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# ARTICLES OF INCORPORATION 2008 JUN -3 PM 2: 06 OF AVERY ESTATES HOMEOWNERS' ASSOCIATION AND OF IDAHO

KNOW ALL PERSONS BY THESE PRESENTS that Pete B. Bredeson, being over the age of eighteen years, and for the purposes of forming a corporation under the Idaho Nonprofit Corporation Act, hereby certifies and adopts, in duplicate, the following Articles of Incorporation.

#### ARTICLE 1 NAME

The name of the corporation is AVERY ESTATES HOMEOWNERS' ASSOCIATION, INC. (hereinafter the "Association").

# ARTICLE 2 DURATION

The duration of the Association shall be perpetual.

## ARTICLE 3 PURPOSES AND POWERS

- 3.1. The Association is not organized for profit and no part of its net earnings shall inure (other than by acquiring, constructing, or providing management, maintenance and care of Association property, and other than by a rebate of excess membership dues, fees or assessments) to the benefit of any private Member or individual. The specific primary purposes for which the Association is formed are to provide for the acquisition, construction, management, operations, administration, maintenance, and care of Association Property, along with the transaction of any other lawful activity. The term "Association Property" shall carry the same meaning found at 26 USC 528(c)(5). Unless stated otherwise, all definitions contained in the Declaration shall be applicable to these Articles and the Bylaws of this Corporation.
- 3.2. In furtherance of said purposes, and subject to the approval of the Members as may be required by law and/or the Development Documents, the Association shall have the power to:
  - (a) Perform all of the duties and obligations of the Association as set forth in the Development Documents;

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- (b) Fix, levy, collect, and enforce assessments and fines, as set forth in the Development Documents, in a fair and equitable fashion and secure the payment of assessments through liens upon real property as allowed under Idaho law;
- (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's property;
- (d) Acquire (by gift, purchase, or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, exchange, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Association:
- (e) Make contracts and incur liabilities, borrow money and 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, transfer, or grant easements over all or part of any of the Association Property to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the Members;
- (g) Participate in mergers and consolidations with other nonprofit corporations organized for the same purposes, or annex additional property to the Property managed by the Association;
- (h) Litigate, mediate, or arbitrate any and/or all corporate rights and obligations specified by law and/or by the Development Documents. This Association may provide for the qualification of Members, the terms and conditions of membership admission, the time, mode, conditions and effect of expulsion or withdrawal from membership, admission fees, charges and assessments; and for reimbursement for services rendered to and expenses incurred on behalf of the Association by any Member or officer of the Association, and such other rules and regulations as are not repugnant to the laws of the State of Idaho; and
- (i) Have and exercise any and all powers, rights and privileges that a corporation organized under the Idaho Nonprofit Corporation Act, as it exists now or hereafter, may exercise.

#### ARTICLE 4 MEMBERS AND MEMBERSHIP

4.1. Non-Stock Corporation. Participation in management and ownership of the Association shall be by membership only. The Association shall issue no stock and shall have no shareholders.

- 4.2. <u>Membership</u>. The Owner of a Lot in Avery Estates, a subdivision located in Hayden, Idaho, and any additions thereto (hereinafter the "Project") shall automatically, upon becoming an Owner of a Lot located in the Project, become a Member of the Association. The Member shall remain a Member thereof until such time as the ownership ceases for any reason set forth in the Development Documents or Idaho law.
- 4.3. <u>Transferred Membership</u>. Membership in the Association shall not be transferred, pledged, or alienated in any way, except upon the transfer of ownership of the Lot to which it is appurtenant in the Project, and then only to the new owner thereof. Any attempt to make a prohibited transfer is void. In the event that the Owner of any Lot should fail or refuse to transfer the membership registered in his/her name to the purchaser of his/her Lot, the Association shall have the right and authority to transfer the subject membership to the purchaser and to record the transfer upon the Association books; thereupon rendering the old membership outstanding in the name of the seller null and void.
- 4.4. <u>Classes of Membership</u>. The Association shall have multiple classes of voting membership established according to the following provisions:
  - (a) <u>Class "A" Membership</u>. Class "A" membership shall be held by each Owner of a Lot in the Project, other than Avery Estates, LLC (the "Declarant"). Each Class "A" Member shall be a nonvoting Member during the Declarant's Control Period, unless granted a vote by the Board for a specific membership issue. Following the end of the Declarant's Control Period, each Class "A" Member shall be entitled to one (1) vote for each Lot owned on all Association matters requiring a vote of the membership. If a Lot is owned by more than one Person, each such Person shall be considered a Member of the Association, but there shall be no more than one (1) vote for each such Lot. Multiple Owners shall have joint rights and obligations.
  - (b) Class "B" Membership. Class "B" membership shall be the membership held by the Declarant (or Declarant's Designated Successors). Each Class "B" Member shall be entitled to one (1) vote for each Lot owned. Class "B" Members shall also be entitled to one (1) vote for the portion of the Project approved by the Governing Agency where the Project is located but not yet platted. A Designated Successor shall also be a successor to the ownership of this entire undeveloped Project as officially designated in writing by the Declarant. The Declarant's Control Period shall continue until the Class "B" membership no longer exists, upon the complete conversion of Class "B" membership to Class "A" membership, or on the thirtieth (30th) anniversary of the recordation of the Declaration, whichever shall occur first. Class "B" Members shall have the sole right and authority to convert to Class" A" membership at any time.
  - (c) Additional Classes of Membership. If the Association desires to add additional classes of membership, it may do so in accordance with the requirements of Idaho law and the Development Documents. Nothing in these Articles shall prohibit the institution of additional classes of membership.

- 4.5. <u>Voting Requirements</u>. Except as is otherwise expressly provided in the Development Documents, any action requiring the approval of the membership of the Association must have the approval of a majority of a quorum of the Members.
- 4.6. <u>Limitation of Payment to Dissenting Member</u>. Membership in the Association is appurtenant to and cannot be segregated from ownership of a Lot within the jurisdiction of the Association. Except upon dissolution of the Association and then only in accordance with the Development Documents, a dissenting Member shall not be entitled to any return of any contribution or other interest in the Corporation.

## ARTICLE 5 INITIAL REGISTERED OFFICE AND AGENT

The initial registered office of the Association shall be 1322 West Kathleen Avenue, Suite 2, Coeur d'Alene, Idaho, 83815, and the name of its initial registered agent is Pete B. Bredeson.

# ARTICLE 6 BOARD OF DIRECTORS; INCORPORATORS

The Board of Directors (the "Board") shall manage the affairs of the Association. The initial Board shall consist of 3 Directors, but may be converted to a larger number in accordance with the requirements of the Development Documents following the end of the Declarant's Control Period. However, until such an expansion takes place, there is no requirement that the Directors be Members. After expansion of the Board, all Directors must be Members of the Association.

The names and addresses of the initial Directors are:

	<u>NAME</u>	ADDRESS
1.	Gregory L. Snyder	1717 East Bruce Road Hayden, Idaho 83835
2.	Fred V. LeClair III	10323 Strahorn Road Hayden Lake, Idaho 83835
3.	Jeffrey Snyder	2975 W. Thorndale Loop Coeur d'Alene, Idaho 83815

## ARTICLE 7 INCORPORATOR

The name and address of the Incorporator of the Association is:

**NAME** 

**ADDRESS** 

Pete B. Bredeson

1322 W. Kathleen Avenue, Suite 2 Coeur d'Alene, Idaho 83815

#### ARTICLE 8 DISSOLUTION

Upon the dissolution of the Association, its assets shall be distributed for one or more exempt purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future federal tax code, or shall be distributed to the federal government, or to a state or local government, for a public purpose. Any such assets not so disposed of shall be disposed of by a Court of Competent Jurisdiction of the county in which the principal office of the Association is then located, exclusively for such purposes or to such organization or organizations, as said Court shall determine, which are organized and operated exclusively for such purposes.

#### ARTICLE 9 AMENDMENT OF ARTICLES

These Articles shall be amended only in accordance with Idaho law.

For the purposes of forming the Association, I, the undersigned, being the Incorporator of the Association, have executed these Articles of Incorporation on the 3-day of 3

Pete B. Bredeson

Incorporator