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 Sandpoint ID 83864

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 SECRETARY OF STATE
 STATE OF IDAHO

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FIRST AMENDED ARTICLES OF INCORPORATION OF CONDOMINIUM OWNERS AT PONDEROSA PARK, INC.

The undersigned, in order to form a nonprofit corporation under the provisions of Idaho Nonprofit Corporation Act, Title 30, Chapter 3, Idaho Code, submits the following amended articles of incorporation to the Idaho Secretary of State. The Amendment consist of matters other than those described in section 30-3-90, Idaho Code, and was, therefore adopted on April 20, 2009, by all of the members by unanimous vote.

ARTICLE I.

NAME OF CORPORATION, OFFICE, REGISTERED AGENT

- 1.1. **Corporate Name.** The name of the corporation shall be Condominium Owners at Ponderosa Park, Inc. (hereinafter "Association").
- 1.2. **Corporate Office.** The Association shall maintain an Association office in Bonner County, Idaho. The initial office of the Association shall be located at 316 N. Second Ave., Ste. A-1, Sandpoint, Idaho, 83864.
- 1.3. **Registered Agent.** The Association, acting through its Board of Directors (hereinafter "Board"), shall designate a registered agent. The initial registered agent shall be TOBY MCLAUGHLIN, whose address (registered office) is 708 Superior Street, Suite B, Sandpoint ID 83864.

ARTICLE II.

PURPOSE AND POWERS OF ASSOCIATION

- 2.1. **Purpose.** The purpose of the Association shall be to (a) enforce and carry out the provisions of the Declaration of Condominium of the Condominiums at Ponderosa Park (hereinafter "Declaration"), (b) enforce and carry out the provisions of the Bylaws, Rules and Regulations of the Association; and (c) maintain and protect the real property described in the Declaration (hereinafter "Property").
- 2.2. **General Authority.** The Association shall have and shall exercise all other rights and powers necessary and convenient to carry out its purpose including, without limitation, those general powers set forth in the Idaho Nonprofit Corporation Act.
- 2.3. **Bylaws.** The Association shall adopt and maintain Bylaws.

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- 2.4 **Duties.** The Association through its Board of Directors, shall have the authority to: (a) enforce the Declaration; (b) make improvements to the Property; (c) levy and collect assessments from the Members; (d) enter into contracts as may be necessary or desirable to carry out the provisions of the Declaration, these Articles of Incorporation and Bylaws; (e) open and close bank accounts in the Association's name; (f) establish procedures and policies necessary or deemed desirable to provide for the general welfare, in accordance with the spirit and letter of this Declaration; and (g) place liens on the real property of Unit Owners who fail to pay dues and assessments, and to enforce such liens through judgment and foreclosure.
- 2.5 **Recordation.** This instrument and the Bylaws shall be recorded in the records of Bonner County, Idaho.

ARTICLE III MEMBERSHIP AND VOTING RIGHTS

- 3.1 **Voting Members.** The Association shall consist of voting members.
- 3.2 **Membership Rights.** Membership shall be exclusive to Unit Owners in Ponderosa Park.
- 3.3 **Transfer of Membership.** A Member shall not transfer, pledge, convey or alienate the Association membership except to a bona fide successor in interest of the ownership of the Unit. A sale of a unit by real estate contract shall constitute a valid transfer of membership to the buyer. A prohibited transfer is void.
- 3.4 **Voting Rights.** There shall be two classes of membership: Class A and Class B. The Declarant, Forsythia, L.L.C., shall hold Class B membership for each Unit it owns. All other Members shall hold Class A memberships.
- 3.4.1 **Class A Membership.** Class A members shall have one (1) vote in the Association for each Unit owned, such vote to be cast by the Unit Owner. Where co-owners exist, they shall designate in writing, with the Secretary, who shall cast the vote of the Unit Owner. A designation shall remain of record until revoked. Any co-owner may revoke a designation in a writing submitted to the Secretary. The Secretary shall not accept a vote by co-owners who fail to properly designate authority to cast the vote. Fractional votes are not permitted. All co-owners may attend and otherwise participate in Association meetings.
- 3.4.2 **Class B Membership.** The Class B member (the Declarant) shall have ten (10) votes in the Association for each Unit owned. The Declarant may designate an agent or agent(s) to cast its votes. Class B membership shall automatically convert to Class A membership, upon any of the events set forth in the paragraph 8.3.2 of the Declaration.
- 3.5 **Majority Vote.** Except as otherwise set forth herein, or in the Declaration, a majority of votes of the Members, at a duly noticed meeting of the Members in which a quorum is present, shall be the action of the Association.

- 3.6 **Proxy Voting.** A Member may give his or her proxy to another Member. Such proxy shall be (a) in writing; (b) signed by the giver; (c) defining the particular meeting or time period in which the proxy may be exercised; and (d) delivered to the Secretary prior to the membership meeting. "Proxy" means an authorization for a person to vote another person's membership shares.
- 3.7 **Quorum.** A quorum shall consist of no less than twenty (20%) of the voting power of the Association in attendance at the start of a membership meeting. Once a quorum has been established it shall be deemed to continue until adjournment.
- 3.8 **Actions Reserved to the Members.** The following actions are reserved to the Members, voting at a duly noticed meeting of the Association:
- 3.8.1 **Elect and Remove Directors.** The Members shall have the exclusive authority to elect and remove directors. A Director or Directors, as applicable, shall be elected at the Annual Meeting, or at a special meeting called for the purpose of electing Directors, and shall be elected by a majority vote of the Members. Members may remove a Director for any reason, or no reason, by a sixty percent (60%) majority vote at a duly noticed meeting of the Members in which a quorum is present.
- 3.8.2 **Approve Budget.** Upon presentation by the Board, the Members shall adopt an annual budget and any supplemental budgets of the Association. The Members may amend the budget presented by the Board. The Association shall not make expenditures, except emergency expenditures, absent an approved budget.
- 3.8.3 **Resolve a Deadlock of the Board.** If the Board refers a matter to the Members because of a deadlock on the Board or otherwise, the Members shall have the right and duty to resolve the matter by majority vote.
- 3.8.4 **Amend the Bylaws and Articles of Incorporation.** The Members may, by a sixty percent (60%) majority vote at a duly noticed meeting in which a quorum is present, amend the Bylaws and Articles of Incorporation.
- 3.9 **Limitation of Action.** Except as otherwise set forth in this Article III, the Members shall take no action except upon resolution of the Board presented to the Members at a duly noticed meeting of the Members in which a quorum is present. The Members may amend any resolution presented by the Board.

ARTICLE IV. BOARD OF DIRECTORS

- 4.1 **Management Vested in the Board of Directors.** The Board shall govern the Association, manage the Association's property, recommend an annual budget to the Members, establish and collect assessments, enforce the Rules and Regulations, and take any other lawful action to advance the interests of the Association. The Board may, but is not required to, seek the approval of the Members before taking an action other than those actions reserved to the Members in Article 3.8. The Board shall present an annual budget to the Members at least 14 days prior to an annual or special meeting of the Members.
- 4.2 **Board of Directors.** The Board shall consist of no less than three (3) Directors (unless there be fewer than three Members, at which time the Board can consist of less than three Directors), nor more than five (5) Directors, who shall serve staggered three year terms. Directors shall be elected by the Members at an annual meeting or at a special meeting called for the purpose of electing Directors. Directors shall be Unit Owners, except a non-Unit Owner may be elected if nominated by the Declarant. Co-owners may serve as Directors, provided the co-owner has the right to cast the vote associated with his or her Unit. The final number of Directors shall be determined by resolution of the Board. The Board may appoint a Unit Owner to serve for the balance of the term of a Director who resigns, is removed, or is unable to serve due to death, incapacity, or ineligibility. If the Board, by resolution, increases the number of Board positions, it shall call a special meeting of the members for the purpose of electing a Director(s) for the newly created Board position(s). The Board, by resolution, may decrease the number of Directors but only upon the expiration of the term of the Director whose position is to be eliminated. The Board shall maintain a staggered election system that insures at least one Director is elected each year EXCEPT the initial Directors shall each serve three (3) year terms.
- 4.3 **Initial Directors.** The initial Directors shall be:
- Chris Schreiber, 1485 Otts Basin Road, Sagle, Idaho 83860.
- David Stern, 241 Barlock Avenue, LA 90049
- Toby McLaughlin, 708 Superior Street, Suite B, Sandpoint, ID 83864
- 4.4 **Officers.** The Board shall annually elect its officers. There shall be a President, Vice President, Secretary and Treasurer. One person may serve as both Secretary and Treasurer. If there are less than three Members than the Vice President position need not be filled. Officers shall be elected by a majority of Directors voting at a duly called meeting of the Directors. An officer may be removed from office at any time, for any reason, by a majority of the elected Directors. Such removal shall be evidenced by a resolution, executed by a majority of the Directors and delivered to the Secretary and the officer being removed. The officer's authority shall terminate upon delivery of said resolution to the Secretary.
- 4.5 **Action of the Board.** The action of the Board shall be the action of the Association.

ARTICLE V. ASSESSMENTS

- 5.1 **Purpose of Assessments.** The Association shall levy assessments on its members. The assessments levied by the Association shall be used exclusively for the purpose of carrying out the general duties and powers of the Association, including but not limited to operation, maintenance, repair, reconstruction, restoration, replacement, or alteration of the Property, as well as payments for trash, water, and sewer, until such time as such services are available for individual units, at which point the Association may choose to convey the responsibility for such payments on the respective Unit Owners.
- 5.2 **Equal Burden.** Each Unit, regardless of size, shall bear an equal burden for the general expenses of the Association.
- 5.3 **Special Assessments.** The Association, acting through its Board, may levy a special assessment from time to time when the current assessment is deemed insufficient for the Association to carry out its obligations under this instrument and the Bylaws.

ARTICLE VI. AMENDMENTS

- 6.1 **Declarant's Right to Amend.** Until such time as the Declarant conveys a Unit, it shall have the right to amend these Articles and require the Board to submit such amendment to the Secretary of State.
- 6.2 **Members' Right to Amend.** Thereafter, these Articles may be amended upon the consent of sixty percent (60%) of the Members voting at a duly noticed meeting of the Members in which a quorum is present.
- 6.3 **Effectiveness.** An amendment shall be effective upon the later of its (a) filing with the Idaho Secretary of State and (b) recordation of a certified copy thereof in the records of Bonner County, Idaho.

ARTICLE VII. DISSOLUTION

- 7.1 **Requirements for Dissolution.** The Association may be dissolved upon modification of the Declaration to permit dissolution and the consent of seventy-five percent (75%) of the Members, each member signing and acknowledging by law a resolution of dissolution.
- 7.2 **Distribution of Assets.** Upon dissolution, the assets of the Association shall be divided pro rata among the Members.
- 7.3 **Statutory Provisions.** Dissolution shall otherwise be accomplished in compliance with Title 30, Chapter 3-110 et. seq.


ARTICLE VIII. MISCELLANEOUS

- 8.1 **Indemnification.** The Association shall indemnify and hold harmless its directors, officers, and employees from personal liability for monetary damages for breach of fiduciary duty in accordance with the powers granted in Title 30, Chapter 3-88, Idaho Code.
- 8.2 **Relationship to Declaration.** These Articles are intended to comply with the Declaration. In the event of ambiguity, the Declaration shall be given greater weight.

**ARTICLE IX.
INCORPORATOR**

The incorporator is TOBY MCLAUGHLIN whose address is 708 Superior St., Ste B, Sandpoint ID 83864.

CONDOMINIUM OWNERS OF PONDEROSA PARK, INC.


By. John Schreiber
Its President

STATE OF IDAHO
COUNTY OF BONNER

SS:

On this 30 day of April, in the year of 2009, before me, a Notary Public for the state of Idaho, personally appeared John Schreiber known or identified to me to be the president, or vice-president, or secretary or assistant secretary, of Ponderosa Park, Inc. that executed the within instrument on behalf of said corporation and acknowledged to me that said corporation executed the same.

(Sign)
NOTARY PUBLIC
Residing at: Sandpoint
My commission expires: 11/31/2012

