

 **ORIGINAL**

**ARTICLES OF INCORPORATION
OF
EAGLE RIDGE HOME OWNERS ASSOCIATION, INC
(an Idaho Nonprofit Corporation)**

FILED EFFECTIVE
2005 APR 18 AM 8:50
STATE OF IDAHO

The undersigned, acting as incorporator of a nonprofit corporation organized under and pursuant to the Idaho Nonprofit Corporation Act, as amended, hereby adopts the following Articles of Incorporation.

ARTICLE I

The name of the corporation (herein "Association" or "corporation") is EAGLE RIDGE HOME OWNERS ASSOCIATION, INC, an Idaho Non-Profit Corporation. The real property that is subject to the control of this Association is all platted lots lying within The Heights at Eagle Ridge and The View at Eagle Ridge, as those plat appear of record in Bonner County, Idaho.

ARTICLE II

The corporation is a nonprofit corporation.

IDAHO SECRETARY OF STATE
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ARTICLE III

The period of duration of the corporation is perpetual.

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ARTICLE IV

The address of the initial registered office is 110 Wallace Avenue, Coeur d'Alene, Idaho, 83814, and the name of the initial registered agent at this address is Arthur M. Bistline and Association shall change the registered office to one of the owners of a lot or lots within the real property subject to the Associations control.

ARTICLE V

This Association does not contemplate the distribution of gains, profits, or dividends to its Members. The specific primary purposes for which it is formed are to provide for the

acquisition, construction, management, operation, administration, maintenance, repair, improvement, preservation, insurance, maintenance and control of the common areas, and community dock, with architectural control of the subject property and to promote the health, safety and welfare of all owners and tenants using the above-described property and any additions thereto as may hereafter be brought within the jurisdiction of this Association for such purpose, all according to any Covenants, Conditions and Restrictions appurtenant to the subject property.

In furtherance of said purposes, and subject to the approval of the Members, this Association shall have power to:

- (a) Perform all of the duties and obligations of the Association as set forth in the covenants;
- (b) Fix, levy, collect and enforce assessments and fines as set forth in the covenants;
- (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, or levies or imposed against the Association property;
- (d) Acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, exchange, transfer, dedicate for public and/or Association 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 any part of the subject 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) Have and exercise any and all powers, rights, and privileges which a corporation organized under the Nonprofit Corporation Act of the State of Idaho by law may now or hereafter have or exercise.

ARTICLE VI

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.

2. Membership. The total number of Memberships shall equal the total number of lots contained with each of the two plats identified in Article I., above. Each lot owner shall be deemed to have no more nor less than one vote for purposes of action by the corporation. The owner of a lot shall automatically be a Member of the Association, and shall remain a Member thereof until such time as his/her ownership ceases for any reason, at which time his/her Membership in the Association shall automatically cease.

3. Transferred Membership. 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, and then only to the new owner. Any attempt to make a prohibited transfer is void. In the event 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 to record the transfer upon its books and thereupon the old membership outstanding in the name of the seller shall be null and void.

4. One Class of Membership: Voting Right. The Association shall have one (1) class of voting Membership, with one (1) vote being attributable to each lot on all matters submitted to the Association Membership for vote.

5. Voting Requirements. Except where otherwise expressly provided in the covenants, these Articles of Incorporation, or the Bylaws, any action by the Association which must have the approval of the Association Membership before being undertaken, shall require the vote or written assent of the prescribed percentage of a quorum of the total voting power of the Association.

6. Limitation of Payment to Dissenting Member. 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, a dissenting Member shall not be entitled to any return of any contribution or other interest in the Association.

ARTICLE VII

The affairs of the corporation shall be managed by its Board of Directors. The number of Directors serving on the Board of Directors shall be fixed in accordance with corporation's Bylaws, but shall not be less than three (3) following the initial directors' meeting. Other than the Directors constituting the initial Board of Directors, who are designated in these Articles, the Directors shall be each member of the corporation.

The names and street addresses of the persons constituting the initial Board of Directors are:

NAME

ADDRESS

Sean Hefley

Post Office Box 521, Sandpoint, Idaho 83864

Karen Hefley

117 39G Rd. Sagle, ID 83860

Thomas Carroll

1408 Cedar St. LaGrande, OR 97850

ARTICLE VIII

An officer or manager of the Association shall not be personally liable to the Association for monetary damages arising from any conduct, except for liability arising from (I) acts or omissions involving intentional misconduct or a knowing violation of law by the officer or manager; or (ii) any transaction from which the officer or manager will personally receive a benefit of money, property, or services to which the officer or manager is not legally entitled.

The Association has the power to indemnify, and to purchase and maintain insurance for, its managers, officers, trustees, employees, and other persons and agents. Without limiting the generality of the foregoing, the Association shall indemnify its officers or managers against all liability, damages, and costs or expenses (including attorney fees) arising from or in any way connected with service for, employment by, or other affiliation with this Association to the maximum extent and under all circumstances permitted by law.

ARTICLE IX

In the event of the dissolution, liquidation, or winding up of the Association, after paying or adequately providing for the debts and obligations of the Association, the Managers or person in charge of the liquidation shall divide the remaining assets among the Members in accordance with their respective rights thereto.

ARTICLE X

The name and street address of the incorporator is Arthur M. Bistline, 110 Wallace Avenue, Coeur d'Alene, Idaho, 83814.


ARTICLE XI

Provisions for the regulation of the internal affairs of the corporation shall be set forth in the Bylaws. Provided, however, that before any member seeks to take any action on behalf of the Board, after demand for action has been refused by the Board, the dissenting Member and the remaining Members of the Board must attend at least three sessions of mediation prior to submission of any cause to a court of competent jurisdiction.

ARTICLE XII

The Bylaws of the Corporation shall specifically require the following, in addition to whatever requirements the Board of Directors may require, that any change to the any Covenants, Conditions or Restrictions appurtenant to the subject property shall be only by unanimous consent of all directors and shall be duly recorded and that any approval for new construction or modification of construction shall require the unanimous consent of all three Directors. All other powers of the Board may be exercised in any manner established by the Board of Directors and set forth in the Bylaws.

DATED this 14th day of April, 2005.


Print Name: Arthur Bis Hine
Incorporator