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SECRETARY OF STATE
STATE OF IDAHO

ARTICLES OF INCORPORATION
OF

SUNSHINE MEADOW OWNERS ASSOCIATION, INC.

KNOW ALL MEN BY THESE PRESENTS that Steven C. Wetzel, being over the age of eighteen years, and for the purposes of forming a corporation under the Idaho Nonprofit Corporation Act, hereby certifies and adopts, in duplicate, the following Articles of Incorporation.

ARTICLE I
NAME

The name of the corporation (hereinafter called "the Corporation") is SUNSHINE MEADOW OWNERS ASSOCIATION, INC.

ARTICLE II
DURATION

The duration of the Corporation shall be perpetual.

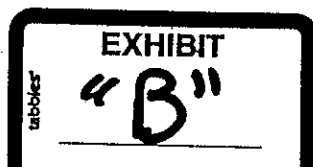
ARTICLE III
PURPOSES AND POWERS

The Corporation is not organized for profit and no part of gains or earnings shall inure to its members. The specific primary purposes for which it is formed are to provide for the acquisition, construction, management, operations, administration, maintenance, repair, improvement, preservation, and architectural control of the SUNSHINE MEADOW SUBDIVISION ("Subdivision") situated in Coeur d'Alene, Idaho. The Corporation will also promote the health, safety and welfare of property owners of the Subdivision and any additions thereto. The additions may be brought within the jurisdiction of the Corporation in accordance with the Declaration of Covenants, Conditions and Restrictions (the "Declaration") for the Subdivision as recorded in the records of Kootenai County, Idaho. All definitions contained in the Declaration shall be applicable to these Articles and the Bylaws of this Corporation.

In furtherance of said purposes, and subject to the approval of members as may be required by law, the Declaration, or the Bylaws, the Corporation shall have power to:

ARTICLES OF INCORPORATION OF
SUNSHINE MEADOW OWNERS ASSOCIATION, INC. - 1

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ARTICLE IV
MEMBERS AND MEMBERSHIP

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

2. Membership. The Owner of a Lot in the Subdivision shall automatically, upon becoming an Owner of any portion of the Property located in the Subdivision and the additions thereto ("the Project"), shall become a member of the Corporation. The member shall remain a member thereof until such time as his/her ownership ceases for any reason, at which time his/her membership in the Corporation shall automatically cease or in the event his/her membership is suspended or terminated as provided in the By-Laws and Declaration. Membership shall be in accordance with these Articles of Incorporation and the By-Laws of the Corporation.

3. Transferred Membership. Membership in the Corporation shall not be transferred, pledged, or alienated in any way, except upon the transfer of ownership of the Lot to which it is appurtenant in the Subdivision or its additions, 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 his/her name to the purchaser of his/her lot, the Corporation shall have the right and authority to transfer to purchaser and to record the transfer upon the books; thereupon the old membership outstanding in the name of the seller shall be null and void.

4. Classes of Membership. The Corporation shall have multiple classes of voting membership established according to the following provisions:

(a) Class "A" Membership. Class "A" membership shall be held by each Owner of a Lot in the Subdivision, other than Prairie Falls Development Limited Liability Company ("Declarant"). Each Class "A" member shall be nonvoting member during the Declarant's control period, unless granted vote by the board for a specific membership issue. Upon the end of the Declarant's control period each Class "A" member entitled to one (1) vote for each lot owned on all issues involving membership issues. If a lot is owned by more than one person, each such person shall be a member of the Corporation, but there shall be no more than one (1) vote for each lot, multiple owners have joint rights and obligations.

(b) Class "B" Membership. Class "B" membership shall be the membership held by the Declarant (or Declarant's designated successors in interest) as disclosed in the Declaration or amendment thereof as recorded in the records of Kootenai County. Each Class "B" member shall be entitled to one (1) vote for each lot owned (lot shall mean each approved lot or unit, according to the final plat or plats of the property as defined in the Declaration recorded by Kootenai County). Class "B" member shall also be entitled to one (1) vote for the

portion of the Subdivision approved by the city where the Subdivision is located but not yet platted. The designated successor in interest to the Declarant shall be a successor to the ownership to the entire undeveloped Subdivision as officially designated in writing by the Declarant. The Declarant's control period shall exist until the class B membership no longer exists or upon the conversion of Class B membership to Class A membership or on the thirtieth (30th) anniversary of the recordation of the Declaration of Covenants, Conditions and Restrictions of the Subdivision. ("Declaration"), whichever shall occur first. Class B members shall have the sole right and authority to convert to Class A at Declarant's sole discretion.

(c) Additional Classes of Membership. If the Corporation desires to add additional classes of membership, it may do so through the corporate By-Laws. Nothing in these Articles shall prohibit the institution of additional classes.

5. Voting Requirements. Except where otherwise expressly provided in the Declaration, these Articles of Incorporation or the By-Laws, any action required by the membership of the corporation must have the approval of the voting corporation membership before being undertaken.

6. Limitation of Payment to Dissenting Member. Membership in the Corporation is appurtenant to and cannot be segregated from ownership of a lot within the jurisdiction of the Corporation. Except upon dissolution of the Corporation and only consistent with Bylaws and Articles of the Corporation, a dissenting member shall not be entitled to any return of any contribution or other interest in the Corporation.

ARTICLE V INITIAL REGISTERED OFFICE AND AGENT

The initial registered office of the corporation shall be 1322 W. Kathleen Ave., Suite 2, Coeur d'Alene, Idaho, 83815, and the name of its initial registered agent is: Steven C. Wetzel.

ARTICLE VI BOARD OF DIRECTORS; INCORPORATORS

The Board of Directors shall manage the affairs of the Corporation. The initial board shall be three (3) Directors, but may be converted to a larger number in accordance with the By-Laws, upon the end of the Declarant's control period. Until the expanded board exists, there is no requirement that the directors be members. After expansion of the board, all must be members of the Corporation. The number of directors may be increased by amendment of the By-Laws of the Corporation.

The names and addresses of the Board of Directors are:

	<u>NAME</u>	<u>ADDRESS</u>
1.	TIM MUELLER	1400 NORTHWOOD CENTER COURT COEUR D'ALENE, ID 83814
2.	WENDELL OLSON	2805 W. HAYDEN CENTER COURT HAYDEN LAKE, ID 83835
3.	RICKY VANCE	3435 PING RD POST FALLS, ID 83854

ARTICLE VII INCORPORATOR

The names and addresses of the incorporator of the corporation is:

<u>NAME</u>	<u>ADDRESS</u>
STEVEN C. WETZEL	1322 W. Kathleen Ave., Suite 2 Coeur d'Alene, Idaho 83815

ARTICLE VIII DISSOLUTION

In the event of dissolution, liquidation, or winding up of the Corporation; none of the property nor any proceeds of the Corporation shall be distributed to or divided among any of the directors of the Corporation or inure to the benefit of any individual. After all liabilities and obligations of the Corporation have been paid and discharged, all remaining property and assets of the Corporation shall be distributed to one or more organizations designated as follows:

1. pursuant to a plan of distribution adopted as provided for under the Idaho Non-profit Corporation Act as it now exists or as amended in the future; or
2. if there is no appropriate plan of distribution, as a court of competent jurisdiction may direct; provided however, that such property shall be distributed only to organizations which shall comply with all of the following conditions:
 - (a) each organization shall be organized under written articles of organization which comply with the requirements of the Internal Revenue Code necessary to qualify the organization as an exempt organization;
 - (b) each organization shall be exempt from federal taxes by reason of

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Section 501, or other applicable sections of the Internal Revenue Code as it now exists or is amended in the future.

(c) contributions to each such organizations shall be deductible by reason of Section 170 of the Internal Revenue Code as it now exists or as amended in the future;

(d) each organization shall be operated exclusively for a recognized exempt purpose, and the manner of operation of each organization shall in compliance with the requirements to qualify the organization as an exempt organization.

ARTICLE IX AMENDMENT OF ARTICLES

These Articles shall be amended only by the vote or written assent of at least two-thirds (2/3) of a quorum of the voting power the membership.

For the purposes of forming the Corporation, I, the undersigned, constituting the Incorporator of the Corporation, have executed these Articles of Incorporation on the 4th day of October 2003.


STEVEN C. WETZEL

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