

**FILED/EFFECTIVE**

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**ARTICLES OF INCORPORATION  
OF**

STATE OF IDAHO  
**THE SHANTI COVE OWNERS ASSOCIATION, INC.**

KNOW ALL MEN BY THESE PRESENTS that CHANTAL PISCOPO, being over the age of eighteen (18) years, and for the purposes of forming a corporation under the Idaho Nonprofit Corporation Act, hereby certifies and adopts the following Articles of Incorporation:

**ARTICLE I  
NAME**

The name of the Corporation (hereinafter called the "Association") is THE SHANTI COVE OWNERS ASSOCIATION, INC. and it is a nonprofit corporation.

**ARTICLE II  
DURATION**

The Association shall exist perpetually.

**ARTICLE III  
PURPOSES AND POWERS OF THE ASSOCIATION**

This Association does not contemplate the distribution of gains, profits or dividends to its Members.

The specific primary purposes for which the Association is formed are to provide for the management, operation, administration, maintenance, repair, improvement, preservation, insurance, and architectural control of that certain community located along the shoreline of Lake Pend Oreille in Bonner County, Idaho and commonly known as "Shanti Cove;" and to promote the health, safety and welfare of all owners, tenants, and guests using the commonly-shared easements of the above-described property and any additions thereto as may hereafter be brought within the jurisdiction of this Association for such purpose, all according to the By-Laws of the Association, and that certain Declaration of Covenants, Conditions and Restrictions (the "Declaration") recorded or to be recorded with respect to said Shanti Cove shoreline community in the Office of the Recorder of Bonner County.

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IDAHO SECRETARY OF STATE

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In furtherance of said purposes, and subject to the approval of Members as required by the By-Laws, Declaration and remaining Project Documents, the Board of Directors of this Association shall have power to:

- (a) Perform all of the duties and obligations of the Association as set forth in the By-Laws and Declaration;
- (b) Fix, levy, collect and enforce Assessments as set forth in the By-Laws and Declaration;
- (c) Pay all expenses and obligations incurred by the Association in the conduct of its business including, without limitation, all licenses, taxes or governmental charges levied or imposed easements on the subject property which are dedicated for community use;
- (d) Improve, build upon, operate and maintain those easements on the subject property dedicated for community use;
- (e) Have and exercise any and all powers, rights, and privileges which a corporation organized under the Nonprofit Corporation Act of the State of Idaho by law may now, or hereafter, have or exercise.

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

The Association shall have members who shall have such rights as are provided in the By-Laws and Declaration and are consistent with the management authority that the By-Laws and Declaration grant the Board of Directors of the Association.

The qualifications of the Members in the manner of their admission, the class of membership, if any, the property, voting and other rights and privileges of Members, and their liability for dues and assessments as well as the method of collection of dues and assessments shall be set forth in the By-Laws and Declaration of the Association.

#### **ARTICLE V INITIAL REGISTERED AGENT AND OFFICE**

The initial registered office of the Association shall be located at 6715 Bottle Bay Road in Sagle, Idaho; the registered agent at such address shall be Chantal Piscopo.

**ARTICLE VI**  
**BOARD OF DIRECTORS; INCORPORATOR**

The affairs of the Association 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 Association's By-Laws.

Directors shall be elected by Members of the Association in the manner and for the term provided in the By-Laws of the Association. One position of the Board of Directors, who shall serve as Chairman of the Board of Directors, shall not be elected by the Members, but shall be appointed in a manner and for the term provided in the By-Laws of the Association.

The names and addresses of the initial three (3) Directors of the Association are:

<u>Name</u>	<u>Address</u>
Chantal Piscopo	Post Office Box 1527 Sandpoint, Idaho 83864
Jill Ammon-Wexler	Post Office Box 1094 Sandpoint, Idaho 83864
Maureen Clahan	Post Office Box 1527 Sandpoint, Idaho 83864

The name and address of the incorporator of this Association is as follows:

<u>Name</u>	<u>Address</u>
Chantal Piscopo	Post Office Box 1527 Sandpoint, Idaho 83864

**ARTICLE VII**  
**INDEMNIFICATION**

A Director of the Association shall not be personally liable to the Association for monetary damages arising from any conduct as a Director, except that 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.

If the Idaho Business Corporation Act and/or the Idaho Nonprofit Corporation Act are amended to authorize corporate action further eliminating or limiting the personal liability of corporate Directors, then the liability of a Director of this Association shall be eliminated or limited to the fullest extent permitted by such law or laws, as so amended.

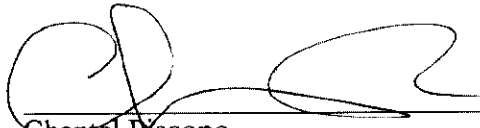
## ARTICLE VIII DISTRIBUTION OF ASSETS UPON DISSOLUTION

In the event of dissolution of this Association, the following provisions shall control the distribution of the Association assets:

- (a) Upon making a decision to dissolve the Association, the Board shall appoint a local Attorney at Law to handle any and all legal and financial issues.
- (b) Any monies in a bank or other financial account of the Association shall first be utilized to settle any and all outstanding financial responsibilities of the Association, including taxes due upon shared community-use easements. Any remaining funds shall remain in said account(s) for a total of ninety (90) days following said dissolution to ensure settlement of any such claims. Upon satisfaction of any and all financial responsibilities of the Association, any remaining funds shall be distributed equally among the Owners of the Shanti Cove Homesites.
- (c) The community-use easement granted to the Association by the Owner(s) of Homesite #4, and known as the *Shanti Cove Marina* and any and all improvements thereto, shall be legally revoked and returned to the sole control and ownership of the Owner(s) of Homesite #4. Considerations regarding future access to and operation of said Shanti Cove Marina, and any and all improvements thereto, shall become the sole decision of the Owner(s) of Homesite #4, with considerations as defined in (d)(1) and (d)(2) below.
- (d) Assuming that the Association Members have provided funds to construct the proposed Shanti Cove Marina and related facilities, then the Owner(s) of Homesite #4 may choose to either: (1) Compensate each Homesite Owner(s) for their Homesite's initial contribution to said Marina construction fund, excluding contributions for maintenance or repairs thereto, and excluding a sum equal to each Homesite's seasonal cumulative use thereof -- based on the costs of rental fees charged for slips in *comparable* marinas on Lakes Pend Oreille and Coeur d'Alene, OR (2) provide the continued access to boat slips at a yearly rental fee per slip as defined in (e) below.
- (e) In the event of dissolution of this Association and the election of Option (d)(2) above, then the Owner(s) of Homesite #4 may charge a yearly rental fee per slip of that amount charged per slip by *comparable* marinas on Lakes Pend Oreille and Coeur d'Alene.

# **INCORPORATOR'S STATEMENT**

The undersigned, **CHANTAL PISCOPO**, does hereby sign as  
Incorporator of this Association, formed in accordance with the State of Idaho  
Nonprofit Corporation Act.

  
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Chantal Piscopo

3-14-00  
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Dated