

FILED EFFECTIVE

**ARTICLES OF INCORPORATION
OF FOXTAIL ADDITION SOUTH OWNER'S ASSOCIATION, INC.**

2012 OCT 29 AM 11:16

SECRETARY OF STATE
STATE OF IDAHO

KNOW ALL MEN BY THESE PRESENTS that PETER J. SMITH IV, being over the age of eighteen years, and for the purposes of forming a corporation under the Idaho Nonprofit Corporation Act; hereby certifies and adopts, in duplicate, the following Articles of Incorporation.

**ARTICLE 1
NAME**

The name of the corporation (hereinafter called "the Corporation") is Foxtail Addition South Owner's Association, Inc.

**ARTICLE 2
DURATION**

The duration of the Corporation shall be perpetual.

**ARTICLE 3
PURPOSES AND POWERS**

The Corporation is not organized for profit and no part of gains or earnings shall inure to its members. The specific primary purposes for which it is formed are to provide for the acquisition, construction, management, operations, administration, maintenance, repair, improvement, preservation, and architectural control of the FOXTAIL ADDITION SOUTH ("Subdivision") situated in Post Falls, Idaho. The Corporation will also promote the health, safety and welfare of property owners of the Subdivision and any additions thereto. The additions may be brought within the jurisdiction of the Corporation in accordance with the Declarations of Covenants, Conditions and Restrictions (the "Declaration") for the Subdivision as recorded in the records of Kootenai County, Idaho. All definitions contained in the Declarations shall be applicable to these Articles and the Bylaws of this Corporation.

In furtherance of said purposes, and subject to the approval of members as may be required by law, the Declaration, or the Bylaws, the Corporation shall have power to:

- (a) Perform all of the duties and obligations of the Corporation as set forth in the Declaration;
- (b) Fix, levy, collect and enforce assessments and fines as set forth in the Declaration or Bylaws, in a fair and equitable fashion and secure the payment of assessments through liens upon real property as allowed under Idaho law;
- (c) Pay all expenses and obligations Incurred by the Corporation in the conduct of its business, Including without, limitation, all licenses, taxes or governmental charges levied or imposed against the corporation's property;

IDAHO SECRETARY OF STATE
10/29/2012 05:00
CK: 1178258 CT: 172099 BN: 1345445
1 @ 30.00 = 30.00 INC NONP # 2

C196367

(d) Acquire (by gift, purchase, or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, exchange, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Corporation.

(e) Make contracts all incur liabilities, borrow money and mortgage pledge, deed in trust, or hypothecate and 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 part of any of the Corporation's 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 corporation.

(h) Litigate, mediate, or arbitrate any and/or all corporate rights and obligations specified in law and/or by the Articles and Bylaws of the Corporation and/or Declaration. This Corporation in addition to other provisions, may provide for the qualification of members, the terms and conditions of admission, the time, mode, conditions and effect of expulsion or withdraw from the restoration of membership, admission fees, charges and assessments, and for reimbursement for services rendered to and expenses incurred on behalf of the Corporations by any member or officer of the Corporation, and such other rules and regulations as are not repugnant to the laws of the State of Idaho; and

(i) Have and exercise any and all powers, rights, and privileges that a corporation organized under the Idaho Nonprofit Corporation Act law, as it exists now or hereafter.

ARTICLE 4 MEMBERS AND MEMBERSHIP

4.1 Non-Stock Corporation. Participation in management and ownership of the Corporation shall be by membership only. The Corporation shall issue no stock and shall have no shareholders.

4.2 Membership. The Owner of a Lot in the Subdivision shall automatically, upon becoming an Owner of any portion of the Property located In the Subdivision and the additions thereto ("the Project"), shall become a member of the Corporation. The member shall remain member thereof until such time the ownership ceases for any reason, at which time the membership in the Corporation shall automatically cease or in the event that the membership is suspended or terminated as provided in the Bylaws and Declaration. Membership shall be in accordance with these Articles of Incorporation and the Bylaws of the Corporation.

4.3 Transferred Membership. Membership in the Corporation shall not be transferred, pledged; or alienated in any way except upon the transfer of ownership of the Lot to which it is appurtenant in the Subdivision or its additions 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 Corporation shall have the right and authority to transfer to purchaser and to record the transfer upon the books; thereupon the old membership outstanding in the name of the seller shall be null and void.

4.4 Classes of Membership. The Corporation shall have multiple classes of voting membership established according to the following provisions:

(a) Class "A" Membership. Class "A" membership shall be held by each Owner of a Lot in the Subdivision other than REHC 2, LLC, ("Declarant"). Each Class "A" member shall be nonvoting member during the Declarant's control period, unless, granted vote by the board for a specific membership issue. Upon the end of the Declarant's Control Period (as defined herein) each Class "A" member entitled to one (1) vote for each Lot owned on all issues involving membership issues. If a Lot is owned by more than one person, each such person shall be a member of the Corporation, but there shall be no more than one (1) vote for each lot, multiple owners have joint rights and obligations.

(b) Class "B" Membership. Class "B" membership shall be the membership held by the Declarant (or Declarant's Designated Successors). In the Declaration or amendment thereof as recorded in the records of Kootenai County. Each Class "B" member shall be entitled to one (1) vote for each Lot owned Lot shall mean each approved Lot or unit, according to the final plat or plats of the property as defined in the Declaration recorded in the Recorder's office of Kootenai County. Class "B" member shall also be entitled to one (1) vote for the portion of the Subdivision but not yet platted. The Declarant's Designated Successor shall be a successor to the ownership to the entire undeveloped subdivision as officially designated in writing by the Declarant. The Declarant's Control Period shall exist until the Class "B" membership no longer exists or upon the conversion of Class "B" membership to Class "A" membership or on the thirtieth (30th) anniversary of the recordation of the Declaration of Covenants, Conditions and Restrictions of the Subdivision ("Declaration"), whichever shall occur first. Class "B" members shall have the sole right and authority to convert to Class "A" at Declarant's sole discretion.

(c) Additional Classes of Membership If the Corporation desires to add additional classes of membership, it may do so through an amendment to the Bylaws. Nothing in these Articles shall prohibit the institution of additional classes.

4.5. Voting Requirements. Except where otherwise expressly provided in the Declaration, these Articles of Incorporation or the Bylaws, any action required by the

membership of the Corporation must have the approval of the voting membership before being undertaken.

4.6. Limitation of Payment to Dissenting Member. Membership in the Corporation is appurtenant to and cannot be segregated from ownership of a Lot within the jurisdiction of the Corporation. Except upon dissolution of the Corporation and only consistent with Bylaws and Articles of Corporation, a dissenting member shall not be entitled to any return of any contribution or other interest in the Corporation.

ARTICLES
INITIAL REGISTERED OFFICE AN AGENT

The initial registered office of the Corporation shall be: 601 East Front Avenue, Suite 502, Coeur d'Alene, ID. 83814 and the name of its initial registered agent is Peter J. Smith IV, Attorney at Law.

ARTICLE 6
BOARD OF DIRECTORS; INCORPORATORS

The Board of Directors shall manage the affairs of the Corporation. The initial Board shall be three (3) directors, but may be converted to a larger number in accordance with the Bylaws, upon the end of the Declarant's Control Period. Until the expanded board exists, there is not requirement that the directors be members. After expansion of the Board, all must be members of the Corporation. The number of directors may be increased by amendment of the Bylaws of the Corporation.

The initial Directors are:

Jeff Norman, 110 S. Ferrall St., Spokane, WA 99202
Tracy Carrigan, 110 S. Ferrall St., Spokane, WA 99202
Oana Luca, 110 S. Ferrall St., Spokane, WA 99202

ARTICLE 7
INCORPORATOR

The names and addresses of the incorporator of the corporation is:

NAME	ADDRESS
Peter J. Smith IV	601 East Front Avenue, Suite 502, Cocur d'Alene, ID. 83814

ARTICLE 8
DISSOLUTION

In the event of dissolution, liquidation, or winding up of the Corporation, none of the property or any proceeds of the Corporation shall, be distributed, to or divided. Among any of

the Directors of the Corporation or inure to the benefit of any individual. After all liabilities and obligations of the Corporation have been paid and discharged, all remaining property and assets of the Corporation shall be distributed to one or more organizations designated as follows:

1. Pursuant to a plan of distribution adopted as provided for under the Idaho Nonprofit Corporation Act as it now exists or as amended in the future; or
2. If there is no appropriate plan of distribution, as a court of competent jurisdiction may direct; provided however, that such property shall be distributed only to organizations which shall comply with all of the following conditions:
 - (a) Each organization shall be organized under written articles of organization which comply with the requirements of the Internal Revenue Code necessary to qualify the organization as an exempt organization;
 - (b) Each organization shall be exempt from federal taxes by reason of Section 501, or other applicable sections, of the Internal Revenue Code as it now exists or is amended, in the future;
 - (c) Contributions to each such organization shall be deductible by reason of Section 170 of the Internal Revenue Code as it now exists or as amended in the future;
 - (d) each organization shall be operated exclusively for a recognized exempt purpose, and the manner of operation of each organization shall be in compliance with the requirements to qualify the organization as an exempt organization

ARTICLE 9
AMENDMENT OF ARTICLES

These Articles shall be amended only by the vote or written assent of at least two-thirds (2/3) of a quorum of the voting power the membership.

For the purposes of forming the Corporation, I, the undersigned, constitution the Incorporator of the Corporation, have executed these Articles of Incorporation of the 29th day of October, 2012.



PETER J. SMITH IV