

ARTICLES OF INCORPORATION

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SKY VIEW ESTATES OWNERS ASSOCIATION, INC. SECRETARY OF STATE
STATE OF IDAHO

KNOW ALL MEN BY THESE PRESENTS that Developers of the Palouse, LLC (hereinafter called the "Incorporator"), by Larry D. Germer, Manager of Incorporator, 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 "Sky View Estates Owners Association, Inc." and it is a non-profit 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 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 the County of Latah, Idaho, commonly known as "Sky View Estates" 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 Latah 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:

(a) Perform all of the duties and obligations of the Association as set forth in the Declaration;

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(b) Fix, levy, collect and enforce Assessments as set forth in the 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 against the Association property;

(d) 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;

(e) 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;

(f) 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 determined by the Board;

(g) 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;

(h) 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

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.

2. Membership. The Owner of a Lot in Sky View Estates 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.

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 shall 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. Two 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 Lots other than the Incorporator. Each Class A Member shall be entitled to one(1) vote for each Lot owned;

(b) Class B Membership: Class B membership shall be held by the Incorporator, which shall be entitled to three (3) votes for each Lot 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

Ten (10) years from the date of recordation of the Declaration.

If 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 Lot shall not be increased by the joint ownership, and the vote of that Lot shall not be split. If the Owners of a particular Lot 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 Lot on that matter.

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 (both classes combined).

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 V INITIAL REGISTERED OFFICE AND AGENT

The initial registered office of the Association shall be the offices of Larry D. Germer, 140 E. Palouse River Drive, Moscow, Idaho, 83843, and the registered agent at such address shall be Larry D. Germer.

ARTICLE VI INCORPORATOR

Developers of the Palouse, LLC, by and through its Manager, Larry D. Germer, of 140 E. Palouse River Drive, Moscow, Idaho, 83843, is Incorporator.

ARTICLE VII BOARD OF DIRECTORS; INCORPORATION

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 shall be increased to five (5) as of the first annual meeting of the Association following sale of the eighteenth (18th) Lot in the Project, and may be further with service for, employment by, or other affiliation with this Association to the maximum extent and under all circumstances permitted by law. The initial Board of Directors are:

Larry D. Germer, 140 E. Palouse River Drive, Moscow, Idaho 83843

Jeffrey C. Eisinger, 2205 Nursery Street, Moscow, Idaho, 83843

Karl Tyler, 3663 N. Reserve Street, Missoula, Montana 59808

ARTICLE VIII DISSOLUTION

In the event of the dissolution, liquidation, or winding up of the Association, after all outstanding indebtedness of the Corporation has been paid, outstanding capital creditors shall be retired without priority on a pro rata basis before any payments are made on account of property rights of Members.

ARTICLE IX AMENDMENT OF ARTICLES

These Articles may be amended at any time and in any manner by the vote of sixty-five percent (65%) of the total voting power of each class of membership in the Association; provided, however, that for so long as the Incorporator shall own any Lot in the Project, any such amendment shall be approved by the Incorporator; and provided further, 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 the 19 day of October, 2009.

DEVELOPERS OF THE PALOUSE, LLC


Larry D. Germer, Manager

CONSENT TO SERVE AS REGISTERED AGENT

I, Larry D. Germer, hereby consent to serve as registered agent in the State of Idaho, for the corporation known as SKY VIEW ESTATES 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 19, 2009.


LARRY D. GERMER