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SECRETARY OF STATE
STATE OF IDAHO

ARTICLES OF INCORPORATION

OF

KARTCHNER HOMES OF IDAHO, INC.

We, the undersigned natural persons of the age of eighteen years or more, acting as Incorporators of a corporation under the Idaho Business Corporation Act, adopt the following Articles of Incorporation for such Corporation.

ARTICLE I.

1.01. The name of the Corporation is KARTCHNER HOMES OF IDAHO, INC.

ARTICLE II.

2.01. The period of this Corporation's duration is perpetual.

ARTICLE III.

PURPOSES

3.01. The purposes for which the Corporation is organized are to conduct any and all lawful businesses for which corporations may be organized under the Idaho Business Corporation Act as from time to time authorized by its Board of Directors, including but not limited to:

(a) To conduct construction and real estate and related operations including but not limited to buying, selling, exchanging, managing, developing, renting or leasing real estate;

(b) To enter into any lawful arrangement for sharing profits, union of interest, reciprocal association or cooperative association with any corporation, association, partnership, individual, or other legal entity for the carrying on of any business, or to enter into any general or limited partnership for the carrying on of any business;

(c) To engage in such other business operations and investments as are deemed prudent;

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(d) To conduct business anywhere in the world; and

(e) To otherwise serve the convenience of the shareholders of the Corporation in carrying out and engaging in the above described purposes of the Corporation.

In pursuit of these purposes, the Corporation will have all the powers granted to it by law.

ARTICLE IV.

CAPITAL STOCK

4.01. The aggregate number of shares which the Corporation shall be authorized to issue shall be Fifty Thousand (50,000) shares. All of the authorized shares of the Corporation shall be common stock having a par value of \$1.00 per share and designated as "Common Stock".

ARTICLE V.

PREFERENCES, LIMITATIONS, AND RELATIVE RIGHTS

The limitations and relative rights in respect to the shares of each class are as follows:

5.01. Common Stock. The common stock shall have the limitations and relative rights as hereinafter provided:

(a) Issuance. When payment for the consideration for which the shares are to be issued shall have been received by the Corporation, such shares shall be deemed to be fully paid and the holder thereof shall not be liable for any call. The shares will then be non-assessable.

(b) Voting. The holders of the common shares shall be entitled to elect the Board of Directors and shall otherwise have unlimited voting rights. Voting shall be on a one (1) vote per share basis.

In voting for the election of directors, cumulative voting is permitted, and each shareholder may accumulate his votes by giving one candidate as many votes as the number of such directors multiplied by the number of his shares shall equal, or by distributing such votes on the same principle among any number of such candidates.

5.02. Dividends. The record holders of the common shares shall share equally in all dividends declared by the Board of Directors; provided always, the Board of Directors may elect in its discretion not to declare dividends. Dividends will not accumulate. The record of shareholders

entitled to receive a dividend will be taken at the close of business on December 31 (or if such date is not a business day, on the last prior business day).

5.03. Redemption. (a) The common shares may be redeemed, in full or in part, either separately by class or on a pro rata basis, at the option of the Corporation, by vote of its Board of Directors, or by the operation of the sinking fund or redemption or purchase account, if any, provided for such stock, at any time, or from time to time, at a redemption price equal to the then fair market value of such shares in accordance with the provisions of this Section 5.03. If less than all of the outstanding shares of a class of stock are to be redeemed, the shares to be redeemed shall be determined in any such manner as the Board of Directors may prescribe. Nothing herein contained shall be deemed to limit or impair the right of the Corporation to buy any shares of any class of stock at a price not exceeding the price which would be payable if such stock were then called for redemption.

(b) Notice. Notice of every redemption of stock shall be mailed by or on behalf of the Corporation, addressed to the holders of record of the stock to be redeemed at their respective addresses as they shall appear on the records of the Corporation, such mailing to be at least thirty (30) and not more than sixty (60) days prior to the date fixed for redemption.

(c) Notice of Adverse Claim. No payment will be made if there is any legend or notation on the certificate, representing the shares to be redeemed, evidencing any adverse claim or other interest of any other person; nor shall any payment be made if the bank or other trust company making such payment has notice of a claim or interest of any other person, unless and until that other person has disclaimed the same.

ARTICLE VI.

REGISTERED OFFICE AND AGENT

6.01. The office address of its initial registered office is 5180 East 145 North, Rigby, Idaho 83442, and the name of its initial registered agent at such address is Lyle Cook.

ARTICLE VII.

DIRECTORS

7.01. Qualification and Election of Directors. Directors need not be shareholders. Directors shall be elected at the annual meeting of the shareholders and shall hold office for a period of one (1) year, or until their successors have been duly elected and qualified. Any Directors may hold any other office in the Corporation. Should a vacancy occur for any reason, including an increase in the number of members, the remaining Directors may appoint a member to hold office during the

unexpired term, provided that if the remaining Directors cannot agree upon a successor to fill the vacancy within thirty (30) days, they shall call a special meeting of the shareholders and the latter shall elect such Director.

7.02. Conflicts of Interest. Any contract or other transaction between this Corporation and one or more of its Directors or any other corporation, firm, association or entity in which one or more of this Corporation's Directors are directors, officers, members and/or are financially interested, such contract or other transaction shall neither be either void nor voidable because of such relationship or interest, nor because such Director or Directors are present at the meeting of the Board of Directors, or a committee thereof which authorizes, approves, or ratifies such contract or transaction, nor because his or their votes are counted for such purpose if: (a) the fact of such relationship or interest is disclosed or known to the Board of Directors or committee which authorizes, approves, or ratifies the contract or transaction by vote or consent sufficient for the purpose without counting the votes or consent of such interested Director; (b) the fact of such relationship or interest is disclosed or known to the shareholders entitled to vote and they authorize, approve or ratify such contract or transaction by vote or written consent; or (c) the contract or transaction is fair and reasonable to the Corporation. Common or interested Directors may be counted in determining the presence of a quorum at a meeting of the Board of Directors or committee thereof which authorizes, approves or ratifies such contract or transaction.

7.03. Removal of Directors. Any Director may be removed from office by a majority of the other Directors, but only for cause. Additionally, the Shareholders may remove any Director from office by majority vote with or without cause. If any Director shall be removed from office pursuant to a Shareholders' vote as provided in this Article VII, the Shareholders of the Corporation may, at the meeting at which this removal is effected, elect such Director's successor. If the shareholders fail to elect successor Directors at such meeting or in the event a Director is removed by vote of the Directors, the remaining Directors, though less than a quorum, may fill such vacancy.

ARTICLE VIII.

INCORPORATORS

8.01. The names of the Incorporators and their respective places of residence are as follows:

TROY KARTCHNER
273 SOUTH 300 EAST
HYRUM, UTAH 84319

GARY SORENSON
240 SOUTH 300 EAST
HYRUM, UTAH 84319

ARTICLE IX.

PRINCIPAL PLACE OF BUSINESS

9.01. The principal place of business of this Corporation shall be at 5180 East 145 North, Rigby, Idaho 83442. The business of this Corporation may be carried on in all counties of the State of Idaho, in all states of the United States, and in all territories thereof, and in all foreign countries as the Directors shall determine.

ARTICLE X.

SHAREHOLDER'S MEETING

10.01. Annual Meeting. The annual meeting of the Shareholders shall be held at such place and time as are prescribed in the By-Laws of the Corporation, and notice of such meeting and of any special meeting of the shareholders shall be given in the manner and for the time provided in the Corporation's By-Laws.

10.02. Procedure at Meetings. At all meetings of the shareholders, a majority of the outstanding capital stock of said Corporation shall constitute a quorum, and each share of stock shall be entitled to one (1) vote, either in person or by proxy. Should a majority not be represented at any regular or special shareholders' meeting, adjournments may be taken from time to time without further notice until a sufficient number of shares are represented to hold such a meeting.

ARTICLE XI.

PRE-EMPTIVE RIGHTS

11.01. Each holder of any of the shares of the capital stock of the Corporation shall be entitled to a pre-emptive right to purchase or subscribe for any unissued stock to be issued by reason of any increase of the authorized capital stock of the Corporation, or bonds, certificates of indebtedness, debentures, or other securities convertible into stock of the Corporation, or bonds, certificates of indebtedness, debentures or other securities convertible into stock of the Corporation, or carrying any rights to purchase stock of any class, whether said unissued stock shall be issued for cash, property, or any other lawful consideration, and, without limitation of the foregoing, shall have such a pre-emptive right with respect to shares or other securities offered for sale if they (a) are issued or optioned by the board of directors to effect a merger or consolidation or for a consideration other than cash, or (b) are shares or other securities theretofore reacquired by the Corporation after having been duly issued. Provided, however, there shall be no pre-emptive right in any shareholder with respect to (a) qualified stock options as defined in the Internal Revenue Code of 1986, as amended, or other incentive stock options granted to officers and/or employees of the Corporation

and shares of capital stock issued pursuant to such options, provided that such stock options or the plan pursuant to which the stock option was issued was approved by a majority of the shareholders of the Corporation; or (b) the issuance and/or sale of stock to holders of stock as determined by the records of the Corporation on the date of approval by the Board of Directors of such issuance and sale of stock.

ARTICLE XII.

LIABILITY OF SHAREHOLDERS

12.01. The private property of the shareholders shall not be liable for corporate obligations.

ARTICLE XIII.

BY-LAWS

13.01. The Board of Directors or Shareholders by majority vote shall adopt and may from time to time amend, repeal or restate the By-Laws for the Corporation consistent with the Corporation's Articles of Incorporation.

ARTICLE XIV.

RESTRICTIONS ON TRANSFER OF SHARES

14.01. The Common Stock, mentioned above, shall be subject to restrictions of transfer and alienation according to the rules now in effect and promulgated by the State of Idaho and the Securities Act of 1933 as well as any amendments to either that may be subsequently adopted. All certificates of stock representing shares in the Corporation shall be marked with the following legend:

THE SHARES REPRESENTED HEREBY HAVE NEITHER BEEN REGISTERED UNDER THE FEDERAL SECURITIES ACT OF 1933 NOR UNDER THE LAWS OF ANY STATE AND ARE SUBJECT TO LIMITATIONS ON RESALE. THESE SECURITIES HAVE BEEN ACQUIRED FOR INVESTMENT PURPOSES ONLY AND MAY NOT BE SOLD OR TRANSFERRED IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT FOR THE SHARES OR THE OPINION OF APPROVED COUNSEL PRESENTED TO THE CORPORATION PRIOR TO THE PROPOSED TRANSFER OR ALIENATION THAT REGISTRATION IS

NOT REQUIRED UNDER THE ACT AND IS ALSO NOT REQUIRED BY
THE IDAHO SECURITIES ACT.

ARTICLE XV.

RE-ACQUIRED SHARES

15.01. The Board of Directors shall have the power to purchase the Corporation's issued and outstanding shares of capital stock, on a pro rata or non pro rata basis. Any such shares so purchased shall be deemed to be authorized but unissued stock.

ARTICLE XVI.

AMENDMENT

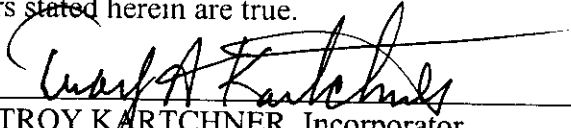
16.01. These Articles may be amended by the affirmative vote of a majority of the shares outstanding at a meeting called for that purpose upon giving of not more than thirty (30) days nor less than ten (10) days notice to all such shareholders of record; provided, however, that such a meeting may be called without notice when notice is waived in writing by all shareholders of the Corporation.

ARTICLE XVII.

NOTICES

17.01. Any notices and time limitations to shareholders, directors or officers under these Articles of Incorporation or as required by the laws of the State of Idaho may be waived by such shareholder, director or officer in writing.

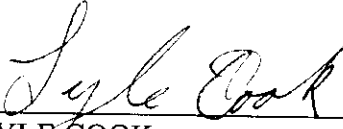
IN WITNESS WHEREOF, under penalty of perjury, the Incorporators have set their hands this ___ day of May, 2002, and state that the signatures on these Articles of Incorporation are their own act and deed and that the matters stated herein are true.


TROY KARTCHNER, Incorporator


GARY SORENSEN, Incorporator

ACCEPTANCE AND VERIFICATION OF REGISTERED AGENT

LYLE COOK, as the appointed Registered Agent for KARTCHNER HOMES OF IDAHO, INC., does hereby accept the appointment of Registered Agent for said Corporation.



LYLE COOK