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**ARTICLES OF INCORPORATION
OF**

ESTATES AT FARRAGUT HOMEOWNER'S ASSOCIATION

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The undersigned, acting as the incorporator of a nonprofit corporation ("Association") organized under and pursuant to the Idaho Nonprofit Corporation Act, Chapter 3, Title 30, Idaho Code ("Act"), adopts the following Articles of Incorporation ("Articles").

**ARTICLE 1
NAME**

The name of the Association is ESTATES AT FARRAGUT HOMEOWNER'S ASSOCIATION, INC.

**ARTICLE 2
NONPROFIT STATUS**

The Association is a nonprofit membership corporation.

**ARTICLE 3
PERIOD OF DURATION**

The period of duration of the Association is perpetual.

**ARTICLE 4
REGISTERED OFFICE AND AGENT**

The address of the Association is P.O. Box 2612 Hayden, Idaho 83835. The address of the initial registered office is 601 E. Front Avenue, Suite 304, Coeur d'Alene, ID 83814, and the name of the initial registered agent at this address is Peter J. Smith IV.

**ARTICLE 5
PURPOSES**

The purposes for which the Association is organized and will be operated are as follows:

A. The exercise of all the powers and privileges and the performance of all the duties and obligations of the Association as set forth in the Declaration of Covenants, Conditions and Restrictions for Estates at Farragut, recorded on July 7, 2023, in the official records of Kootenai County, Idaho as Instrument No. 2941453000 (the "Declaration"), as amended from time to time.

B. The transaction of any or all lawful business for which corporations may be incorporated under the Act, subject only to limitations in the Bylaws and the Declaration and the amendments and supplements thereto.

C. To exercise all powers granted by law necessary and proper to carry out the foregoing

purposes, including, but not limited to, the power to accept donations of money, property, whether real or personal, or any other things of value. Nothing herein contained shall be deemed to authorize or permit the Association to carry on any business for profit, to exercise any power, or to do any act that a corporation formed under the Act, or any amendment thereto or substitute therefor, may not at that time lawfully carry on or do.

ARTICLE 6 LIMITATIONS

No part of the net earnings or the assets of the Association shall inure to the benefit of, or be distributable to, its members, directors, officers, or other private persons except that the Association shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Article V hereof. No substantial part of the activities of the Association shall be for the carrying on of propaganda, or otherwise attempting to influence legislation, and the Association shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of any candidate for public office. Notwithstanding any other provisions of these Articles, the Association shall not carry on any other activities not permitted to be carried on by a corporation exempt from federal income tax under Section 528 of the Internal Revenue Code of 1986, as amended from time to time.

ARTICLE 7 MEMBERS

Each person or entity holding fee simple interest of record to a Lot (as defined in the Declaration) which is a part of the Estates at Farragut, and sellers under executory contracts of sale, but excluding those having such interest merely as security for the performance of an obligation, shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot located in the Estates at Farragut. Except for the Class B Member, there shall be one (1) membership in the Association for each Lot located in the Estates at Farragut. Members of the Association must be owners of Lots within the Estates at Farragut.

ARTICLE 8 VOTING RIGHTS

The Association shall have two (2) classes of voting membership:

A. **Class A Members.** The Class A Members shall be owners of Lots within the Estates at Farragut, except for Grantor (as defined below). The Class A Members shall be entitled to one (1) vote for each Lot owned by such Class A Members on the day of the vote.

B. **Class B Member.** Estates at Farragut, LLC ("Grantor") shall be the Class B Member, and shall be entitled to twenty (20) votes for each Lot owned by Grantor within the Estates at Farragut. The Class B Member shall cease to be a voting Member in the Association when it no longer owns any Lots, as that term is defined in the Declaration.

ARTICLE 9

BOARD OF DIRECTORS

The affairs of the Association shall be managed by its Board of Directors. The number of Directors serving on the Board of Directors shall be fixed in accordance with the Association's Bylaws. The Directors shall be elected in the manner and for the term provided in the Bylaws of the Association.

The initial Directors are:

1. Gabriel Hern; 1872 E. Canyon Way, Chandler, AZ 85249
2. Marjorie Hern; 1872 E. Canyon Way, Chandler, AZ 85249
3. Austin Hern; 824 B Street, Coeur d'Alene, ID 83814

ARTICLE 10 ASSESSMENTS

Each Member shall be liable for the payment of Assessments provided for in the Declaration and as otherwise set forth in the Bylaws of the Association.

ARTICLE 11 DISTRIBUTION ON DISSOLUTION

Upon dissolution of the Association, the Board of Directors shall, after paying or making provision for the payment of all liabilities of the Association, distribute all the assets of the Association consistent with the purposes of the Association to such organization or organizations as shall at that time qualify as exempt organizations under Section 501(c)(12) of the Internal Revenue Code of 1986, as amended from time to time, in such manner as the Board of Directors shall determine. Any such assets not so distributed shall be distributed by the district court of the county in which the principal office of the Association is then located, exclusively for the purposes or to such organizations, as such court shall determine to be consistent with the purposes of the Association.

ARTICLE 12 INCORPORATOR

The name and street address of the incorporator is Peter J. Smith IV, 601 E. Front Avenue, Suite 304, Coeur d'Alene, ID 83814.

ARTICLE 13 BYLAWS

Provisions for the regulation of the internal affairs of the Association shall be set forth in the Bylaws. The Board of Directors of the Association shall be authorized to amend the Association's Bylaws at a properly noticed special or regular meeting of the Board of Directors. Neither these Articles nor the Bylaws of the Association shall be amended or otherwise changed or interpreted to be inconsistent with the Declaration.

The undersigned, acting as incorporator of a nonprofit corporation under the Act, adopts the following Articles of Incorporation:

DATED this 25th day of August, 2023

A handwritten signature in black ink, appearing to read "PJS IV", written over a horizontal line.

Peter J. Smith IV

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