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SECRETARY OF STATE
STATE OF IDAHO

**ARTICLES OF INCORPORATION
OF
THE EVOLUTION HOA, INC.**

The undersigned, in order to form a nonprofit corporation under the provisions of Title 30, Chapter 3, Idaho Code, submits the following articles of incorporation to the Idaho Secretary of State.

**ARTICLE I.
NAME OF CORPORATION**

The name of the corporation shall be The Evolution HOA, Inc. (hereinafter referenced as "Association").

**ARTICLE II.
PURPOSE AND POWERS OF ASSOCIATION**

- 2.1 The purpose of the Association shall be to (a) enforce and carry out the provisions of the Declaration of Condominium of The Evolution condominium development (Declaration) and the bylaws, rules and regulations of the Association; and (b) maintain and protect the real property described in the Declaration (Property).
- 2.2 The Association through its board of directors, shall have the authority to: (a) enforce the Declaration, bylaws and rules; (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 Articles and the Association bylaws; (e) establish procedures and policies necessary or deemed desirable to provide for the general welfare of the Members; (f) enforce and carryout the development requirements as set forth in Bonner County Planning Department Conditional Use Permit Number C816-04; and (g) place liens on the real property of Unit Owners who fail to pay dues and assessments, and to enforce such liens through judgment and foreclosure pursuant to the Condominium Property Act, Chapter 15, Title 55 of the Idaho Code.
- 2.3 The Association shall have and shall exercise all other rights and powers

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necessary and convenient to carry out its purpose including, without limitation, those general powers set forth in the Idaho Nonprofit Corporation Act, Title 30, Chapter 3-24, Idaho Code.

- 2.4 The Association shall be the "management body" as defined in the Idaho Condominium Property Act, Title 55, Chapter 15, Idaho Code.
- 2.5 The Association shall adopt and maintain bylaws.
- 2.6 This instrument, the Declaration, and the Association bylaws shall be recorded in the records of Bonner County, Idaho.

ARTICLE III. REGISTERED AGENT

The Association shall designate a registered agent. The initial registered agent shall be WILLIAM R. HELLAR, whose address (registered office) is 898 Anglers Knot, Sagle ID 83860.

ARTICLE IV. BOARD OF DIRECTORS

- 4.1 The Association shall have a board of directors (Board) consisting of no less than three (3) members, elected by the members of the Association at the annual meeting, and in accordance with the bylaws of the Association.
- 4.2 The initial Directors shall be:
 - William R. Hellar, 898 Anglers Knot, Sagle ID 83860
 - Diane M. Hellar, 898 Anglers Knot, Sagle ID 83860
 - William M. Berg, 316 N. Second Ave., Ste B, Sandpoint ID 83864
- 4.3 The Board shall (a) adopt an annual budget for operations; and (b) establish and enforce assessments, rules and regulations, and a schedule of fines and penalties for violation of rules and regulations, including without limitation penalties for late payment of assessments.
- 4.4 The Board shall carry out other duties as required by the bylaws, Declaration, and resolutions of the Members.

ARTICLE V. INCORPORATOR

The incorporator is WILLIAM M. BERG whose address is 316 N. Second Ave., Ste B, Sandpoint ID 83864.

ARTICLE VI. ASSOCIATION OFFICE

The Association shall maintain an Association office in Bonner County, Idaho. The initial office of the Association shall be located at 898 Anglers Knot, Sagle ID 83860.

ARTICLE VII. ASSOCIATION MEMBERSHIP

- 7.1 Every Unit Owner shall be a member of the Association. Membership shall be appurtenant to and may not be separated from the fee ownership of any such Unit. The words "Unit" and "Owner" shall be defined as set forth in the Declaration.
- 7.2 A Unit Owner shall not transfer, pledge, convey or alienate the Association membership except to a bona fide successor in interest of the ownership of the Unit. A sale of a Unit by real estate contract shall constitute a valid transfer of membership to the buyer. A prohibited transfer is void.
- 7.3 Each Unit shall have one vote in the Association, such vote to be cast by the Unit Owner, except the Declarant, Lupine Development, Inc., an Idaho corporation, or its successor in interest, shall have ten (10) votes for each Unit it owns. Where co-owners exist, such owners shall designate in writing, with the Secretary of the Association, who among them shall cast the vote of the Unit Owner. A designation shall remain of record until revoked. Any co-owner may revoke a designation in writing and submit it to the Secretary. The Secretary shall not accept a vote by co-owners who fail to properly designate authority to cast the vote.

ARTICLE VIII. ASSESSMENTS

- 8.1 The Association shall levy assessments on its members. The assessments levied by the Association shall be used exclusively for the purpose of carrying out the general duties and powers of the Association, including but not limited to operation, maintenance, repair, reconstruction, restoration, replacement, or alteration of the Property.
- 8.2 Each Unit, regardless of size, shall bear an equal burden for the general expenses of the Association.
- 8.3 The Association, acting through its Board, may levy a special assessment from time to time when the current assessment is deemed insufficient for the Association to carry out its obligations under this instrument and the bylaws, provided that the Board first obtain the consent of not less than sixty-percent (60%) of the voting power of those Members voting in person or by proxy at a duly called special or annual meeting of the Members.

**ARTICLE IX.
AMENDMENTS**

- 9.1 Until such time as the Declarant conveys a Unit, it shall have the right to amend these Articles and require the Board to submit such amendment to the Secretary of State.
- 9.2 Thereafter, these Articles may be amended upon the consent of 75% of the Unit Owners. An amendment shall be effective upon its filing with the Idaho Secretary of State and the recordation of a certified copy thereof in the records of Bonner County, Idaho.

**ARTICLE X.
DISSOLUTION**

- 10.1 The Association may be dissolved upon modification of the Declaration to permit dissolution and the consent of 75% of the Unit Owners.
- 10.2 Upon dissolution, the assets of the Association shall be divided pro rata among Unit Owners.
- 10.3 Dissolution shall otherwise be accomplished in compliance with Title 30, Chapter 3-110 et. seq.


**ARTICLE XI.
INDEMNIFICATION**

The Association shall indemnify and hold harmless its directors, officers, and employees from personal liability for monetary damages for breach of fiduciary duty in accordance with the powers granted in Title 30, Chapter 3-88, Idaho Code.

**ARTICLE XII.
MISCELLANEOUS**

These Articles are intended to comply with the Declaration. In the event of ambiguity, the Declaration shall be given greater weight.

EXECUTED this 17 day of MAY, 2006.


William M. Berg
Incorporator