

FILED

ARTICLES OF INCORPORATION

98 OCT 22 AM 10:30

FLYING "W" RANCH OWNERS ASSOCIATION, INC.

SECRETARY OF STATE
STATE OF IDAHO

KNOW ALL MEN BY THESE PRESENTS that, KEITH A. WESTER, 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 1
NAME

The name of the Corporation (hereinafter called the "Association") is FLYING "W" RANCH OWNERS ASSOCIATION, INC., and it is a nonprofit corporation.

ARTICLE 2
DURATION

The Association shall exist perpetually.

ARTICLE 3
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 it is formed are to provide for the acquisition, construction, management, operation, administration, maintenance, repair, improvement, preservation, insurance, and architectural control of Association property within that certain residential subdivision located in Kootenai County Idaho, commonly known as the Flying "W" Ranch 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 purpose, all according to that certain Declaration of 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.

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:

IDAHO SECRETARY OF STATE

3.1 Perform all of the duties and obligations of the Association as set forth in the Declaration; **10/22/1998 09:00**
CX: 10708 CT: 2011 BH: 155393

3.2 Fix, levy, collect, and enforce Assessments as set forth in the Declaration; **1 @ 30.00 = 30.00 INC NONP # 2**

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3.3 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;

3.4 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;

3.5 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;

3.6 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 agreed to by the Members;

3.7 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;

3.8 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 4 **MEMBERS AND MEMBERSHIP**

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

4.2 Membership. The Owner of a Lot 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 the Bylaws of the Association.

4.3 Transferred Membership. Membership in the Association shall not be transferred, pledged, or alienated in any way, except upon the transfer of ownership of the Lot 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 Lot should fail or refuse to transfer the membership registered in its name to the purchaser of its Lot, 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.

4.4 One Class of Membership. The Association shall have one class of voting membership, with each Lot, including Lots owned by the Declarant identified in the Declaration, having one (1) vote with respect to all matters upon which a vote is to be taken.

4.5 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 the prescribed percentage of a quorum of the total voting power of the Association.

4.6 Limitation of Payment to Dissenting Member. Membership in the Association is appurtenant to and cannot be segregated from ownership of a Lot 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
INITIAL REGISTERED OFFICE AND AGENT

The initial registered office of the Association shall be at the offices of Coldwell Banker/Schneidmiller Realty, Inc., 1924 Northwest Blvd., Coeur d'Alene, Idaho 83814, and the registered agent at such address shall be Scott Kelly.

ARTICLE 6
BOARD OF DIRECTORS; INCORPORATOR

The affairs of this Association shall initially be managed by a Board of three (3) Directors, who shall be Members of the Association, or agents of a corporate Member. The number of Directors may be changed by the amendment of the Bylaws of the Association. The names and addresses of the initial three (3) Directors of the Association until the selection of their successors, are:

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|----------------------|---|
| Keith A. Wester | 4146 Bellingham Ave. Studio City, California 91604 |
| Lavon F. Duce | 965 West Willow Kanab, Utah 84741 |
| William P. Dougherty | Dougherty & Associates 802 Lincoln Street Post Falls, Idaho 83854 |

Members; provided, however, that the percentage of the voting power necessary to amend a specific clause or provision herein shall not be less than the percentage of affirmative votes prescribed for action to be taken under said clause or provision; and provided further, that any such amendment shall not be inconsistent with the law.

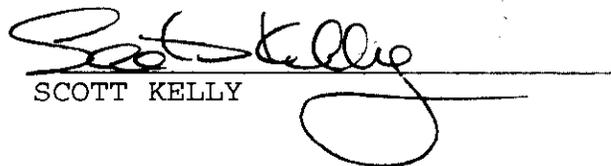
For the purpose of forming this Association under the laws of the State of Idaho, the undersigned, being the incorporator of this Association, has executed these Articles of Incorporation on October 21, 1998.


KEITH A. WESTER

CONSENT TO SERVE AS REGISTERED AGENT

I, Scott Kelly, hereby consent to serve as registered agent in the State of Idaho, for the corporation known as FLYING "W" RANCH OWNERS ASSOCIATION, INC. I understand that as agent for the Association, it will be my responsibility to receive service of process in the name of the Association; to forward all mail to the Association; and to immediately notify the office of the Secretary of State in the event of my resignation, or of any changes in the registered office address of the Association for which I am agent.

DATED: October 21, 1998.


SCOTT KELLY