

FILED EFFECTIVE

**ARTICLES OF INCORPORATION
OF
RAINBOW RIDGE CONDOMINIUMS
OWNERS ASSOCIATION, INC.**

2006 DEC -7 AM 9:22
SECRETARY OF STATE
STATE OF IDAHO

KNOW ALL PERSONS BY THESE PRESENTS that RAINBOW RIDGE CONDOMINIUMS OWNERS ASSOCIATION, INC., for the purpose of forming a corporation under the Idaho Nonprofit Corporation Act, and in compliance with the provisions of Title 30, Chapter 3, Idaho Code, does hereby certify and adopt the following Articles of Incorporation:

ARTICLE I - NAME

The name of the corporation shall be the RAINBOW RIDGE CONDOMINIUMS OWNERS ASSOCIATION, INC. (herein the "Association").

ARTICLE II - TERM

The period of existence and duration of the life of the Association shall be perpetual.

ARTICLE III - NON-PROFIT

The Association shall be a non-profit, membership corporation.

ARTICLE IV - INITIAL REGISTERED OFFICE AND AGENT

The initial registered office of the Association 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 V - PURPOSE AND POWERS OF THE ASSOCIATION

5.1 This Association is not organized for profit and no part of its gains or earnings shall inure or be distributed to its members. The Association is formed for the purpose to act as the Management Body, as defined in the Condominium Property Act, Idaho Code §§ 55-1501, *et al.*, with all powers and obligations enumerated therein. The specific primary purposes for which it is formed are to: (i) carry out and enforce the DECLARATION OF COVENANTS, CONDITIONS & RESTRICTIONS of RAINBOW RIDGE 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

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development known as the RAINBOW RIDGE CONDOMINIUMS project (herein the "Project") located in the city of Coeur d' Alene, 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 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.

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

5.2.1 Perform all of the duties and obligations of the Association as set forth in the Declaration;

5.2.2 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;

5.2.2.1 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.

5.2.3. 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 against the Association's property;

5.2.4 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 Association;

5.2.5 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;

5.2.6 Dedicate, sell, transfer or grant easements over all or part of any of the Association'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;

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

5.2.8 Litigate, mediate, arbitrate any and/or all corporate rights and obligations specified in law and/or by Declaration or other Project Documents. This Association 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 Association by any member to the Association, and such other rules and regulations as are not repugnant to the laws of the State of Idaho or the purposes of the project;

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

5.2.10 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 VI - MEMBERS AND MEMBERSHIP

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

6.2 Membership. The Owner of a Unit in the RAINBOW RIDGE CONDOMINIUMS project shall automatically, upon becoming an Owner, be a member of the Association, 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 Association shall automatically cease. Membership shall be in accordance with these Articles of Incorporation and the Bylaws of the Association. The Declarant shall obtain membership rights for each Project Unit as specified in the Declaration upon recording of the Declaration.

6.3 Transferred Membership. Membership in the Association shall be appurtenant to and may not be separated from ownership of any Unit within the Building. Membership in the Association 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 Association 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.

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

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

ARTICLE VII - BOARD OF DIRECTORS

The affairs of the Association shall be managed by a Board of Directors (collectively the "Board," individually "Directors") to carry out all of the powers and duties of the Association as set forth herein. The Board shall consist of not less than three (3) Directors nor more than five (5), who, other than the initial Directors specified herein shall be Members of the Association. The number of Directors may be changed by amendment of the Bylaws, but in no event shall the number be less than three (3). The names and addresses of the persons who are to act in the capacity of Directors until the nomination and election of their successors are as follows:

<u>Name</u>	<u>Address</u>
Samuel G. Judd	24842 N. Cedar Mountain Rd. Athol, ID 83801
Lenna Davis Judd	24842 N. Cedar Mountain Rd. Athol, ID 83801
Eldon R. Davis	24842 N. Cedar Mountain Rd. Athol, ID 83801

ARTICLE VIII - ASSESSMENTS

Each Member shall be liable for the payment of Assessments pursuant to the Declaration and as set forth in the Bylaws.

ARTICLE IX - BYLAWS

The Bylaws of this Association may be altered, amended, or new Bylaws adopted at any regular meeting, or any special meeting of the Members of the Association called for that purpose, by the affirmative votes of more than fifty percent (50%) of the total voting power of the Association's Members or as otherwise set forth in the Bylaws. For the purpose of specifying in detail the rights, responsibilities, duties and obligations of the Association's Board

of Directors, the officers, employees and agents of the Association, and the Members for the payment of Assessments, the Bylaws may incorporate by reference the provisions of the Declaration.

ARTICLE X - 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 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 Association 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 Association shall have all powers set forth in Idaho Code Section 30-3-88 or any revised or successor statute.

ARTICLE XI - DISSOLUTION

The Association shall only be dissolved at a regular meeting, or a special meeting of the Association called for that purpose, by the affirmative votes of no less than two-thirds (2/3) of the total voting power of the Association. Upon dissolution of the Association, other than incident to a merger or consolidation, the real property and other assets of the Association shall be distributed as follows: (i) dedicated to an appropriate public agency to be used for purposes similar to those for which the Association was created; or (ii) granted, conveyed and assigned to a non-profit corporation, association, trust or other organization to be devoted to such similar purposes. Notwithstanding any other provisions of these Articles, the Association shall not carry on any other activities not permitted by any organization exempt from federal income tax under Section 528 of the Internal Revenue Code of 1986 (or the corresponding provisions of any future United States internal revenue law).

ARTICLE XII - AMENDMENT OF ARTICLES

Amendment of these Articles of Incorporation may be made at any regular meeting, or any special meeting of the Members of the Association called for that purpose, by the affirmative votes of more than two-thirds (2/3) of the total voting power of the Association's Members, and, if required by the Declaration, the consent of holders of Mortgages on Units within the Rainbow Ridge Condominiums who have requested of the Association in writing to provide them notice of proposed action which affects their interests. No amendment which is inconsistent with Idaho Law and/or the provisions of the Declaration shall be valid.

ARTICLE XIII - MEANING OF TERMS

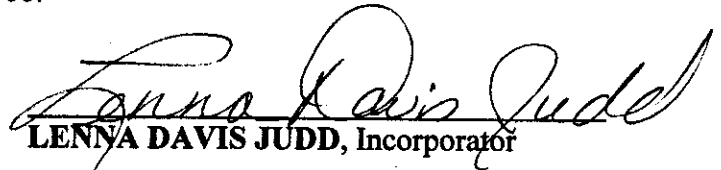
Except as otherwise defined herein, all terms appearing herein initially capitalized shall have the same meanings as are ascribed to such terms in the Declaration.

ARTICLE XIV - INCORPORATION

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

<u>Name</u>	<u>Address</u>
Lenna Davis Judd	24842 N. Cedar Mountain Rd. Athol, ID 83801

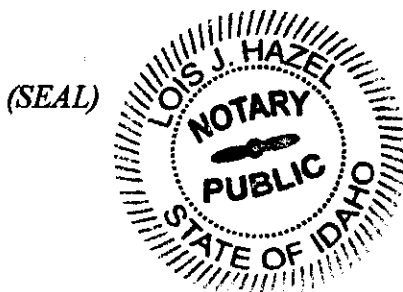
For the purposes of forming this corporation under the laws of the State of Idaho, the undersigned, constituting the incorporator of the Association, has executed these Articles of Incorporation on the 5 day of December, 2006.

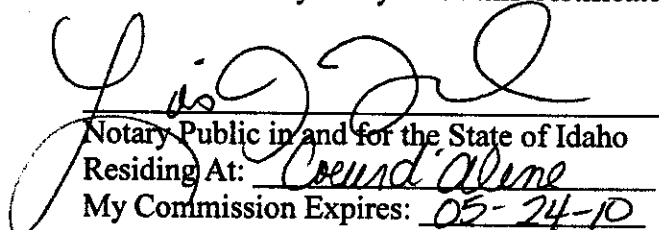

LENNA DAVIS JUDD, Incorporator

STATE OF IDAHO)
 : ss.
County of Kootenai)

On this 5 day of December, 2006, before me, a notary public, personally appeared LENNA DAVIS JUDD, to me known to be the individual described in and who executed the foregoing instrument and acknowledged that she signed and sealed the same as her 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.




Notary Public in and for the State of Idaho
Residing At: Coeur d'Alene
My Commission Expires: 05-24-10