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When recorded, please return to:
William M. Berg, Attorney
Berg & McLaughlin, Chdt
414 Church Street, Suite 203
Sandpoint ID 83864

2013 JUL 18 PM 3:49

SECRETARY OF STATE
STATE OF IDAHO

**AMENDED AND RESTATED ARTICLES OF INCORPORATION
OF
FESTIVE LANE ESTATES HOA, INC.**

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

On June 11, 2013, the following Amended and Restated Articles of Incorporation was unanimously adopted by the Members of Festive Lane Estates, HOA, Inc., at a duly noticed special meeting of the Members.

**ARTICLE I.
NAME OF CORPORATION, OFFICE, REGISTERED AGENT**

- 1.1 **Corporate Name.** The name of the corporation shall be Festive Lane Estates HOA, Inc. (hereinafter "Association").
- 1.2 **Corporate Office.** The Association shall maintain an Association office in Bonner County, Idaho. The initial office of the Association shall be located at 115 Festive Lane Estates, Sagle, Idaho 83860.
- 1.3 **Registered Agent.** The Association, acting through its Board of Directors (hereinafter "Board"), shall designate a registered agent. The initial registered agent shall be Berg & McLaughlin, Chdt., whose address (registered office) is 414 Church Street, Suite 203, Sandpoint, Idaho 83864.

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

- 2.1 **Purpose.** The purpose of the Association shall be to (a) enforce and carry out the provisions of the Declaration of Covenants, Conditions, Easements and Restrictions of Festive Lane Estates (hereinafter "Declaration"), (b) the Bylaws, Rules and Regulations of the Association; and (c) maintain and protect the real property described in the Declaration (hereinafter "Property").
- 2.2 **General Authority.** The Association shall have and shall exercise all other rights and powers necessary and convenient to carry out its purpose including, without limitation, those general powers set forth in the Idaho Nonprofit Corporation Act.

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- 2.3 **Bylaws.** The Association shall adopt and maintain Bylaws.
- 2.4 **Duties.** The Association through its Board of Directors, shall have the authority to: (a) enforce the Declaration; (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 of Incorporation and Bylaws; (e) open and close bank accounts in the Association's name; (f) establish procedures and policies necessary or deemed desirable to provide for the general welfare, in accordance with the spirit and letter of this Declaration; and (g) place liens on the real property of Lot Owners who fail to pay dues and assessments, and to enforce such liens through judgment and foreclosure.
- 2.5 **Recordation.** These Articles shall be recorded in the records of Bonner County, Idaho. The Bylaws may, but are not required to be recorded.

ARTICLE III. MEMBERSHIP AND VOTING RIGHTS

- 3.1 **Voting Members.** The Association shall consist of voting members.
- 3.2 **Membership Rights.** Membership shall be exclusive to Lot Owners in Festive Lane Estate.
- 3.3 **Transfer of Membership.** A Member shall not transfer, pledge, convey or alienate the Association membership except to a bona fide successor in interest of the ownership of the Lot. A sale of a Lot by real estate contract shall constitute a valid transfer of membership to the buyer. A prohibited transfer is void.
- 3.4 **Voting Rights.** There shall be one class of membership. Members shall have one (1) vote in the Association for each Lot owned, such vote to be cast by the Lot Owner. Where co-owners exist, they may designate in writing, with the Secretary, who among them shall cast the Lot's vote. A designation shall remain of record until revoked. Any co-owner may revoke a designation in a writing submitted to the Secretary. Fractional votes are not permitted. In the absence of a designation, the Secretary shall accept the vote of any co-owner attending a meeting in person or by proxy. If co-owners disagree on a vote or a dispute arises as to authority of a co-owner to cast a vote, the Secretary shall record the Lot's vote as "present." All co-owners may attend and otherwise participate in Association meetings.
- 3.5 **Majority Vote.** Except as otherwise set forth herein, or in the Declaration, a majority of votes of the Members, at a duly called meeting of the Members, shall be the action of the Association.
- 3.6 **Proxy Voting.** A Member may give his or her proxy to another Member. Such proxy shall be (a) in writing; (b) signed by the giver; (c) defining the particular meeting or time period in which the proxy may be exercised; and (d) delivered to the Secretary prior to the membership meeting. "Proxy" means an authorization for a person to vote another person's membership shares.

- 3.7 **Quorum.** A quorum shall consist of no less than 2 Lots in attendance at the start of a membership meeting. Once a quorum has been established it shall be deemed to continue until adjournment. The Members may increase, but not decrease, the quorum requirement by amendment of these Articles.
- 3.8 **Actions Reserved to the Members.** The following actions are reserved to the Members, voting at a duly noticed meeting of the Association:
- 3.8.1 **Elect and Remove Directors.** The Members shall have the exclusive authority to elect and remove directors.
- 3.8.2 **Approve Budget.** The Members shall adopt an annual budget and any supplemental budgets of the Association. The Members may amend the budget presented by the Board.
- 3.8.3 **Resolve a Deadlock of the Board.** If the Board refers a matter to the Members because of a deadlock on the Board or otherwise, the Members shall have the right and duty to resolve the matter by majority vote.
- 3.8.4 **Right to Inspect Books.** Members shall the right to inspect the financial records of the Association at a reasonable time and upon reasonable notice to the Board.
- 3.8.5 **Dissolve the Association.** The Members shall have the exclusive authority to dissolve the Association by the majority required to amend the Declaration.

ARTICLE IV. BOARD OF DIRECTORS

- 4.1 **Management Vested in the Board of Directors.** The Board shall govern the Association, manage the Association's property, recommend an annual budget to the Members, establish and collect assessments, enforce the Rules and Regulations, and take any other lawful action to advance the interests of the Association. Board may, but is not required to seek the approval of the Members before taking an action other than those actions reserved to the Members in Article 3.8. The Board shall present an annual budget to the Members at least 14 days prior to an annual or special meeting of the Members.
- 4.2 **Board of Directors.** The Board shall consist of no less than three (3) Directors who shall serve one (1) year terms. Directors shall be elected by the Lot Owners at an annual meeting or at a special meeting called for the purpose electing Directors. Directors shall be Lot Owners or representatives of lot owners. Co-owners may serve as Directors.
- 4.3 **Initial Directors.** The initial Directors shall be:
- David Watkins, 115 Festive Lane, Sagle ID 83860.
- Mayra Watkins, 115 Festive Lane, Sagle ID 83860.
- Rich Brittain, 101 Ironwood Drive, Suite 218, Coeur d'Alene, ID 83814.

- 4.4 **Officers.** The Board shall annually elect its officers. There shall be a President, Vice President, Secretary-Treasurer. Officers shall be elected by a majority of Directors voting at a duly called meeting of the Directors. An officer may be removed from office at any time, for any reason, by a majority of the elected Directors. Such removal shall be evidenced by a resolution, executed by a majority of the Directors and delivered to the Secretary and the officer being removed. The officer's authority shall terminate upon delivery of said resolution to the Secretary. If the secretary is being removed, the resolution shall be delivered to the President for entry in the corporation records.
- 4.5 **Action of the Board.** The action of the Board shall be the action of the Association.

ARTICLE V. ASSESSMENTS

- 5.1 **Purpose of Assessments.** 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.
- 5.2 **Equal Burden.** Each Lot, regardless of size, shall bear an equal burden for the general expenses of the Association.
- 5.3 **Special Assessments.** 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.

ARTICLE VI. AMENDMENTS

- 6.1 **Members' Right to Amend.** These Articles may be amended upon the consent of two-thirds of the Lot Owners voting at a duly called meeting of the Members.
- 6.2 **Effectiveness.** An amendment shall be effective upon the later of its (a) filing with the Idaho Secretary of State and (b) recordation of a certified copy thereof in the records of Bonner County, Idaho.

ARTICLE VII. DISSOLUTION

- 7.1 **Requirements for Dissolution.** The Association may be dissolved upon modification of the Declaration to permit dissolution, each Member signing and acknowledging by law a resolution of dissolution.
- 7.2 **Distribution of Assets.** Upon dissolution, the assets of the Association shall be divided pro rata among the Members.

- 7.3 **Statutory Provisions.** Dissolution shall otherwise be accomplished in compliance with §30-3-110 et. seq., Idaho Code.

**ARTICLE VIII.
MISCELLANEOUS**

- 8.1 **Indemnification.** The Association shall indemnify and hold harmless its directors, officers, and employees from personal liability for monetary damages, court costs and attorney fees in any suit or proceeding, other than an action by or in the right of the Association, if such person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the Association. This provision is intended to comply with, and shall be interpreted in conformity with the indemnification provisions of § 30-3-88, Idaho Code.
- 8.2 **Relationship to Declaration.** These Articles are intended to comply with the Declaration. In the event of ambiguity, the Declaration shall be given greater weight.



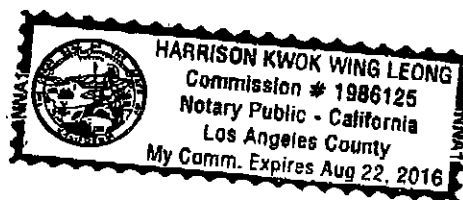
DAVID WATKINS
Title: President

STATE OF California
COUNTY OF Los Angeles) SS.

On this 1st day of July, in the year of 2013, before me, a Notary Public for the state of _____, personally appeared David Watkins, known or identified to me to be the president, or vice-president, or secretary or assistant secretary, of Festive Lane Estates HOA, Inc. that executed the within instrument on behalf of said corporation and acknowledged to me that such corporation executed the same.

(Sign) Harrison Kwok Wing Leong
NOTARY PUBLIC

Residing at: 2425 Olympic Blvd. Ste 120E, Santa Monica, CA 90404
My commission expires: Aug. 22, 2016



ARTICLE VIII.
MISCELLANEOUS

- 8.1 **Indemnification.** The Association shall indemnify and hold harmless its directors, officers, and employees from personal liability for monetary damages, court costs and attorney fees in any suit or proceeding, other than an action by or in the right of the Association, if such person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the Association. This provision is intended to comply with, and shall be interpreted in conformity with the indemnification provisions of § 30-3-88, Idaho Code.
- 8.2 **Relationship to Declaration.** These Articles are intended to comply with the Declaration. In the event of ambiguity, the Declaration shall be given greater weight.

DAVID WATKINS
Title: President

STATE OF _____)
COUNTY OF _____) ss.

On this ____ day of _____, in the year of 20____, before me, a Notary Public for the state of _____, personally appeared David Watkins, known or identified to me to be the president, or vice-president, or secretary or assistant secretary, of Festive Lane Estates HOA, Inc. that executed the within instrument on behalf of said corporation and acknowledged to me that such corporation executed the same.

(Sign) _____
NOTARY PUBLIC
Residing at: _____
My commission expires: _____

William M. Berg
WILLIAM M. BERG
REGISTRAR AGENT