify that on the 28 day of Feb, 1996, personally appeared CHARLES E. PARRISH, known to me to be the person whose name is subscribed to the within 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 last above written.

Patricia L. Lewis Notary Public in and for Idaho

Residing at:

Sandpoint

My commission expires:

2/17/2001