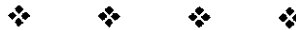


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CLERK OF DISTRICT COURT
STATE OF IDAHO

**ARTICLES OF INCORPORATION
OF
SAGECREST RESIDENTIAL PROPERTY OWNERS'
ASSOCIATION, INC.
(AN IDAHO NON-PROFIT CORPORATION)**



The undersigned, acting as incorporator of a corporation under the Idaho Nonprofit Corporation Act, adopts the following Articles of Incorporation for such corporation.

ARTICLE 1 NAME & NATURE:

The name of the corporation shall be the Sagecrest Residential Property Owners' Association, Inc. This corporation is an Idaho nonprofit corporation. This is the association referred to by the declaration of Covenants, Conditions, and Restrictions of the Multi Family Portion of Sagecrest Subdivision.

ARTICLE 2 DURATION:

The duration of this corporation shall be perpetual.

ARTICLE 3 PURPOSE AND POWERS:

The purposes for which the corporation is organized are to engage in all such activities as are incidental or conducive to the attainment of the objectives of the corporation and any other activities which are permitted to be done by a nonprofit corporation under any laws that may now or hereafter be applicable or available to this corporation. Without limiting the foregoing, it is expressly provided hereby that:

- (a) The corporation shall exercise all of the powers and privileges and perform all of the duties and obligations of the corporation as set forth in the Declaration of Covenants, Conditions and Restrictions of the Multi Family Portion of Sagecrest Subdivision (hereinafter "Declaration") applicable to the property in Ada County, Idaho, more readily referred to as 1805 E. Overland, Meridian, Idaho 83642, and recorded, or to be recorded, in the Office of the Ada County Recorder, and, as the same may be amended from time to time, provided, said Declaration being incorporated herein as if set out in full.

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- (b) The corporation shall fix, levy, collect and enforce payment by any lawful means, all charges or assessments, periodic or special, authorized to be made under the Declaration.
- (c) Annexation of additional properties, mergers and consolidations, mortgaging of Common Area, dissolution and amendment of these Articles shall require prior approval of the United States Department of Housing and Urban Development and/or the United States Veterans Administration as long as there is a Class B membership and provided that the said agencies then have an interest in the property which is subject to the Declaration.
- (d) These Articles are those articles referred to in the declaration, p. 2. They are referred to as the "Articles of Incorporation of the Sagecrest Multi Family Property Owners' Association"

ARTICLE 4 MEMBERSHIP:

Every person or entity who is a record owner of a fee or undivided fee interest in any lot, which is subject by covenants of record to assessment by the corporation, including contract sellers, shall be a member of the corporation. The foregoing is not intended to include persons or entities which hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of any lot which is subject to assessment by the corporation.

ARTICLE 5 VOTING RIGHTS:

The corporation 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 lot owned. When more than one person holds an interest in any lot, all such persons shall be members. The vote for such lot shall be exercised as they determine, but in no event shall more than one vote be cast with respect to any lot. Fractional votes shall not be allowed.

The vote applicable to any said lot being sold under contract of purchase shall be exercised by the contract seller, unless the contract expressly provides otherwise.

CLASS B. Class B member(s) shall be the Declarant, as defined in the Declaration, and shall be entitled to five (5) votes for each lot owned. 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, or
- (b) On December 31, 2014.

ARTICLE 6 REGISTERED OFFICE AND AGENT:

The address of the initial registered office of this corporation is: 850 E. Franklin, Ste. 406, Meridian, Idaho 83642, and the name of its initial registered agent at such address is Rod Ralphs.

ARTICLE 7 DIRECTORS:

The number of directors of this corporation 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 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:

- | | |
|------------------|--------------------------|
| 1) John Sieckert | All at the adress listed |
| 2) Doug Campbell | in Article 8 |
| 3) Rod Ralphs | |

ARTICLE 8. INCORPORATOR:

The name and address of the incorporator are as follows:

John Sieckert, as President of the Sagecrest Residential Property Owners' Association to 877 W. Main Ste. 608 Boise, Idaho 83702.

ARTICLE 9. AMENDMENT OF ARTICLES AND BYLAWS:

These Articles may not be amended without at least 66-2/3% of the membership votes being cast in support of such amendment.

ARTICLE 10. DISSOLUTION:

Upon dissolution or final liquidation of the corporation, the assets of the corporation shall be dedicated to a public body or conveyed to a nonprofit organization with similar purposes.


ARTICLE 11. LIMITATION OF LIABILITY:

A director of this corporation shall not be personally liable to this corporation or its members for monetary damages for breach of fiduciary duty as a director, except for liability associated with:

Articles of Incorporation
The Sagecrest
Residential Property Owners', Inc.
An Idaho Non-profit Corporation

- (i) any breach of the director's duty of loyalty to this corporation or its members,
- (ii) acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law; OR
- (iii) any transaction from which the director derived any improper personal benefit. If the Idaho Nonprofit Corporation Act (the "Act") is amended to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of this corporation shall be eliminated or limited to the fullest extent permitted by the Act as so amended. Any repeal or modification of this Article II by the members of the corporation shall not adversely affect any right or protection of a director of the corporation existing at the time of such repeal or modification.

EXECUTED in duplicate this 12 day of November 2004, by the undersigned incorporator.


John Sieckert
as President and Incorporator
Sagecrest Residential Property Owners' Association, Inc.