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ARTICLES OF INCORPORATION  
OF  
THE TERRACES ON LAKE COEUR D'ALENE OWNERS ASSOCIATION, INC.

SECRETARY OF STATE  
STATE OF IDAHO

The undersigned, acting as incorporator of a nonprofit Corporation under the Idaho Nonprofit Corporation Act, adopts the following Articles of Incorporation for such Corporation:

**ARTICLE I. NAME**

The name of the Corporation is THE TERRACES ON LAKE COEUR D'ALENE OWNERS ASSOCIATION, INC.

**ARTICLE II. NOT FOR PROFIT**

The Corporation is a nonprofit corporation under the laws of the State of Idaho. The Corporation is not formed for pecuniary profit. No part of the income or assets of the Corporation is distributable to or for the benefit of its Members, Directors or Officers, except to the extent permissible under law.

**ARTICLE III. DURATION**

The period of duration of the Corporation is perpetual.

**ARTICLE IV. PURPOSE**

The Corporation is organized, and shall be operated exclusively for, the following purposes:

A. To provide maintenance, preservation, improvements and control of the common areas, and regulate the use and occupancy of the Units, of The Terraces on Lake Coeur d'Alene, a residential condominium project on Lake Coeur d'Alene, in the City of Coeur d'Alene, Kootenai County, Idaho, and to exercise all powers of the Association under and pursuant to the Declaration of Condominium to be recorded in the real property records of Kootenai County, Idaho (hereafter the "Declaration.")

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B. To exercise all rights and powers conferred by the laws of the State of Idaho upon nonprofit corporations, including without limiting the generality of the foregoing, to acquire by bequest, devise, gift, purchase, lease or otherwise any real or personal property of any sort or nature without limitation as to its amount or value, and to hold, invest, reinvest, manage, use, apply, employ, sell, expend, disburse, lease, mortgage, convey, option, donate or otherwise dispose of such property and the income, principal and proceeds of such property, for any of the purposes set forth herein.

C. To do such other things as are incidental to the purposes of the Corporation or necessary or desirable in order to accomplish them.

#### **ARTICLE V. LIMITATION**

No part of the net earnings of the Corporation shall inure to the benefit of or be distributable to its Members, Directors or Officers, but 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 in Article IV hereof.

#### **ARTICLE VI. MEMBERS**

Membership in the Corporation shall consist of the owners of each of the Units in the condominium project known as The Terraces on Lake Coeur d'Alene, as set forth more fully in the Declaration.

#### **ARTICLE VII. REGISTERED OFFICE**

The address of the initial registered office is 111 South 1st Street, Coeur d'Alene, Idaho 83814. The initial registered agent at that address is John R. Barlow.

#### **ARTICLE VIII. DIRECTORS**

The management of the Corporation shall be vested in a Board of Directors. The number of Directors constituting the initial board of directors is three (3).. The number of Directors may be increased or decreased from time to time in accordance with the Bylaws, but shall hereafter never be less than three (3). The Members shall elect the Directors at the annual meeting of Members. The names and address of each initial Director of the Corporation are as follows:

Duane B. Hagadone

P.O. Box 9200  
Coeur d'Alene, Idaho 83816

John R. Barlow

P.O. Box 9200  
Coeur d'Alene, Idaho 83816

Michael D. Delong

P.O. Box 9200  
Coeur d'Alene, Idaho 83816

## **ARTICLE IX. OFFICERS**

The Officers of the Corporation shall consist of a President, Secretary, Treasurer and such other officers and assistant officers as may be provided in the Bylaws. Each Officer shall be elected by the Board of Directors (and may be removed by the Board of Directors) at such time and in such manner as may be prescribed in the Bylaws. Any two or more offices may be held by the same person, except the offices of President and Secretary.

## **ARTICLE X. BYLAWS**

The initial Bylaws of the Corporation shall be adopted by the Board of Directors. The power to alter, amend or repeal the Bylaws or adopt new Bylaws, subject to repeal or change by action of the Members, shall be vested in the Board of Directors. The Bylaws may contain any provision for the regulation and management of the affairs of the Corporation not inconsistent with law, the Declaration, or these Articles of Incorporation.

## **ARTICLE XI. AMENDMENT**

The Corporation reserves the right to amend or repeal any provisions contained in these Articles of Incorporation or any amendment to them, and all rights and privileges conferred upon the Members, Directors and Officers are subject to this reservation.

## **ARTICLE XII. INDEMNIFICATION**

The Corporation shall indemnify each Officer and Director, including former Officers and Directors, to the full extent permitted by the Idaho Business Corporation Act and the Idaho Nonprofit Corporation Act.

## ARTICLE XIII. DISTRIBUTION ON DISSOLUTION

Upon dissolution of the Corporation, the Board of Directors shall, after paying or making provision for the payment of all liabilities of the Corporation, distribute all the assets of the Corporation consistent with the purposes of the Corporation and the Act. Any such assets not so distributed shall be distributed by the district court of the county in which the principal office of the Corporation is then located, exclusively for such purposes or to such organizations, as such court shall determine to be consistent with the purposes of the Corporation.

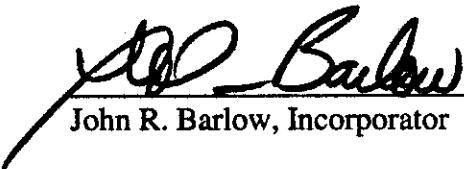
## ARTICLE XIV. INCORPORATOR

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

John R. Barlow

P.O. Box 9200  
Coeur d'Alene, Idaho 83816

IN WITNESS WHEREOF, the undersigned incorporator of the above-named Corporation, has hereunto signed these Articles of Incorporation on this 17th day of May, 2007.

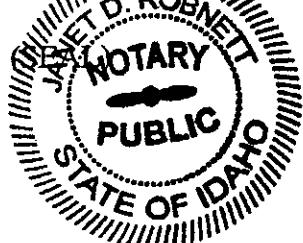
  
John R. Barlow, Incorporator

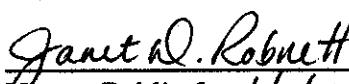
STATE OF IDAHO )

: ss.

County of Kootenai )

On this 17th day of May, 2007, before me Janet D. Robnett, the undersigned Notary Public, personally appeared John R. Barlow, known or identified to me to be the person whose name is subscribed to the within instrument, and acknowledged to me that he executed the same.



  
Janet D. Robnett  
Notary Public for Idaho  
Residing at Coeur d'Alene  
Commission Expires: 4/26/09