



CERTIFICATE OF INCORPORATION  
OF

LOCH HAVEN HILLS HOMEOWNERS ASSOCIATION, INC.

I, PETE T. CENARRUSA, Secretary of State of the State of Idaho, hereby certify that duplicate originals of Articles of Incorporation for the incorporation of \_\_\_\_\_

LOCH HAVEN HILLS HOMEOWNERS ASSOCIATION, INC.

duly signed pursuant to the provisions of the Idaho Nonprofit Corporation Act, have been received in this office and are found to conform to law.

ACCORDINGLY and by virtue of the authority vested in me by law, I issue this Certificate of Incorporation and attach hereto a duplicate original of the Articles of Incorporation.

Dated September 19, 19 80



SECRETARY OF STATE

\_\_\_\_\_  
Corporation Clerk

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SECRETARY OF  
STATE

ARTICLES OF INCORPORATION

OF

LOCH HAVEN HILLS HOMEOWNERS ASSOCIATION, INC.

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KNOW ALL MEN BY THESE PRESENTS that, GEORGE ANDERL, ROBERT TURNIPSEED and GARY FRAME, being over the age of eighteen (18) years, and for the purposes of forming a corporation under the Idaho Nonprofit Corporation Act, hereby certify and adopt in duplicate the following Articles of Incorporation.

ARTICLE I

The name of the Corporation (hereinafter called "the Association") is LOCH HAVEN HILLS HOMEOWNERS ASSOCIATION, INC..

ARTICLE II

This Association is organized pursuant to the Idaho Nonprofit Corporation Act, and is a nonprofit corporation.

ARTICLE III

The Association shall exist perpetually.

ARTICLE IV

PURPOSES AND POWERS OF THE ASSOCIATION

This Association does not contemplate the distribution of gains, profits, or dividends to its members, and the specific primary purposes for which it is formed are to provide for the acquisition, construction, management, operation, administration, maintenance, repair, improvement, preservation and architectural control of the Association property within the certain tract of property situated in Kootenai County, Idaho, and to be known as LOCH HAVEN HILLS, and to promote the health, safety and welfare of all the residents within LOCH HAVEN HILLS and any additions thereto as may hereafter be brought within the jurisdiction of this Association for this purpose, all according to a Declaration of Covenants, Conditions and Restrictions (the "Declaration") to be recorded with respect to said property in the Office of the Recorder of Kootenai County.

In furtherance of said purposes, this Association shall have power to:

(a) Perform all of the duties and obligations of the Association as set forth in the Declaration;

(b) Fix, levy, collect and enforce assessments and fines as set forth in the Declaration;

(c) Pay all expenses and obligations incurred by the Association in the conduct of its business including, without limitation, all licenses, taxes or governmental charges levied or imposed against the Association property;

(d) Acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Association;

(e) Borrow money and, only with the assent (by vote or written consent) of two-thirds (2/3) of each class of members, mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred;

(f) Dedicate, sell or transfer all or any part of the Project owned by the Association to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument has been signed by two-thirds (2/3) of each class of members, agreeing to such dedication, sale or transfer.

(g) Participate in mergers and consolidations with other nonprofit corporations organized for the same purposes, or annex additional residential property to the Project, provided that any merger, consolidation or annexation (other than an annexation of additional phases, which shall be allowed according to the Declaration) shall have the assent by vote or written consent of two-thirds (2/3) of the voting power of members other than the Declarant;

(h) Have and exercise any and all powers, rights, and privileges which a Corporation organized under the Idaho Nonprofit Corporation Act may now or hereafter have or exercise.

## ARTICLE V

### MEMBERSHIP AND VOTING RIGHTS

1. Membership. The owner of a residential unit within LOCH HAVEN HILLS (a "unit") shall automatically, upon becoming the owner of same, be a member of the Association, and shall

remain a member thereof until such time as his ownership ceases for any reason, at which time his membership in the Association shall automatically cease.

2. Transferred Membership. Membership in the Association shall 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 the owner of any unit should fail or refuse to transfer the membership registered in his name to the purchaser of his unit, the Association shall have the right to record the transfer upon its books and thereupon the old membership outstanding in the name of the seller shall be null and void.

3. Classes of Membership. The Association shall have two (2) classes of voting membership established according to the following provisions:

(a) Class A Membership. Class A Membership shall be that held by each owner of a unit other than the developer of the LOCH HAVEN HILLS project, and each Class A member shall be entitled to one (1) vote for each unit owned. If a unit is owned by more than one (1) person, each such person shall be a member of the Association, but there shall be no more than one vote for each unit.

(b) Class B Membership. Class B Membership shall be that held by the developer (or its successor-in-interest) who shall be entitled to three (3) votes for each unit owned by the developer; provided that Class B Membership shall be converted to Class A Membership on the occurrence of whichever of the following is first in time:

(1) The total outstanding votes held by Class A members in a particular Phase (as defined in the Declaration) equal the total outstanding votes (tripled as above) held by the Class B member for that Phase; provided, however, that Class B Membership shall thus terminate only with respect to that particular Phase; or

(2) The fourth anniversary of the recordation of the most recently recorded Declaration of Annexation for a Phase of the Project; or

(3) The tenth anniversary of the recordation of the Declaration.

4. Voting by Phase. Notwithstanding anything to the contrary set forth in the Declaration or elsewhere in the Project Documents, no owner of a unit in any Phase shall be permitted to vote on any matter (including without limitation,

assessments and allocation of expenses) which directly pertains only to units in another Phase, it being the developer's express intention to permit self-government of each Phase to the extent practicable.

#### ARTICLE VI

##### REGISTERED AGENT AND OFFICE

The initial registered agent of the Association shall be George Anderl, and the street address of the initial registered office shall be 4055 North Government Way, Coeur d'Alene, Idaho 83814.

#### ARTICLE VII

##### BOARD OF DIRECTORS; INCORPORATORS

The affairs of this Association shall initially be managed by a Board of three (3) Directors, who need not be members of the Association, until conversion of Class B memberships to Class A, after which time all Directors must be members of the Association. Commencing with the first meeting of the Association, the number of Directors shall be determined as provided in the Bylaws of the Association. The names and addresses of the incorporators and the persons who are to act in the capacity of Directors until the selection of their successors are:

<u>Name</u>	<u>Address</u>
George Anderl	2207 Crestline Drive Coeur d'Alene, Idaho 83814
Robert Turnipseed	2951 North Government Way Coeur d'Alene, Idaho 83814
Gary Frame	603 North Fourth Street Coeur d'Alene, Idaho 83814

#### ARTICLE VII


##### AMENDMENTS

These Articles of Incorporation may be amended as follows:

The Board of Directors shall adopt a resolution setting forth the proposed amendment and directing that it be submitted to a vote at a meeting of the members having voting rights, which may be either an annual or special meeting. Written or printed notice setting forth the proposed amendment or a summary of the changes to be effected thereby shall be given to each member entitled to vote at such

meeting within the time and in the manner provided in the Idaho Nonprofit Corporation Act for the giving of notice of meetings of members. The proposed amendment shall be adopted upon receiving at least a majority of the votes which members present at such meeting in person or by proxy are entitled to cast unless any class of members is entitled to vote as a class thereon by the terms of the Bylaws, in which event the proposed amendment shall not be adopted unless it also receives at least a majority of the votes which the members of each class who are present at such meeting in person or by proxy are entitled to cast.

For the purpose of forming this Association under the laws of the State of Idaho, we, the undersigned, constituting the incorporators of this Association, have executed these Articles of Incorporation on July 29, 1980.

  
GEORGE ANDERL

  
ROBERT TURNIPSEED

  
GARY FRAME

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SECRETARY OF  
STATE

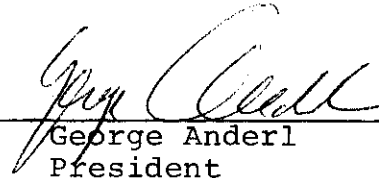
CONSENT TO USE OF CORPORATE NAME

The undersigned, the President of Loch Haven Hills, Inc., an Idaho corporation, hereby consents to the use by George Anderl of the similar corporate name Loch Haven Hills Homeowners Association, Inc., which he intends to incorporate under the laws of the state of Idaho.

Dated this 23rd day of July, 1980.

LOCH HAVEN HILLS, INC.

By



George Anderl  
President