ARTICLES OF INCORPORATION OF SCENIC BAY TRACTS OWNERS ASSOCIATION, INC.

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SECRETARY OF STATE STATE OF IDAHO

The undersigned, acting as the incorporator of a nonprofit corporation ("Corporation") organized under and pursuant to the Idaho Nonprofit Corporation Act, Chapter 3, Title 30, Idaho Code ("Act"), adopts the following Articles of Incorporation ("Articles").

ARTICLE I - NAME

The name of the corporation is Scenic Bay Tracts Owners Association, Inc.

ARTICLE II - NONPROFIT STATUS

The Corporation is a nonprofit corporation.

ARTICLE III - PERIOD OF DURATION

The period of duration of the Corporation is perpetual.

ARTICLE IV - REGISTERED OFFICE AND AGENT

The location of the Corporation is in the City of Coeur d'Alene, County of Kootenai, and in the State of Idaho. The address of the initial registered office is 608 Northwest Blvd., Coeur d'Alene, Idaho, 83814, and the name of the initial registered agent at this address is Stephen B. McCrea.

ARTICLE V - PURPOSES

The purpose for which the Corporation is organized and will be operated are as follows:

- A. The exercise of all the powers and privileges and the performance of all the duties and obligations of the Corporation as set forth in any By-Laws.
- B. The transaction of any or all lawful business for which corporations may be incorporated under the Idaho Nonprofit Corporation Act, subject only to limitations in the Bylaws.

ARTICLE VI - MEMBERS

Each person or entity holding fee simple interest of record to any given single lot which is a part of the Scenic Bay Tracts, Kootenai County, Idaho, and which owner of record has elected to join this Association and who has subjected such lot to the provisions of the Articles and Bylaws of the Association shall be a member of the Corporation. This shall include sellers under executory contracts of sale, but excludes those having a mere security interest for the performance of an obligation. Membership shall be appurtenant to and may not be separated from part of the performance of an obligation.

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ARTICLES OF INCORPORATION OF SCENIC BAY TRACTS OWNERS ASSOCIATION, INC.: PAE 1

located in the Scenic Bay Tracts Subdivision. There shall be one (1) membership in the Corporation for each lot located in the Subdivision, which owner has elected to become a member of the Corporation and subjected such lot to the provisions of these Articles and Bylaws of Corporation. Once the owners of a lot have subjected it to becoming a member of the Corporation, successive owner or owners of such lot shall remain a member of the Corporation and each such lot shall continue to be bound by the Articles and Bylaws of Corporation. Membership in the Corporation shall be evidenced either by the current owners of record signing these initial Articles of Incorporation or a later application of the owners of a lot within Scenic Bay Tracts and acceptance thereof by Corporation for membership, as evidenced in the corporate records.

ARTICLE VII - VOTING RIGHTS

The Corporation shall have one class of voting membership.

ARTICLE VIII - BOARD OF DIRECTORS

The affairs of the Corporation shall be managed by its Board of Directors. The number of Directors serving on the Board of Directors shall be fixed in accordance with the Corporation's Bylaws. Other than the Directors constituting the initial Board of Directors, who are designated in these Articles, the Directors shall be elected in the manner and for the term provided in the Bylaws of the Corporation.

The names and addresses of the persons constituting the initial Board of Directors are:

David Tomberg Dorothy Gillingham Walt Byer

P.O. Box 72, Bayview, ID 83803-0072 1707 Airpark Drive, Veradale, WA 99037 2119 E. North Crescent, Spokane, WA 99207

ARTICLE IX - ASSESSMENTS

Each Member shall be liable for the payment of Assessments provided for in the Bylaws of the Corporation.

ARTICLE X - DISTRIBUTION ON DISSOLUTION

Upon dissolution of the Corporation, the Corporation shall be wound up and liquidated pursuant to the provisions of Idaho Code §30-3-113 and successive legislation. After satisfying liabilities, disposing of properties that will not be distributed in kind, returning, transferring, or conveying assets held by the Corporation upon a condition requiring a return, transfer or conveyance, the balance of corporate assets shall be transferred to the Members.

ARTICLE XI - PROVISIONS OF IDAHO NONPROFIT CORPORATION ACT

All provisions of the Idaho Nonprofit Corporation Act shall apply to this corporation except to the extent that they are contradicted by these Articles of Incorporation or by the Bylaws.

ARTICLES OF INCORPORATION OF SCENIC BAY TRACTS OWNERS ASSOCIATION, INC.: PEE 2

ARTICLE XII - INCORPORATOR

The name and address of the incorporator is Stephen B. McCrea, Attorney at Law, whose address is 608 Northwest Blvd., Coeur d'Alene, ID 83814.

ARTICLE XIII - BYLAWS

Provisions for the regulation of the internal affairs of the Corporation shall be set forth in the Bylaws. The Board of Directors of the Corporation shall be authorized to amend the Corporation's Bylaws at a properly noticed special or regular meeting of the Board of Directors.

The undersigned, acting as incorporator of a nonprofit corporation under the Idaho Nonprofit Corporation Act, Chapter 3, Title 30, Idaho Code ("Act"), adopts the foregoing Articles of Incorporation.

DATED this 8th day of July, 2008.

Stephen B. McCrea, Incorporator