

ARTICLES OF INCORPORATION
OF
SEASONS AT SANDPOINT ASSOCIATION, INC.

KNOW ALL PERSONS BY THESE PRESENTS: The undersigned, for the purpose of forming a corporation under the laws of the State of Idaho in compliance with the Idaho Nonprofit Corporation Act of Title 30, Chapter 3 Idaho Code, and acting as incorporator of said corporation does hereby certify, declare and adopt the following Articles of Incorporation.

ARTICLE 1. NAME:

The name of the corporation shall be SEASONS AT SANDPOINT ASSOCIATION, INC. (the "Association").

ARTICLE 2. NONPROFIT:

The Association shall be a nonprofit, membership corporation.

ARTICLE 3. DURATION:

The duration of this corporation shall be perpetual.

ARTICLE 4. PURPOSE AND POWERS:

The Association is formed to be a Management Body for the administration, maintenance, preservation and control of SEASONS AT SANDPOINT, located in Bonner County, Idaho consistent with the Idaho Condominium Property Act, Title 55, Chapter 15, Idaho Code (the "Condominium Act") and its powers are and shall be consistent with the provisions of the Condominium Act. The nature of the business and the object and purposes of the Association shall be as follows:

- (a) The Association shall be the "Management Body" as defined in Idaho Code section 55-1503, and as provided for in the terms and conditions of that Declaration of Condominium of Seasons at Sandpoint (the "Declaration") to be executed by BVG SANDPOINT, LTD., a Florida limited partnership (the "Declarant"), which delegates and authorizes the Association to exercise certain functions as the Management Body. The Declaration shall be recorded in the Bonner County Recorder's Office, State of Idaho, together with a certified copy of these Articles of Incorporation appended thereto. All of the words and terms which are initially capitalized herein shall have the meanings and definitions ascribed to them in the Declaration, which definitions are incorporated herein by reference.
- (b) The Association shall have the power to have, exercise and enforce all rights and privileges, and to assume, incur, perform, carry out and discharge all duties,

obligations and responsibilities of a Management Body as provided for in the Condominium Act, and in the Declaration, as amended from time to time. The Association shall have the power to adopt and enforce rules and regulations covering the use of the Project or Units therein, to levy and collect the Assessments and charges against the Owners and the Units themselves and in general to assume and perform all the functions to be assumed and performed by the Association as provided for in the Declaration. It shall have the power by resolution or vote to transfer, assign or delegate such duties, obligations or responsibilities to other persons or entities as permitted or provided for in the Condominium Act, the Declaration or in an agreement executed by the Association with respect thereto.

- (c) The Association shall comply with all terms, conditions and provisions of any and all permits pertaining to the Condominium Property (as defined in the Declaration), including but not limited to that certain permit issued by the Idaho Department of Lands (Permit No. _____).
- (d) The Association must comply with all of the terms and conditions of that certain Lease dated effective as of July __, 2004 between the Association and Heaven at Seasons, and that certain Lease dated effective as of July __, 2004 between the Association and Hart at Seasons (collectively, the "Leases"). The Association shall have no power to amend or terminate either Lease, except as is specifically set forth under the terms and conditions of the respective Lease.
- (e) The Association shall comply with all terms, conditions and provisions of any and all easements, covenants, conditions and restrictions encumbering the Property.
- (f) In addition to the foregoing, where not inconsistent with either the Condominium Act or Title 30, Idaho Code, the Association shall have all the general powers provided in Sections 30-1-302 and 30-3-24, Idaho Code.

ARTICLE 5. MEMBERSHIP:

A. There shall be one (1) membership in the Association for each Owner as established by the Declaration. The Members of the Association must be and remain Owners of a Unit, as defined in the Declaration, within the Project. If title to a Unit is held by more than one person, the membership relating to the Unit shall be shared by all such persons in the same proportionate interest and the same type of tenancy in which the title to the Unit is held.

B. No person or entity other than an Owner may be a member of the Association. A member shall not assign or transfer his membership except in connection with the transfer or sale of a Unit; provided, however, that although membership is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation, the rights of membership may be assigned as further security for a loan secured by a lien on a Unit. Every person or entity who is an owner of any Unit for which the Association has been or may be designated as a Management Body shall be required to be a member of the Association and remain a member so long as such person or entity shall retain the ownership of a Unit.

Membership in the Association is declared to be appurtenant to the title of a Unit upon which such membership is based and automatically shall pass with the sale or transfer of the title of the Unit. Members, other than as specified in the Declaration, shall not have pre-emptive rights to purchase other memberships in the Association or other Units.

ARTICLE 6. VOTING RIGHTS:

The Association shall have two classes of voting membership.

CLASS A. Class A Members shall be all Owners, with the exception of the Declarant, and shall be entitled to one vote for each Unit owned. When more than one person holds an interest in any Unit, all such persons shall be members. The vote for such Unit shall be exercised as they determine, but in no event shall more than one vote be cast with respect to any Unit. Fractional votes shall not be allowed. The vote applicable to any said Unit being sold under contract of purchase shall be exercised by the contract seller, unless the contract expressly provides otherwise.

CLASS B. The Class B Member shall be the Declarant as defined in the Declaration. The Class B Member shall be entitled to ten (10) votes for each Unit owned, plus ten (10) votes for each un-built Condominium Units and/or Condominium Lots that may be added pursuant to the Declaration so long as said Condominium Units and/or Condominium Lots are added to the Declaration within 7 years of the date of recording the Declaration . The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs first:

- (a) When the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership appurtenant to Units, or
- (b) On July 1, 2014, or
- (c) At such earlier time as determined by the Declarant.

ARTICLE 7. REGISTERED OFFICE AND AGENT:

The address of the initial registered office of the Association is 123 S. 3rd, P.O. Box 1049 Sandpoint, ID 83864, and the name of its initial registered agent at such address is Ford Elsaesser.

ARTICLE 8. BOARD OF DIRECTORS:

A. The number of directors of the Association shall be fixed by the bylaws and may be increased or decreased from time to time in the manner specified therein. The initial board of directors shall consist of three (3) directors. The names and addresses of the persons who shall serve as directors until the first meeting of the members and until their successors are elected and qualify, or unless they resign or are removed, are:

<u>Name</u>	<u>Address</u>
-------------	----------------

C. Jae Heinberg 777 South Harbour Island Boulevard
Suite 925
Tampa, Florida 33602

Linda Starr Kerns 777 South Harbour Island Boulevard
Suite 925
Tampa, Florida 33602

Holly Mostoller 777 South Harbour Island Boulevard
Suite 925
Tampa, Florida 33602

B. All Directors shall be elected in the manner set forth in the Bylaws. Declarant desires to avail itself of the rights permitted under Section 30-3-66, of the Idaho Code, and accordingly, until Turnover of Control (as defined below), the Declarant shall have the unilateral right to elect all of the directors. For purposes hereof, Turnover of Control means three (3) months after the Declarant has sold 90% of the Lots, including all un-built Condominium Units and/or Condominium Lots that may be added pursuant to the Declaration so long as said Condominium Units and/or Condominium Lots are added to the Declaration within 7 years of the date of recording the Declaration. Directors may be removed and vacancies may be filled in the manner provided in the Bylaws.

ARTICLE 9. INCORPORATOR:

The name and address of the incorporator is as follows:

BVG SANDPOINT, LTD., a Florida limited partnership
777 South Harbour Island Blvd.; Suite 925
Tampa, Florida 33602

ARTICLE 10. BYLAWS:

The Bylaws of the Association shall be adopted as set forth in the Bylaws, and may be altered, amended or rescinded in the manner provided therein.

ARTICLE 11. ASSESSMENTS:

Each member shall be liable for the payment of Assessments and charges provide for in the Declaration and for the payment and discharge of the liabilities of the Association as provided for in the Declaration, the Condominium Act, and as set forth in the Bylaws.

ARTICLE 12. AMENDMENT:

A. Amendments to these Articles shall be proposed and adopted in the following manner:

(a) Until Turnover of Control (as defined in the Bylaws), the Declarant shall have the unilateral right to amend these Articles.

(b) After election of a majority of the Board other than by the Declarant, amendments to these Articles may be proposed either by a majority of the whole Board or by a petition signed by the Members representing at least fifty percent (50%) of the voting interests of the Association. Once so proposed, the amendments shall be submitted to a vote of the Members no later than the next annual meeting for which proper notice can be given. These Articles of Incorporation may be amended by a vote of two-thirds (2/3) of the Members present and voting at such special or annual meeting at which a quorum has been established. Any such amendment may also be approved in writing by a majority of the total voting interests without a meeting. Notice of any proposed amendment must be given to the Members, and the notice must contain the text of the proposed amendment.

(c) An amendment shall become effective upon filing with the Secretary of State and recording a certified copy in the Public Records of Bonner County, Idaho.

ARTICLE 13. DISSOLUTION:

Subject to the provisions as to mortgage protection contained in the Declaration, the Association may be dissolved with the assent given in writing and signed by not less than three-fourths (3/4) of voting interests. Upon dissolution of the Association, other than incident to a merger or consolidation, and otherwise in accordance with applicable statutory dissolution procedures, the assets of the Association shall be dedicated pursuant to applicable provisions of the Idaho Nonprofit Corporation Act, Title 30, Chapter 3, Idaho Code. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed and assigned to any nonprofit corporation, association, trust or other organization to be devoted to such similar purposes.

ARTICLE 14. LIMITATION OF LIABILITY:

A director of this Association shall not be personally liable to the Association or its members for monetary damages for breach of fiduciary duty as a director, except for liability (i) for any breach of the director's duty of loyalty to the Association or its Members, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under Section 30-3-81 or Section 30-1-833, Idaho Code or (iv) for any transaction from which the director derived any improper personal benefit. If the Idaho Business Corporation Act or the Idaho Nonprofit Corporation Act (collectively the "Acts") are amended to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of the Association shall be eliminated or limited to the fullest extent permitted by the Acts as so amended. Any repeal or modification of this Article 12 by the members of the Association shall not adversely affect any right or protection of a director of the Association existing at the time of such repeal or modification.

EXECUTED in duplicate this ____ day of _____, 2004, by the undersigned incorporator.

BVG SANDPOINT, LTD., a Florida limited partnership

By: BVG Sandpoint, Inc., a Florida
corporation
Its: General Partner

By: _____
C. Jae Heinberg
Its: President