

FILED EFFECTIVE

ARTICLES OF INCORPORATION
OF
SPARROWHAWK OWNERS ASSOCIATION, INC.

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SECRETARY OF STATE
STATE OF IDAHO

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

ARTICLE I

NAME

The name of the corporation is Sparrowhawk Owners Association, Inc., hereinafter called "Association."

ARTICLE II

NONPROFIT STATUS

The Association is a nonprofit corporation.

ARTICLE III

DURATION

The period of duration of the Association is perpetual.

ARTICLE IV

PURPOSE AND POWERS OF THE ASSOCIATION

The purposes for which the Association is formed are:

a. The specific and primary purposes for which the Association is formed are to be a real estate management association and to provide for the acquisition, construction, management, maintenance and care of real and personal property held by the Association or commonly held by the members of the Association or located in Sparrowhawk Subdivision No. 2 in Ada County, Idaho (the "Development") and owned by members of the Association and otherwise to act and be operated as a "homeowners' association" as defined in Section 528 of the Internal Revenue Code of 1986, as amended.

b. Subject to the provisions of the Declaration of Restrictions, Easements and Common Area Maintenance, recorded on May 26, 2005, as Instrument No. 105067541, official records of Ada County, Idaho, and the First Amendment to Declaration of Restrictions, Easements and Common Area Maintenance, recorded on June 20, 2005, as Instrument No. 105067541.

IDAHO SECRETARY OF STATE
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106098536, official records of Ada County, Idaho, and any supplemental rules, guidelines and/or declaration applicable to the Development, which may hereafter be recorded in the office of the Ada County Recorder, as the same may be amended from time to time as therein provided (hereinafter collectively referred to as the "**Declaration**"), said Declaration being incorporated herein as if set forth at length, the general purposes and powers of the Association are:

- (1) To promote the health, safety and welfare of the residents within the Development;
- (2) To exercise all of the powers and privileges and to perform all of the duties and obligations of the Maintenance Director and/or the Association, as set forth in the Declaration and/or in the Bylaws of Sparrowhawk Owners Association ("**Bylaws**");
- (3) To fix, levy, collect and enforce payment by any lawful means, all charges or assessments pursuant to the terms of the Declaration or the Bylaws; to pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the Association, including all licenses, taxes or governmental charges levied or imposed against the property of the Association;
- (4) To acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Association;
- (5) To borrow money and mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred;
- (6) To dedicate, sell or transfer all or any part of the real or personal property now or hereafter owned by the Association to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members;
- (7) To perform all obligations and duties of the Maintenance Director, as set forth in the Declaration, by virtue of the transfer of the responsibility therefor to a property owners association under Section 5.1(b)(1) of the Declaration; and
- (8) To have and to exercise any and all powers, rights and privileges which a corporation organized under the Act by law may now or hereafter have or exercise.

The foregoing statement of purposes shall be construed as a statement both of purposes and of powers, and purposes and powers in each clause shall in no wise be limited or restricted by reference to or inference from the terms or provisions of any other clause, but shall be broadly construed as independent purposes and powers. Notwithstanding any of the above statements of purposes and powers, the Association shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the primary purposes of the Association.

ARTICLE V

BOARD OF DIRECTORS

The affairs of this Association shall be managed by its Board of Directors. The Board of Directors shall consist of three (3) individuals, none of whom need be members of the Association. Other than the directors constituting the initial Board of Directors, who are designated in these Articles, the directors shall be elected or appointed by the members of the Association in the manner and for the term provided in the Bylaws.

The names and street addresses of the persons constituting the initial Board of Directors are:

Douglas W. Keith
80 West Cottonwood Court, #150
Eagle, ID 83616

David E. Waldron
80 West Cottonwood Court, #150
Eagle, ID 83616

Dan Sweig
80 West Cottonwood Court, #150
Eagle, ID 83616

ARTICLE VI

PRINCIPAL OFFICE AND REGISTERED AGENT

The initial principal office and mailing address of the Association is 80 West Cottonwood Court, #150, Eagle, ID 83616. The initial registered agent of the Association is David E. Waldron.

ARTICLE VII

INCORPORATOR

The incorporator and his address are as follows:

David E. Waldron
80 West Cottonwood Court, #150
Eagle, ID 83616

ARTICLE VIII

MEMBERSHIP

The Association shall have members. Except as otherwise provided in Article III of the Bylaws with respect to Exempt Property, every person or entity who is a record owner, whether one or more persons or entities, of fee title to any of the twelve (12) lots of the Development (all of which are subject to the Declaration), including contract sellers (the "Owners"), shall be a member of the Association. Each Owner consents to such membership in the Association by virtue of being an Owner of any such real property in the Development. The foregoing shall not include persons or entities who 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 such real property in the Development.

ARTICLE IX

VOTING RIGHTS

The authorized number and qualifications of members of the Association, the different classes of members, if any, the property, voting, and other rights and privileges of members, and their liability for assessments and the method of collection thereof, shall be as set forth in the Bylaws and/or the Declaration. Cumulative voting shall be allowed.

ARTICLE X

DISSOLUTION

The Association may be dissolved as provided by law. Upon the dissolution of the Association, the Board of Directors shall, after paying or making provision for the payment of all of the liabilities of the Association, dispose of all of the assets of the Association exclusively for the purposes of the Association in such manner as the Board of Directors shall determine. Any such assets not so disposed of shall be disposed of by the District Court of the Fourth Judicial District of the State of Idaho, in and for Ada County as said court shall determine.

ARTICLE XI

NONPROFIT LIMITATIONS

No part of the net earnings 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 IV. No substantial part of the activities of the Association shall be 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 provision 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 501(c)(4) of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States Internal Revenue Law).

ARTICLE XII

BYLAWS

Provisions for assessments and the regulation of the internal affairs of the Association, among other things, shall be set forth in the Bylaws.

ARTICLE XIII

AMENDMENTS

Amendments of these Articles shall require the approval of the members of each class by sixty-seven percent (67%) or more of the votes cast by each class, or a majority of the voting power of each class, whichever is less.

IN WITNESS WHEREOF, for the purpose of forming this corporation under the laws of the State of Idaho, the undersigned has executed these Articles of Incorporation this 11th day of ~~August~~, 2006.

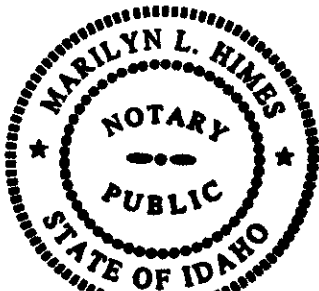
September

David E. Waldron
David E. Waldron, Incorporator

STATE OF IDAHO)
) ss.
County of Ada)

On this 11th day of ~~August~~, 2006, before me, the undersigned, a Notary Public in and for said State, personally appeared David E. Waldron, known or identified to me to be the person whose name is subscribed to the within and foregoing instrument, and acknowledged to me that he executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.



Marilyn L. Himes
Notary Public for Idaho
Residing at Boise, ID
My commission expires: 5/5/10