



Articles of Incorporation
of
Hayden Canyon Neighborhood Association, Inc.,
an Idaho nonprofit corporation

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SECRETARY OF STATE
STATE OF IDAHO

ARTICLE I
NAME

The name of the corporation is Hayden Canyon Neighborhood Association, Inc., hereinafter called the "Association".

ARTICLE II
PURPOSES

The Association does not contemplate monetary gain or profit to the Members thereof, and the specific purposes for which it is formed are to provide for the management, maintenance and care of certain real estate within the development known or to be known as "Hayden Canyon" located in Hayden, Idaho, in the Hayden Canyon Residential Declaration made by Hayden Canyon Land, LLC recorded in the Office of the Recorder of Kootenai County, Idaho (as the same may be amended or supplemented from time to time, the "Residential Declaration" and to provide a means whereby the Members, acting together, may provide for the management, maintenance, care and operation of the Commons and for this purpose to: (a) enforce the Residential Declaration and exercise all of the powers and privileges and perform all of the duties and obligations of the Association thereunder; (b) fix, levy, collect and enforce payment by any lawful means of all charges or assessments pursuant to the Residential Declaration and the Bylaws of the Association; (c) pay all expenses of the Association; (d) subject to the Residential Declaration and the Bylaws, acquire, 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; and (e) have and exercise any and all powers, rights and privileges which a corporation organized under the Idaho Nonprofit Corporation Act, as it exists on the date hereof or may hereafter be amended from time to time, may by law now or hereafter have or exercise. No part of the net earnings of the Association shall inure (other than by providing management, maintenance and care of the Commons and other than by a rebate of excess membership dues, fees and assessments) to the benefit of any private individual.

ARTICLE III
DEFINITIONS

Except as expressly defined herein, all capitalized terms used herein shall have the respective meanings set forth in the Residential Declaration.

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ARTICLE IV
MEMBERSHIP

The Association shall have two Classes of Members as set forth in the Bylaws. Every Owner of a Parcel subject to the Residential Declaration shall be a Member of the Association. Membership of an Owner shall not be separated from ownership of such Parcel. Upon the closing of the sale of a Parcel, the membership appurtenant to the Parcel of the selling Owner shall cease and the purchasing Owner shall become a Member of the Association.

ARTICLE V
VOTING RIGHTS

Section 5.1 Votes. Each Member shall be entitled to cast that number of votes equal to relative value allocated to his Parcel type under the Residential Declaration. Where ownership of a Parcel is in more than one person or is held by an entity, voting shall be conducted in accordance with the Bylaws.

Section 5.2 Suspension of Voting Rights. The Board of Directors of the Association (the "Board") may suspend the voting rights of any Member subject to assessment under the Residential Declaration during the period when any assessment shall remain delinquent, but upon payment of such assessment, the voting rights of such Member shall automatically be restored.

ARTICLE VI
BOARD OF DIRECTORS

Section 6.1 Number and Classes of Directors. The number of directors shall be three. There shall initially be two classes of directors. Once 102 Parcels in the Residential Neighborhood have been purchased by Members other than the Founder or its designated entities, there shall be one (1) Class A Director elected at large by the Class A Members, and two (2) Class B Directors shall be appointed by the Founder. Before such election, all directors shall be Class B Directors appointed by the Founder and there shall be no Class A Directors. Once 1660 Parcels in the Residential Neighborhood have been purchased by Members other than the Founder or its designated entities, there shall be two (2) Class A Directors elected at large by the Class A Members and one (1) Class B Director appointed by the Founder. After all the Parcels in the Residential Neighborhood have been conveyed to Members other than the Founder or its designated entities, there shall be only one class of directors, all of whom shall be elected by the Members. The Founder may, at its sole option, accelerate the point(s) in time where there Members elect additional Class A Directors. The Class B Directors need not be Members.

Section 6.2 Founder's Right to Appoint and Remove Directors. Founder shall have the right to appoint or remove Class B Directors.

Section 6.3 Election of Class A Directors. Each Class A Director shall be elected by a vote of the Class A Members.

Section 6.4 Removal of Class A Directors. At any regular or special duly called meeting of the Association where the meeting notice states that the purpose, or one of the purposes, of the meeting is removal of one or more Class A Directors, such Class A Director(s) may be removed, with or without cause, by a majority of the votes entitled to be cast by the Class A Members.

Section 6.5 Vacancies. When there are no longer any Class B Directors on the Board, vacancies in the Board occurring for any reason other than the removal of a director by vote of the Members shall be filled by a vote of the majority of the remaining directors, even though less than a quorum, at any meeting of the Board. During the period when Class A and Class B are on the Board, if a vacancy occurs as to the Class A, the remaining directors (or, if none, the Founder) shall call a special meeting of the Association as soon as practical thereafter in order to elect new Class A as appropriate. The Founder shall fill all vacancies of Class B Directors. Each person elected or appointed to fill a vacancy as described in this Section shall serve the unexpired portion of the term of the director being replaced.

Section 6.6 Disqualification for Contracts with Founder. As long as the requirements of Section 30-3-81 of the Idaho Code, or its successor statute, are met, no director shall be required to disqualify himself or herself upon any vote upon any management contract or other contract or lease or matter between the Founder (or any individual, partnership, corporation or other entity having an affiliation with the Founder) and the Association.

Section 6.7 Term of Office. Class A Directors, other than those elected to fill the unexpired portion of the term of a director being replaced as provided for in Section 6.5 above, shall serve until the second annual meeting following their election. Directors may be reelected for subsequent terms. Class B Directors shall serve until required to resign due to the transition provisions of Section 6.1 of these Articles of Incorporation or until removed by the Founder.

ARTICLE VII

LIMIT ON LIABILITY AND INDEMNIFICATION

Section 7.1 Limit on Liability. In every instance in which the Idaho Nonprofit Corporation Act, as it exists on the date hereof or may hereafter be amended from time to time, permits the limitation or elimination of liability of directors or officers of a corporation, the directors and officers of this Association shall not be liable to the Association or its Members.

Section 7.2 Mandatory Indemnification. The Association shall indemnify any individual who is, was or is threatened to be made a party to a civil, criminal, administrative, investigative or other proceeding (including a proceeding by or in the right of the Association or by or behalf of its Members) because such individual is or was a director or officer of the Association, or of any other legal entity controlled by the Association, against all liabilities and reasonable expenses incurred by him or her on account of the proceeding in accordance with Section 30-3-88 of the Idaho Code, or its successor statute, and, except such liabilities and expenses as are incurred because of his or her willful misconduct or knowing violation of the criminal law. Unless a determination has been made that indemnification is not permissible, the Association shall make advances and reimbursement for expenses incurred by any of the persons named above upon receipt of an undertaking from him or her to repay the same if it is ultimately

determined that such individual is not entitled to indemnification. The Association is authorized to contract in advance to indemnify any of the persons named above to the extent it is required to indemnify them pursuant to this Section.

Section 7.3 Miscellaneous. The rights of each person entitled to indemnification under this Article shall inure to the benefit of such person's heirs, executors and administrators. Indemnification pursuant to this Article shall not be exclusive of any other rights of indemnification to which any person may be entitled, including indemnification pursuant to a valid contract, indemnification by legal entities other than the Association and indemnification under policies of insurance purchased and maintained by the Association or others. However, no person shall be entitled to indemnification by the Association to the extent he or she is indemnified by another, including an insurer.

ARTICLE VIII **DISSOLUTION**

If and when the Association is dissolved, all of the assets of the Association shall be transferred to another nonprofit owners' association or governmental agency having a similar purpose.

ARTICLE IX **AMENDMENT**

Subject to the Residential Declaration, these Articles may be amended with the approval of: (a) the Board unless such approval is not required by Section 30-3-91 of the Idaho Code, or its successor statute; (b) two-thirds of the voting interests; and (c) during the period in which the Founder may appoint Class B Directors, the consent of the Founder. The Board may amend these Articles in accordance with Sections 30-3-90 and 30-3-91 of the Idaho Code, or its successor statute, provided that during the time in which the Founder may appoint Class B Directors, the Founder consents to such amendment.

ARTICLE X **REGISTERED OFFICE AND AGENT**

The name of the initial registered agent is Glen Lanker who is a resident of Idaho and whose business office is the same as the registered office. The post office and street address of the registered office is 1029 East Shadow Wood Lane, Coeur d' Alene, Idaho 83815.

ARTICLE XI **INITIAL DIRECTORS**

The initial directors and their respective addresses are:

Glen Lanker

1029 East Shadow Wood Lane
Coeur d' Alene, Idaho 83815

Christine Kwak

1001 Chestnut Street, Suite 101
Philadelphia, Pennsylvania 19107

Perry Reader

5850 T.G. Lee Boulevard, Suite 200
Orlando, Florida 32822

Dated: MARCH 24, 2014



Glen Lanker, Incorporator
Address of Incorporator:
1029 East Shadow Wood Lane
Coeur d' Alene, Idaho 83815

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