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**ARTICLES OF INCORPORATION**  
**OF**

**HANLEY LOFTS CONDOMINIUM ASSOCIATION, INC.**

The undersigned, for the purposes of forming a corporation under the provisions of the Idaho Nonprofit Corporation Act, Title 30, Chapter 30, Idaho Code, hereby adopts the following Articles of Incorporation ("**Articles**"):

**ARTICLE I**

**NAME**

The name of the corporation (hereinafter called the "**Association**") is HANLEY LOFTS CONDOMINIUM ASSOCIATION, INC. and it is a nonprofit corporation.

**ARTICLE II**

**DURATION**

The Association will 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 (as that term is defined in the Idaho Nonprofit Corporation Act). 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 condominium project located in Coeur d'Alene, Idaho commonly known as the "Hanley Lofts 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 purpose, all according to that certain Declaration of Covenants, Conditions and Restrictions (as it may be amended from time to time, the "**Declaration**") recorded or to be recorded with respect to said property in the Kootenai County Recorder's Office. Capitalized terms used, but not defined, in these Articles shall have the meanings that are ascribed to them in the Declaration.

In furtherance of said purposes, and subject to applicable law and the approval of Members if required by the Declaration and the remaining Project Documents, this Association shall have the powers set forth in the Declaration and its corporate bylaws ("**Bylaws**").

**ARTICLE IV**

**MEMBERS AND MEMBERSHIP**

Section 1. Non-stock Corporation. Participation in management and ownership of the Association is by membership only. The Association shall issue no stock and will have no shareholders.

Section 2. Membership. The Owner of a Unit will automatically, upon becoming an Owner, be a Member of the Association, and will remain a Member thereof until such time as its ownership ceases for any reason, at which time its membership in the Association will automatically cease. Membership will be in accordance with these Articles and the Bylaws.

Section 3. Transferred Membership. Membership in the Association may 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 an Owner fails or refuses to transfer the membership registered in its name to the purchaser of its Unit, the Association will have the right to record the transfer upon its books and thereupon the old membership outstanding in the name of the seller will be null and void.

Section 4. Classes of Membership. The Association will initially have two class of voting membership: Class A Members shall be Owners of Units, and Declarant shall be the only Class B Member. Upon the termination of the period of Declarant Control, Declarant, if still an Owner of a Unit, will become a Class A Member. Each Owner and Declarant shall be entitled to vote pursuant to Section 2.6 of the Declaration, and based on the Allocated Interest set forth in Exhibit "A" of the Declaration.

Section 5. Voting Requirements. Except when a greater or lesser voting threshold is expressly provided for in the Declaration, these Articles or the Bylaws, any action by the Association which must have the approval of the Association membership before being undertaken requires the vote or written assent of a majority of a quorum of the total voting power of the Association. Voting will be non-cumulative.

Section 6. Limitation of Payment to Dissenting Member. Membership in the Association is appurtenant to and cannot be segregated from ownership of a Unit. 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 at the offices of its registered agent:

Paul M. Davis  
c/o Lukins & Annis PS  
601 E Front Avenue, Suite 303  
Coeur d'Alene, Idaho 83814

**BOARD OF DIRECTORS**

The affairs of this Association shall initially be managed by a Board of three (3) Directors (each a "Director" and collectively the "Directors"). Following the period of Declarant Control as described in the Bylaws, the number of Directors, election procedure for Directors and Board meeting requirements will be established by the Bylaws. The names and addresses of the initial three (3) Directors of the Association until the selection of their successors, are:

<u>Name</u>	<u>Address</u>
Andrew A Benado	c/o Greenstone Corporation 1421 N. Meadowood Lane, Suite 200 Liberty Lake, Washington 99019
Jennifer M. Frank Chaparro	c/o Greenstone Corporation 1421 N. Meadowood Lane, Suite 200 Liberty Lake, Washington 99019
Joseph M. Frank	c/o Greenstone Corporation 1421 N. Meadowood Lane, Suite 200 Liberty Lake, Washington 99019

A Director of the Association shall not be personally liable to the Association or its members for monetary damages arising from any conduct as a Director, except this limitation on liability shall not apply to (i) acts or omissions involving intentional misconduct by the Director, a violation of the Director's duties to the Association or a knowing violation of law by the Director, (ii) any transaction from which the Director will personally receive a benefit in money, property, or services to which the Director is not legally entitled. This limitation shall not apply to any act or omission occurring before the effective date of this paragraph. If the Idaho Nonprofit Corporation Act is amended to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a Director of the Association shall be eliminated or limited to the fullest extent permitted by the Idaho Nonprofit Corporation Act, as so amended. Any repeal or modification of the foregoing paragraph by the members of the Association shall not adversely affect any right or protection of a Director of the Association existing at the time of such repeal or modification.

**ARTICLE VII**

**INDEMNIFICATION**

The Association shall provide any indemnification required by the Idaho Nonprofit Corporation Act and shall indemnify Directors, Officers, agents, and employees as follows:

a. The Association shall indemnify its Officers and Directors and advance or reimburse expenses to the full extent required or permitted by the Idaho Nonprofit Corporation Act now or hereafter in force, whether they are serving the Association or, at its request, any other entity, as an Officer, director, or in any other capacity; provided no such indemnity shall indemnify any Director from or on account of any (i) acts or omissions of the Director finally adjudged to be intentional misconduct, a violation of the Director's duties to the Association or a knowing violation of law (unless and only to the extent that the court in a legal action determines 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 that such court shall deem proper); and (ii) any transaction with respect to which it was finally adjudged that such Director personally received a benefit in money, property, or services to which the Director was not legally entitled.

b. The Board of Directors may take such action as is necessary to carry out these indemnification provisions and is expressly empowered to adopt, approve, and amend from time to time such Bylaws, resolutions, or contracts implementing such provisions, including but not limited to implementing the manner in which determinations as to any indemnity or advancement of expenses shall be made, or such further indemnification agreements as may be permitted by law.

c. The Association shall indemnify other employees and agents to the extent as may be authorized by the Board of Directors or the Bylaws and be permitted by law, whether the employees and agents are serving the Association or, at its request, any other entity.

d. The foregoing rights of indemnification shall not be exclusive of any other rights to which those seeking indemnification may be entitled under any statute, provision of the Articles, Bylaws, or other agreements.

No amendment or repeal of this Article shall apply to or have any effect on any right to indemnification provided hereunder with respect to acts or omissions occurring prior to such amendment or repeal.

**ARTICLE VIII**

**DISSOLUTION**

In the event of the dissolution, liquidation, or winding up of the Association, after paying or adequately providing for the debts and obligations of the Association, the Directors or person in charge of the liquidation shall divide the remaining assets among the Members in accordance with their respective rights thereto as established in the Declaration.

**ARTICLE IX**

**AMENDMENT OF ARTICLES**

These Articles may be amended by the Directors without Member approval for the limited purposes set forth in I.C. § 30-30-702 (or successor statute). These Articles may be amended at any time

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and in any manner by the vote of two-thirds (2/3) of the votes cast or a majority of the total voting power of the Association, whichever is less; 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. Certain amendments may require the prior written approval of fifty-one percent (51%) of Mortgagees holding first-position liens, as provided in the Declaration.

**ARTICLE X**

**INCORPORATOR**

The name and address of the incorporator of this Association is as follows:

<u>Name</u>	<u>Address</u>
Joseph M. Frank	Greenstone Corporation 1421 N. Meadowood Lane, Suite 200 Liberty Lake, Washington 99019

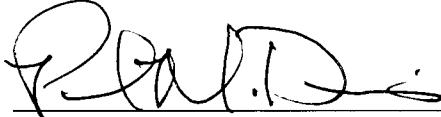
For the purpose of forming this Association under the laws of the State of Idaho, the undersigned, being the incorporator of this Association, has executed these Articles of Incorporation on May 9, 2022.

  
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 JOSEPH M. FRANK

**CONSENT TO SERVE AS REGISTERED AGENT**

I, Paul M. Davis hereby consent to serve as registered agent in the State of Idaho for the corporation known as **HANLEY LOFTS CONDOMINIUM 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: 5/9/22

  
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PAUL M. DAVIS