

**FILED EFFECTIVE**

2005 MAY 27 PM 1:49

ARTICLES OF INCORPORATION  
OF  
PHEASANT TRAIL ESTATES HOMEOWNERS' ASSOCIATION, INC.  
SECRETARY OF STATE  
STATE OF IDAHO

The undersigned adult natural person, acting as incorporator, hereby establishes a nonprofit corporation pursuant to the Idaho Nonprofit Corporation Act and the following articles of incorporation:

## ARTICLE I

**NAME**

The name of the corporation is Pheasant Trail Estates Homeowners' Association, Inc.

## ARTICLE II

### DURATION

The corporation shall have perpetual existence.

### ARTICLE III

REGISTERED OFFICE AND AGENT

The address of the initial registered office of the corporation is 8101 Red Pheasant Boulevard, Lewiston, Idaho 83501. The name of the corporation's initial registered agent at such address is H. William Hobbs, Jr.

#### ARTICLE IV

## DEFINITIONS

Any capitalized terms used in these Articles that are not defined in these Articles have the meanings given to them in the Master Declaration of Covenants, Conditions and Restrictions for Pheasant Trail Estates, as amended and supplemented from time to time, and as recorded in the real property records of Nez Perce County, Idaho (the "Declaration").

ARTICLES OF INCORPORATION PHEASANT TRAIL ESTABLISHMENT ASSOCIATION, INC.-- 1

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## ARTICLE V

MEMBERSHIP AND VOTING5.01 Membership.

(a) There shall be one Membership appurtenant to each Lot. The Membership appurtenant to a Lot shall be held by the Owners of that Lot and may not be separated from the Lot to which it is appurtenant.

(b) Any Membership appurtenant to a Lot having more than one Owner shall be shared by such Owners, and each such Owner shall be a member of the corporation.

5.02 Voting.

There shall be one vote per Membership, except that the corporation shall have no voting right with respect to any Lot owned by it. Voting is subject to certain limitations and provisions stated in the Declaration as well as the Bylaws of the corporation.

## ARTICLE VI

PURPOSES AND POWERS6.01 Purposes and Powers.

The corporation's purposes and powers are as set forth in the Declaration, including Section 4.02 of the Declaration. Without in any way limiting the generality of the foregoing, the corporation may, but is not obligated to:

(a) adopt and amend the Bylaws and the Rules and Regulations;

(b) adopt and amend budgets for revenues, expenditures and reserves and collect assessments and other charges levied by the corporation;

(c) hire and fire managing agents and other employees, agents and contractors;

(d) institute, defend or intervene in litigation or administrative proceedings in its own name on behalf of itself or two or more Owners on matters affecting the planned community created pursuant to the Declaration;

(e) make contracts and incur liabilities;

(f) regulate the use, maintenance, repair, replacement and modification of the Common Elements;

(g) cause additional improvements to be made part of the Common Elements;

(h) acquire, hold, encumber, sell, convey and lease in its own name any right, title or interest in real or personal property;

(i) borrow money on such terms as the Board of Directors or an officer or officers designated by the Board of Directors deems acceptable;

(j) grant easements, licenses, leases and concessions across, through, under or over the Common Elements;

(k) impose and receive payments, fees or charges for the use, rental or operation of the Common Elements;

(l) provide for the indemnification of the corporation's officers and directors and maintain directors' and officers' liability insurance;

(m) assign its right to receive future income, including its right to receive Assessments; and

(n) provide or procure any services necessary or appropriate for the safety, security or recreational enjoyment of the planned community, Owners, guests or visitors.

#### 6.02. Restrictions on Purposes and Powers.

The purposes and powers of the corporation described above are subject to the following limitations:

(a) The corporation shall be organized and operated exclusively for nonprofit purposes.

(b) No part of the net earnings of the corporation shall inure to the benefit of any Owner, except as expressly permitted below with respect to the dissolution of the corporation.

(c) The corporation shall not pay any dividends. No distribution of the corporation's assets to Owners shall be made until all of the corporation's debts are paid, and then only upon the final dissolution of the corporation as approved pursuant to the Declaration. Upon payment of all of the corporation's debts and final dissolution, any remaining assets of the corporation shall be distributed among the Owners in proportion to the respective Share of Common Expenses appurtenant to each Lot.

## ARTICLE VII

### BOARD OF DIRECTORS

#### 7.01 Board of Directors.

(a) The business and affairs of the corporation shall be controlled, conducted and managed by the Board of Directors, except as otherwise provided by law or any Association Document.

(b) Except as provided by law or any Association Document, the Board of Directors may act on behalf of the corporation in all instances. The Board of Directors may not however, act on behalf of the corporation to:

(i) amend the Declaration;

(ii) terminate the planned community created pursuant to the Declaration;

(iii) elect Directors to the Board of Directors other than to fill a vacancy for the unexpired portion of the term of a Director; or

(iv) determine the qualifications, powers and duties, or terms of office of Directors.

(c) The Board of Directors shall consist of not less than three nor more than five Directors, the exact number of Directors to be as set forth in the Bylaws. In the absence of a provision in the Bylaws fixing the number of Directors, the number will be three.

(d) The names and street addresses of the persons constituting the initial Board of Directors are: H. William Hobbs, Jr., 8101 Red Pheasant Boulevard, Lewiston, Idaho 83501 and Stephen A. Schaub and Mary T. Schaub, both of 3526 Rippling Way, Laurel, MD 20724.

#### ARTICLE VIII

##### LIABILITY AND INDEMNIFICATION

###### 8.01 Limits on Directors' Liability.

To the fullest extent permitted by law, a Director shall not be liable to the corporation or the Owners for monetary damages for breach of fiduciary duty. Any repeal or modification of this Section 8.01 shall be prospective only and shall not adversely affect any right or protection of a Director existing at the time of such repeal or modification.

###### 8.02 Indemnification.

To the fullest extent permitted by law, the Corporation shall indemnify each Director and each officer, employee, fiduciary and agent of the corporation.

#### ARTICLE IX

##### BYLAWS

The Board of Directors shall have the power to alter, amend or repeal the Bylaws from time to time in force and adopt new Bylaws. The Bylaws of the corporation may contain any provisions for the regulation or management of the affairs of the Corporation that are not inconsistent with law, the Declaration or these Articles.

#### ARTICLE X

##### AMENDMENT

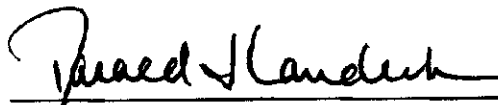
The corporation reserves the right to amend alter, change or repeal any provision contained in these Articles by, unless a higher voting requirement is set forth herein with respect to any particular provisions, the vote of the holders of more than 67 percent of the votes of all members at any regular or special meeting called for that purpose at which a quorum shall be represented.

ARTICLE XI

INCORPORATOR

The name and address of the incorporator is:

Ronald J. Landeck  
414 South Jefferson Street  
Moscow, Idaho 83843

  
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Ronald J. Landeck  
Incorporator