

BLACKHAWK COMMUNITY OWNERS ASSOCIATION, INC.

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ARTICLES OF INCORPORATIONSECRETARY OF STATE
STATE OF IDAHO

The undersigned, acting as incorporator under the Idaho Nonprofit Corporation Law, adopts the following Articles of Incorporation:

ARTICLE I - NAME

The name of this corporation is **Blackhawk Community Owners Association, Inc.** (hereinafter called the "**Corporation**").

ARTICLE II - PURPOSES

The purposes for which the Corporation is organized are to provide for the management, maintenance, protection and preservation of property in Blackhawk Community, a development in Valley County, Idaho, and to promote the health, safety, welfare and other general benefit of its members, not for profit, but for the mutual advantages to be derived therefrom as contemplated in the Declaration of Covenants, Conditions, Restrictions and Easements for Blackhawk Community, recorded or to be recorded in the Records of Deeds of Valley County, Idaho, as the same may be subsequently amended or supplemented by instruments of record (the "**Declaration**"). The definitions contained in the Declaration are hereby adopted by reference, and capitalized terms used and not otherwise defined in these articles shall have the meanings set forth in the Declaration.

ARTICLE III - POWERS AND DUTIES

The Corporation shall have, exercise and perform all of the following powers, duties and obligations:

(a) The powers, duties and obligations granted to the Corporation by the Declaration.

(b) The powers and obligations of a nonprofit corporation pursuant to the general nonprofit corporation laws of the State of Idaho.

(c) Any additional or different powers, duties and obligations necessary or desirable for the purpose of carrying out the functions of the Corporation pursuant to the Declaration or otherwise promoting the general benefit of the Owners within the Property.

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ARTICLE IV - DIRECTORS

The powers of the Corporation shall be exercised and its properties controlled and its affairs conducted by a Board of Directors elected or appointed as provided in the Declaration and Bylaws. The initial directors of the Corporation are:

Sima Muroff
112 N Third Street
McCall, ID 83638

Rick Luna
112 N Third Street
McCall, ID 83638

Peter Greene
112 N Third Street
McCall, ID 83638

ARTICLE V - REGISTERED OFFICE AND AGENT

The street address of the initial registered office of the Corporation is 101 South Capitol Boulevard, Suite 1900, Boise, Idaho 83702 and the name of its initial registered agent at such address is Kris Ormseth.

ARTICLE VI - INCORPORATOR

The name and address of the incorporator is Kris Ormseth, Stoel Rives LLP, 101 South Capitol Boulevard, Suite 1900, Boise, Idaho 83702.

ARTICLE VII - MEMBERSHIP AND VOTING RIGHTS

(a) The Corporation shall have members.

(b) Every Owner (as that term is defined in the Declaration) of one or more Units in the Property shall, immediately upon creation of the Corporation and thereafter during the entire period of such ownership, be a member of the Corporation. Such membership shall commence, exist and continue simply by virtue of such ownership, shall expire automatically upon termination of such ownership, and need not be confirmed or evidenced by any certificate or acceptance of membership.

(c) Subject to Grantor's right to designate the number of Units attributable to any vacant land prior to its development in accordance with the Development Plan, each Unit shall be allocated one vote.

(d) The Corporation shall have two classes of voting membership:

Class A. Class A Members shall be all Owners with the exception of the Class B Member and shall be entitled to voting rights for each Unit owned computed in accordance with paragraph (c) above. When more than one Person holds an interest in any Unit, all such Persons shall be members. Except as may otherwise be specified in the Supplemental Declaration annexing such Unit to the Property, the vote for such Unit shall

be exercised as they among themselves determine. In no event, however, shall more voting rights be cast with respect to any Unit than as set forth in paragraph (c) above.

Class B. The Class B Member shall be the Grantor and shall be entitled to five times the voting rights computed under paragraph (c) for each Unit owned by Grantor. The Class B membership shall cease and be converted to Class A membership on the happening of any of the following events, whichever occurs earlier:

- (i) The date Grantor has deeded the last Unit in the last area to be annexed into the Declaration to an Owner other than Grantor;
- (ii) December 31, 2025; or
- (iii) At such earlier time as Grantor may elect in writing to terminate the Class B membership.

ARTICLE VIII - DISSOLUTION

The Corporation may be dissolved at any regular meeting, or any special meeting of the members called for that purpose, by the affirmative votes of not less than two-thirds of each class of members. Upon dissolution of the Corporation, other than incident to a merger or consolidation, the real property and other assets of the Corporation, if any, shall be: (i) dedicated to an appropriate public agency to be used for purposes similar to those for which the Corporation was created; or (ii) granted, conveyed and assigned to a nonprofit corporation, association, trust or other organization to be devoted to such similar purposes; or (iii) distributed to the Owners of Units to be held by them as tenants in common in proportion to the number of Units within the Property.

ARTICLE IX - LIABILITY AND INDEMNIFICATION

Neither a member of the Board of Directors nor an officer of the Corporation shall be liable to the Corporation, any Owner or any third party for any damage, loss or prejudice suffered or claimed on account of any action or failure to act in the performance of his duties, so long as the individual acted in good faith, believed that the conduct was in the best interests of the Corporation, or at least was not opposed to its best interests, and in the case of criminal proceedings, had no reason to believe the conduct was unlawful. In the event any member of the Board of Directors or any officer of the Corporation is threatened with or made a party to any proceeding because the individual was or is a director or officer of the Corporation, the Corporation shall defend such individual against such claims and indemnify such individual against liability and expenses incurred to the maximum extent permitted by law.

ARTICLE X - AMENDMENT

The provisions hereof may not be amended without the vote of members having not less than two-thirds of the voting rights of each class of members of the Corporation.



Kris Ormseth, Incorporator

April 10, 2006