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SECRETARY OF STATE
STATE OF IDAHO

ARTICLES OF INCORPORATION OF
ROSY'S CONDOMINIUMS OWNERS ASSOCIATION, INC.
(an Idaho non-profit corporation)

The undersigned natural person acting as incorporator of a Corporation, hereinafter referred to as "CORPORATION" under the provisions of Title 30, Chapter 3, Idaho Code, known as the Idaho Non-profit Corporation Act, (this Code as amended from time to time is referred to herein as the "CODE"), adopts the following ARTICLES OF INCORPORATION:

ARTICLE 1

NAME

The name of the Corporation is ROSY'S CONDOMINIUMS OWNERS ASSOCIATION, INC.

ARTICLE 2

PERIOD OF DURATION

The period of duration of the Corporation is perpetual.

ARTICLE 3

PURPOSES

Section 3.01. PURPOSES. The purposes for which this Corporation is organized are as follows:

CLAUSE (a). This Association does not contemplate the distribution of gains, profits, or dividends to its Members. The specific primary purposes for which it is formed are to provide for the acquisition, construction, management, operation, administration, maintenance, repair, improvements, preservation, insurance, and architectural control of property either owned by, or within the jurisdiction of, the Association (the "Association Property"), within that certain residential condominium project located at the corner of 6th and Harrison, in the City of Coeur d'Alene, Kootenai County, Idaho, commonly known as the "Rosy's Condominiums" and to promote the health, safety and welfare of all owners and tenants using the above described property and any additions thereto as may hereafter be brought within the jurisdiction of this Association for such

1. ARTICLES OF INCORPORATION

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purpose, all according to that certain Declaration of Condominium Covenants, Conditions and Restrictions (the "Declaration") recorded or to be recorded with respect to said property in the Office of the Recorder of Kootenai County.

CLAUSE (b). In furtherance of said purposes, and subject to the approval of Members as required by the Declaration and the remaining Project Documents, this Association shall have power to:

1. Perform all of the duties and obligations of the Association as set forth in the Declaration;
2. Fix, levy, collect and enforce Assessments as set forth in the Declaration;
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 property;
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. Own, administer, operate, maintain, repair, replace, and improve, for the benefit of the members, any Common Area described in the Declaration;
6. 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;
7. Dedicate, sell, transfer, or grant easements over all or any part of the subject property to any public agency, authority or utility for such purposes and subject to such conditions as may be necessary;
8. Participate in mergers and consolidations with the other nonprofit corporations organized for the same purposes, or annex additional property to the property managed by the Association;
9. 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.

CLAUSE (c). AUXILIARY PURPOSES. To do everything necessary, proper, advisable, or convenient, for the accomplishment of the foregoing purposes, and to do all other things incidental to them or connected with them that are not forbidden by the Code, by other law, or by these ARTICLES OF INCORPORATION.

SECTION 3.02. POWERS. The Corporation, subject to any specific written limitations or restrictions imposed by the Code or by these ARTICLES OF INCORPORATION, shall have and exercise the following powers:

2. ARTICLES OF INCORPORATION

CLAUSE (a). STATUTORY POWERS. To have and exercise all the powers specified in the Code.

CLAUSE (b). NON-PROFIT PRECLUSIONS. No part of the net earning of the Corporation shall inure to the benefit of or be distributed either to its members, directors, officers of other private persons except that the Corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth herein. No part of the activities of the Corporation shall be the carrying on of propaganda or otherwise attempting to influence legislation, and the organization shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of any candidate of public office. Nothing contained herein however, shall forbid the Corporation from publicly stating its position on any issue or question of legitimate concern to or relevant to the purpose for which the Corporation has been organized. Notwithstanding any provision to the contrary in the Articles, the Corporation shall not carry on any activities not permitted to be carried on (a) by the corporation exempt from federal tax under Section 501(c) of the Internal Revenue code of 1986 as amended, or any corresponding provisions of any future United States Internal Revenue law; or (b) by a corporation, contributions to which are deductible under Section 170(c)(3) of the Internal Revenue Code of 1986 as amended or the corresponding provision of any future United States Internal Revenue law.

CLAUSE (c). TERMINATION OR LIQUIDATION. Upon termination, liquidation, dissolution or abandonment of the corporation for any purpose, the Board of Directors shall, after paying or making provisions for the payment of all of the lawful liabilities of the Corporation, as required by I.C. 30-3-1 et seq., dispose of all of the remaining assets of the Corporation to such organization or organizations organized and operated exclusively for non profit purposes as shall at the time qualify as an exempt organization or organizations under Section 501(c) of the Internal Revenue Code of 1986, as amended, or corresponding provisions of any future United States Internal Revenue Law, as the Board of Directors shall determine.

CLAUSE (d). CONSTRUCTION OF POWERS. Each of the foregoing clauses of this section shall be construed as independent powers and the matters expressed in each clause shall not unless otherwise expressly provided, be limited by reference to, or inference from, the terms of any other clause. The enumeration of specific powers shall not be construed as limiting or restricting in any manner either the meaning of general terms used in any of these clauses, or the scope of the general powers of the Corporation created by them; nor shall the expression of one thing in any of these clauses be deemed to exclude another not expressed, although it be of like nature.

3. ARTICLES OF INCORPORATION

SECTION 3.03. CARRYING OUT OF PURPOSES AND EXERCISE OF POWERS IN ANY JURISDICTION. The Corporation may carry out its purposes and exercise its powers in any state, territory, district or possession of the United States, or in any foreign country, to the extent that these purposes and powers are not forbidden by the law of the State, territory, district, or possession of the United States, or by the foreign country and it may limit the purpose or purposes that it proposes to carry out or the powers it proposes to exercise in any application to do business in any State, territory, district, or possession of the United States, or foreign country.

SECTION 3.04. DIRECTION OF PURPOSES AND EXERCISE OF POWERS BY DIRECTORS. The Board of Directors, subject to any specific written limitations or restrictions imposed by the Code or by these ARTICLES OF INCORPORATION, shall direct the carrying out of the purposes and exercise the powers of the Corporation without previous authorization or subsequent approval by the members of the Corporation.

SECTION 3.05. LIMITING PROVISION. Nothing contained in this Article shall be construed to authorize the Corporation to engage in the business of banking or insurance

ARTICLE 4

MEMBERS AND MEMBERSHIPS

SECTION 4.01. NON STOCK CORPORATION. Participation in management and ownership of the Association shall be by membership only.

SECTION 4.02. MEMBERSHIP. The Owners of a Unit shall automatically, upon becoming an Owner, be a Member of the Association, and shall remain a Member thereof until such time as its 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 Bylaws of the Association.

SECTION 4.03. TRANSFERRED MEMBERSHIP. Membership in the Association shall not be transferred pledged, or alienated in any way, except upon the transfer of ownership of the Unit to which it is appurtenant, and then only to the new Owner. 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 to record the transfer upon its books and thereupon the old membership outstanding in the name of the seller shall be null and void.

4. ARTICLES OF INCORPORATION

SECTION 4.04. CLASSES OF MEMBERSHIP. The Association shall have the following two (2) classes of voting membership:

a. CLASS A MEMBERSHIP: Class A Membership shall include all Owners of Units other than the Declarant. Each Class A member shall be entitled to one (1) vote for each Unit owned.

b. CLASS B MEMBERSHIP: Class B membership shall be held by the Declarant, which shall be entitled to three (3) votes for each Unit owned. However, Class B membership shall cease and be converted to Class A membership upon the earlier of the following to occur:

When the total voting power outstanding in Class A Membership shall equal the total voting power outstanding in the Class B membership; or

Fifteen (15) years from the date of recordation of the Declaration.

If the Class B Membership shall be converted to Class A membership based upon equalization of voting power, it may be reinstated as Class B Membership upon the annexation of an additional Phase or Phases, as permitted by rights reserved to the Declarant under the Declaration.

If a Unit is owned by more than one (1) person, each such person shall be a Member of the Association, but the voting power attributable to that Unit shall not be increased by the joint ownership, and the vote of that Unit shall not be split. If the Owners of a particular Unit present at a meeting, in person or by proxy, cannot agree on how to vote on a specific matter, no vote shall be exercised by the Unit on that matter.

SECTION 4.05. VOTING REQUIREMENTS. Except where otherwise expressly provided in the Declaration, these Articles of Incorporation, or the Bylaws, any action by the Association which must have the approval of the Association membership before being undertaken shall require the vote or written assent of a majority of a quorum of the voting power of the Association (both classes of membership combined).

SECTION 4.06. 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 Association. Except upon dissolution of the Association, a dissenting member shall not be entitled to any return of any contribution or other interest in the Association.

ARTICLE 5

DIRECTORS

SECTION 5.01. NUMBER. The number of directors constituting the Board of Directors

5. ARTICLES OF INCORPORATION

of the Corporation consists of one (1). The name and address of the person who is the Director is as follows:

<u>NAME</u>	<u>ADDRESS</u>	<u>POSITION</u>
JOSEPH ROSEN	P.O. BOX 1697	DIRECTOR
	COEUR D'ALENE ID 83816-1697	
MICHAEL STANLEY ROSEN	P.O. BOX 1697	DIRECTOR
	COEUR D'ALENE ID 83816-1697	
TARA A. COPE	P.O. BOX 1697	DIRECTOR
	COEUR D'ALENE ID 8381601697	

ARTICLE 6

ELECTION OF DIRECTORS

SECTION 6.01 MANNER OF ELECTION. The manner in which the Director is to be elected by the Members shall be set forth in the By-Laws.

ARTICLE 7

CORPORATE OFFICERS AND THEIR FUNCTIONS

SECTION 7.01. GENERAL OFFICERS. The general officers of the Corporation shall be the President, Vice President(s), Secretary and Treasurer. the Directors may appoint various Vice Presidents to serve distinct and defined functions.

SECTION 7.02. DUTIES OF THE PRESIDENT. The principal duties of the President shall be to preside at all meetings of the members and Board of directors and to have general supervision of the affairs of the Corporation.

SECTION 7.03. DUTIES OF THE VICE PRESIDENT. The principal duties of the Vice President shall be to discharge the duties of the President in the event of absence or disability for any cause whatsoever of the President. Various Vice Presidents may be appointed for specific functions other than as the first Vice President.

SECTION 7.04. DUTIES OF THE SECRETARY. The principal duties of the Secretary shall be to countersign all deeds, leases and conveyances executed by the Corporation, affix the seal of the Corporation thereto, and to such other papers as shall be required and directed to be sealed,

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to keep a record of the proceedings of the Board of Directors and the Members, and to safely and systematically keep all books, papers, records and documents belonging to the corporation, or in any way pertaining to the business thereof, except the books and records incidental to the duties of the Treasurer.

SECTION 7.05. DUTIES OF THE TREASURER. The principal duties of the Treasurer shall be to keep an account of all monies, credits and property of any and every nature of the Corporation which shall come into his/her hands and to keep an accurate account of all monies received and disbursed and of money and property on hand and generally of all matters pertaining to his/her office, as shall be required by the Board of Directors.

SECTION 7.06. APPOINTMENT OF ADDITIONAL OFFICERS. The Board of Directors may provide for the appointment of such additional officers as they deem in the best interest of the Corporation.

SECTION 7.07. Whenever the Board of Directors may so order any two officers, the duties of which do not conflict, may be held by one person, except the office of President and Secretary.

SECTION 7.08. The officers shall perform such additional or different duties as shall, from time to time, be imposed or required by the Board of Directors or as may be prescribed, from time to time, by the By-Laws.

ARTICLE 8

APPOINTMENT OF OFFICERS

SECTION 8.01. APPOINTMENT. The officers shall be appointed by the Directors, and shall serve at the leisure of the Directors, until they are removed, resign, or replaced by the Directors. The Directors shall first be elected by the Members of the Corporation. There will be no term limits on the terms of the officers except and to the extent an officer either resigns or is replaced by action of the Board of Directors.

ARTICLE 9

PROVISIONS FOR REGULATION OF THE INTERNAL AFFAIRS OF THE CORPORATION

SECTION 9.01 BYLAWS. The initial Bylaws shall be adopted by the Board of Directors. The power to alter, amend, or repeal the Bylaws or to adopt new Bylaws shall be vested in the Board

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of Directors and the Members. The Bylaws may contain any provisions for the regulation and management of the affairs of the corporation not inconsistent with the Code or these ARTICLES OF INCORPORATION.

SECTION 9.02. TRANSACTIONS IN WHICH DIRECTORS HAVE AN INTEREST. Any contract or other transaction between the Corporation and any firm of which one or more of its directors are members or employees, or in which they are interested, or between the Corporation and any Corporation or association of which one or more of its directors are shareholders, members, directors, officers or employees, or in which they are interested, shall be valid for all purposes, notwithstanding the presence of the director or directors at the meeting of the Board of Directors of the Corporation that acts upon, or in reference to, the contract or transaction, and notwithstanding his or their participation in the action, if the fact of such interest shall be disclosed or known to the Board of Directors and the Board of Directors shall, nevertheless, authorize or ratify the contract or transaction, the interested director or directors to be counted in determining whether a quorum is present and to be entitled to vote on such authorization or ratification. This section shall not be construed to invalidate any contract or other transaction that would otherwise be valid under the common and statutory law applicable to it.

SECTION 9.03. INDEMNIFICATION AND RELATED MATTERS.

CLAUSE (a). POWER TO INDEMNIFY-THIRD PARTY ACTIONS. The Corporation shall have power to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, or investigative (other than an action by or in the right of the Corporation) by reason of the fact that he is or was a director, officer, employee, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another Corporation, partnership, joint venture, trust or other enterprise, against expenses, (including attorneys fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not of itself create a presumption that the person did not act in good faith, and in a manner which he reasonably believed to be in or not opposed to the best interest of the Corporation, and, with respect to any criminal action or proceeding, or had reasonable cause to believe that his conduct was unlawful.

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CLAUSE (b). POWER TO INDEMNIFY-ACTION BROUGHT IN THE RIGHT OF THE CORPORATION. The Corporation shall have power to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that he is or was a director, officer, employee, or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another Corporation, partnership, joint venture, trust or other enterprise against expenses, (including attorneys fees) actually and reasonably incurred by him in connection with the defense or settlement of such action or suit if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Corporation and except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of his duty to the Corporation unless and only to the extent that the Court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability, but in view of all circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which such Court shall deem proper.

CLAUSE (c). RIGHT OF INDEMNIFICATION. To the extent that a director, officer or employee or agent of the Corporation has been successful on the merits or otherwise in defense of any action, suit, or proceeding referred to in Clauses (a) and (b), or in defense of any claim, issue or matter therein, he shall be indemnified against expenses (including attorneys fees) actually and reasonably incurred by him in connection therewith.

CLAUSE (d). DETERMINATION OF ENTITLEMENT TO INDEMNIFICATION. Any indemnification under Clauses (a) and (b) (unless ordered by a Court) shall be made by the Corporation only as authorized in the specific case upon a determination that indemnification of the director, officer, employee, or agent is proper in the circumstances because he has met the applicable standard of conduct set forth in clauses (a) and (b). Such determination shall be made (1) by the Board of Directors by a majority vote of a quorum consisting of directors who were not parties to such action, suit or proceeding, or (2) if such a quorum is not obtainable, or, even if obtainable, a quorum of disinterested directors so directs, by independent legal counsel in a written opinion, or (3) by the members.

CLAUSE (e). ADVANCEMENT OF EXPENSES. Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the Corporation in advance of the final disposition of such action, suit or proceeding as authorized in the manner provided in Clause (d) upon receipt of an undertaking by or on behalf of the director, officer, employee, or agent to repay such amount unless it shall ultimately be determined that he is entitled to be indemnified by the Corporation as authorized in this section.

9. ARTICLES OF INCORPORATION

CLAUSE (f). SAVINGS CLAUSE. The indemnification provided by this section shall not be deemed exclusive of any other rights to which those indemnified may be entitled under any Bylaw, Agreement, vote of the members or disinterested directors or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a director, officer, employee, or agent and shall inure to the benefit of the heirs, executors, and administrators of such a person.

CLAUSE (g). INSURANCE. The Corporation shall have power to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee, or agent of the Corporation or is or was serving at the request of the Corporation as a director, officer, employee or agent of another Corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him and incurred by him in any such capacity or arising out of his status as such, whether or not the Corporation would have the power to indemnify him against such liability under the provisions of this section.

SECTION 9.04. AMENDMENT OF ARTICLES OF INCORPORATION. The Corporation reserves the right to amend the ARTICLES OF INCORPORATION in any manner now or hereafter permitted by the Code.

ARTICLE 10

ADDRESS REGISTERED OFFICE AND NAME OF REGISTERED AGENT

SECTION 10.01. REGISTERED OFFICE. The address of the registered office of the Corporation is:

1207 N. 6TH STREET, COEUR D'ALENE ID 83814

SECTION 10.02. REGISTERED AGENT. The name of the registered agent of the Corporation, and individual in Idaho whose business office is at such address is:

JOE ROSEN

10. ARTICLES OF INCORPORATION

ARTICLE 11

DATA RESPECTING DIRECTORS

SECTION 11.01. QUALIFICATION OF DIRECTORS. Directors shall be members of the association, and shall be elected by the members.

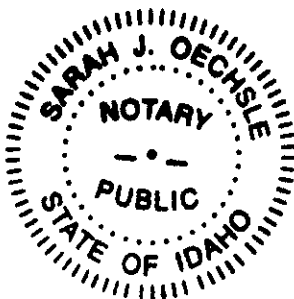
SECTION 11.02. INCREASE OR DECREASE OF DIRECTORS. The number of directors may be increased or decreased from time to time by amendment to the Articles of Incorporation; but no decrease shall have the effect of shortening the term of any incumbent Director.

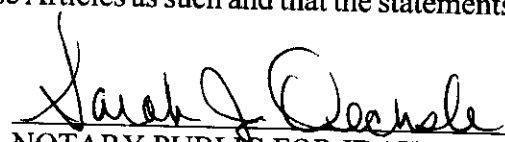
EXECUTED this 13th day of December, 2005.


JOE ROSEN - Incorporator

STATE OF IDAHO)
) ss.
County of Kootenai)

I, the undersigned, a Notary Public, duly commissioned to take acknowledgment in the State of Idaho, do hereby certify that on this day, personally appeared before me, JOE ROSEN, who, being by me first duly sworn, declare that he is a director referred in the foregoing Articles of Incorporation, and that he signed these Articles as such and that the statements contained therein are true.




NOTARY PUBLIC FOR IDAHO
RESIDING AT: Coeur d'Alene
MY COMMISSION EXPIRES: 6/9/2011