

FILED EFFECTIVE

IDAHO SECRETARY OF STATE

2015 JUN 23 PM 4:41

06/23/2015 05:00

CK:2961550 CT:172099 BH:1481158

SECRETARY OF STATE
STATE OF IDAHO

1@ 30.00 = 30.00 INC NONP #2

1@ 20.00 = 20.00 NON EXPEDI #3

**ARTICLES OF INCORPORATION
OF
THE COVE AT STRONG CREEK HOA, 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 articles of incorporation to the Idaho Secretary of State.

**ARTICLE I.
NAME OF CORPORATION, OFFICE, REGISTERED AGENT**

- 1.1 **Corporate Name.** The name of the corporation shall be The Cove at Strong Creek HOA, 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 the law firm of Berg & McLaughlin, Chtd, 414 Church St., Ste 203, Sandpoint ID 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 the law of Berg & McLaughlin, Chtd, whose address (registered office) is 414 Church St., Ste 203, 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 Covenants, Conditions, Easements and Restrictions of The Cove at Strong Creek (hereinafter "Declaration"), (b) 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.
- 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

C 206279

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 the Declaration; (g) enforce and carry out the development requirements as set forth in Bonner County Planning Department files C916-08 and S1597-08; and (h) place liens on the real property of Lot Owners who fail to pay dues, assessments, fines and penalties, and to enforce such liens through judgment and foreclosure.

- 2.5 **Recordation.** These Articles and the Bylaws may 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 Lot Owners in The Cove at Strong Point.
- 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 to the ownership of the Lot. A sale of a Lot 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, BBTB, LLC, a Washington limited liability company, or its successor in interest, shall hold Class B membership for each Lot it owns. All other Lot Owners shall hold Class A memberships
- 3.4.1 **Class A Membership.** Class A members shall have one (1) vote in the Association for each Lot owned, such vote to be cast by the Lot Owner. The owner of lawfully combined lots shall retain one (1) vote for each original Lot and shall be assessed for each original Lot so combined.
- 3.4.2 **Class B Membership.** The Class B member (the Declarant) shall have three (3) votes in the Association for each Lot 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 the earlier of the following: (a) the voting power of Class A members exceeding that of Class B members; (b) the recordation of notice by the Declarant of voluntary conversion, or (c) on the tenth (10th) anniversary of the recordation of the Declaration.
- 3.4.3 **Revocation of Voting Rights.** A Member's right to vote shall be deemed revoked unless and until the Member is current on dues and assessments by the Association.
- 3.5 **Co-Owners.** Where co-owners exist, they may designate in writing, with the Secretary, who among them shall cast the Lot's vote. A designation shall remain of record until revoked. Any co-owner may revoke a designation in a writing

submitted to the Secretary. Fractional votes are not permitted. In the absence of a designation, the Secretary shall accept the vote of any co-owner attending a meeting in person or by proxy. If co-owners disagree on a vote or a dispute arises as to authority of a co-owner to cast a vote, the Secretary shall record the Lot's vote as "present." All co-owners may attend and otherwise participate in Association meetings.

- 3.6 **Majority Vote.** Except as otherwise set forth herein, or in the Declaration, a majority of votes of the Members, at a duly called meeting of the Members, shall be the action of the Association.
- 3.7 **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.
- 3.8 **Quorum.** A quorum shall consist of Members representing five (5) Lots in attendance at the start of a membership meeting. Once a quorum has been established it shall be deemed to continue until adjournment.
- 3.9 **Actions Reserved to the Members.** The following actions are reserved to the Members, voting at a duly noticed meeting of the Association:
 - 3.9.1 **Modify Declaration.** Upon resolution of the Board, the Members shall adopt any modification to this Declaration, the Articles of Incorporation and Bylaws. The Board shall have the exclusive authority to adopt and modify the Rules and Regulations.
 - 3.9.2 **Elect and Remove Directors.** The Members shall have the exclusive authority to elect and remove directors. The procedure for election and removal of directors shall be set forth in the Articles of Incorporation and Bylaws.
 - 3.9.3 **Approve Assessments.** The Members shall adopt any change in the rate of the annual assessment or adoption of a special assessment.
 - 3.9.4 **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.
 - 3.9.5 **Right to Inspect Books.** Members shall the right to inspect the financial records of the Association at a reasonable time and upon reasonable notice to 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. 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 3.9.

- 4.2 **Board of Directors.** The Board shall consist of no less than three (3) Directors who shall serve staggered three (3) year terms. Directors shall be elected by the Lot Owners at an annual meeting or at a special meeting called for the purpose electing Directors. Directors shall be Lot Owners, except a non-Lot Owner may be elected if nominated by the Declarant or by an entity that owns a Lot. Co-owners may serve as Directors. The Members may enlarge the Board. 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.

- 4.3 **Initial Directors.** The initial Directors shall be:

Tom Newbury
3509 N. Audubon
Spokane, WA 99205

Mike Evenoff
2020 W. Euclid
Spokane, WA 99205

Mark Schuetzle
3102 N. Belt
Spokane, WA 99205.

- 4.4 **Officers.** The Board shall annually elect its officers. There shall be a President, Vice President, Secretary and Treasurer. A person may hold more than one office except the President shall not serve as Secretary. 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. If the Secretary is the officer removed, notice shall be delivered to the President.
- 4.5 **Action of the Board and Association.** The vote of a majority of Directors shall be the action of the Board. The action of the Board shall be the action of the Association.

ARTICLE V. AMENDMENTS

- 5.1 **Declarant's Right to Amend.** Until such time as the Declarant conveys a Lot, it shall have the right to amend these Articles and require the Board to submit such amendment to the Secretary of State.

- 5.2 **Members' Right to Amend.** Thereafter, these Articles may be amended upon the consent of Members representing six (6) Lots, voting at a duly called meeting of the Members.
- 5.3 **Effectiveness.** An amendment shall be effective upon its filing with the Idaho Secretary of State.

ARTICLE VI. DISSOLUTION

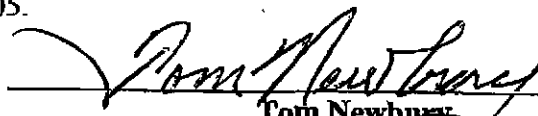
- 6.1 **Requirements for Dissolution.** The Association may be dissolved upon modification of the Declaration to permit dissolution. If the Declaration is properly amended and recorded, the dissolution of the Association shall be permitted upon the consent of Members representing six (6) Lots.
- 6.2 **Distribution of Assets.** Upon dissolution, the assets of the Association shall be divided pro rata among the Members.
- 6.3 **Statutory Provisions.** Dissolution shall otherwise be accomplished in compliance with Idaho Code section 30-3-110 et. seq.

ARTICLE VII. INDEMNIFICATION

The Association shall indemnify and hold harmless its directors, officers, and employees from personal liability for monetary damages, court costs and attorney fees in any suit or proceeding, other than an action by or in the right of the Association, if such person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the Association. This provision is intended to comply with, and shall be interpreted in conformity with the indemnification provisions of Idaho Code section 30-3-88.

ARTICLE IX. INCORPORATOR

The incorporator is Tom Newbury whose address is 3509 N. Audubon, Spokane WA 99205.


Tom Newbury
Incorporator

STATE OF WA
COUNTY OF Spokane } ss.

On this 5 day of June, in the year of 2015 before me, a Notary Public for the state of WA, personally appeared Tom Newbury, known or identified to me to be the person whose name is subscribed to the within instrument, and acknowledged to me that he/she executed the same.

(Sign) Lori J. Barrick
NOTARY PUBLIC
Residing at: Spokane Valley
My commission expires: 11-6-2015

