

FILED EFFECTIVE

ARTICLES OF INCORPORATION

OF

FALCON VALLEY SUBDIVISION HOMEOWNERS ASSOCIATION, INC.

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**SECRETARY OF STATE
STATE OF IDAHO**

KNOW ALL PERSONS BY THESE PRESENTS:

The undersigned, for the purpose of forming a nonprofit corporation under the laws of the State of Idaho in compliance with the provisions of Title 30, Chapter 3, Idaho Code, does hereby certify, declare and adopt the following Articles of Incorporation:

ARTICLE I: NAME

The name of the corporation shall be **FALCON VALLEY SUBDIVISION HOMEOWNERS ASSOCIATION, INC.** (hereinafter, the "**Corporation**").

ARTICLE II: TERM

The period of existence and duration of the life of this Corporation shall be perpetual.

ARTICLE III: NONPROFIT

This Corporation shall be a nonprofit, membership corporation.

ARTICLE IV: REGISTERED AGENT

The location and street address of the initial registered office of this Corporation shall be 660 Watertower, Meridian, ID 83642, and MGM Management, L.L.C. is hereby appointed the initial registered agent of the Corporation.

ARTICLE V: PURPOSE AND POWERS

This Corporation does not contemplate pecuniary gain or profit to the Members thereof, and the specific purposes for which the Corporation is formed are to provide for certain regulations or use of the Common Area located in the development of Falcon Valley Subdivision, and all Tracts and additions thereto, according to the Plat(s) thereof recorded in the official records of Canyon County, Idaho (the "**Subdivision**"), which Subdivision is covered by the Declaration of Covenants, Conditions and Restrictions for Falcon Valley Subdivision recorded or to be recorded in the official records of Canyon County, Idaho ("**Declaration**"); and to promote the health, safety and welfare of the residents within the Subdivision; and for this purpose to:

(A) Exercise all of the powers and privileges and to perform all of the duties and obligations of the Corporation as set forth in the Declaration, as amended from time to time as therein provided, said Declaration being incorporated herein as if set forth at length;

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(B) Fix, levy, collect and enforce payment by any lawful means all charges or Assessments pursuant to the terms of the Declaration and all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the Corporation;

(C) 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 property or personal property in connection with the affairs of the Corporation under the limitations imposed by the Declaration;

(D) Borrow money, and with the assent of two-thirds (2/3) of each class of Members mortgage, pledge, deed in trust, or hypothecate any or all its real or personal property as security of money borrowed or debts incurred;

(E) Participate in mergers and consolidations with other non-profit corporations organized for the same purposes or annex additional residential property and Common Area, provided that any such merger, consolidation or annexation shall comply with the requirements of the Declaration; and

(F) Have and exercise any and all powers, rights and privileges which a corporation organized under the Idaho Nonprofit Corporation Act may by law now or hereafter have or exercise, subject only to limitations contained in the Bylaws and the Declaration and the amendments and supplements thereto.

ARTICLE VI: MEMBERSHIP

Each person or entity holding fee simple interest of record to a Building Lot which is a part of the Subdivision, and sellers under executory contracts of sale, but excluding those having such interest merely as security for the performance of an obligation, shall be a Member of the Corporation. Membership shall be appurtenant to and may not be separated from ownership of any Building Lot located in the Subdivision.

ARTICLE VII: VOTING RIGHTS

The Corporation shall have two (2) classes of voting membership:

(A) Class A Members. The Class A Members shall be all Owners of Building Lots within the Subdivision, with the exception of the Grantor, and shall be entitled to cast one (1) vote for each Building Lot owned. When more than one person holds an interest in any Building Lot, all such persons shall be Members, but in no event shall more than one (1) vote be cast with respect to any Building Lot.

(B) Class B Member. The Class B Member shall be the Grantor, and shall be entitled to cast ten (10) votes for each Building Lot owned by Grantor in the Subdivision. The Class B Member shall cease to be a Member in the Association on the happening of either of the following events, whichever occurs earlier:

- 1) When the Class B Member holds no votes; or

- 2) Ten (10) years after the date the Declaration is recorded in the official records of Canyon County, Idaho.

ARTICLE VIII: BOARD OF DIRECTORS

The affairs of this Corporation shall be managed by a Board of three (3) directors (each, a "Director") comprised of agents of Grantor so long as Grantor owns any Building Lot in the Subdivision. The number of Directors may be changed by amendment of the Bylaws of the Corporation, but in no event shall the number be fewer than three (3). The names and addresses of the persons who are to act in the capacity of Directors until the selection of their successors are:

Corey Barton

P. O. Box 369
Meridian, ID 83642

Serena Clark

P. O. Box 369
Meridian, ID 83642

Adair Koltes

P. O. Box 369
Meridian, ID 83642

ARTICLE IX: ASSESSMENTS

Each Member shall be liable for the payment of Assessments provided for in the Declaration, and as otherwise set forth in the Bylaws of the Corporation.

ARTICLE X: DISSOLUTION

The Corporation may be dissolved at any regular meeting, or any special meeting of the Corporation called for that purpose, by the affirmative votes of not less than three-fourths (3/4) 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 Building Lots to be held by them as tenants in common in proportion to the number of Building Lots within the Subdivision.

ARTICLE XI: AMENDMENTS

Amendment of these Articles of Incorporation may be made at any regular meeting, or any special meeting of the Corporation called for that purpose, by the affirmative votes of not less than three-fourths (3/4) of each class of Members. No amendment which is inconsistent with the provisions of the Declaration shall be valid.

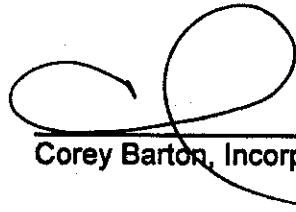
ARTICLE XII: MEANING OF TERMS

Except as otherwise defined herein, all terms appearing herein initially capitalized shall have the same meanings as are applied to such terms in the Declaration including, without limitation, "Articles," "Assessments," "Board," "Building Lot," "Bylaws," "Common Area," "Grantor," "Member," "Owner," "Plat," and "Tracts."

ARTICLE XIII: INCORPORATION

Corey Barton, 1977 E. Overland, P.O. Box 369, Meridian, Idaho 83680, shall be the incorporator of the Corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 8th day of August, 2007.

A handwritten signature in black ink, consisting of a large, stylized loop followed by a horizontal line, positioned above the printed name.

Corey Barton, Incorporator

STATE OF IDAHO)

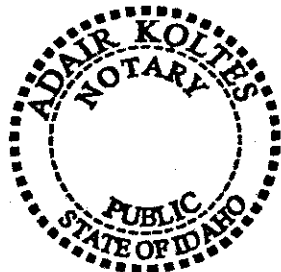
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County of Ada)

On this 8th day of August, 2007, before me a Notary Public in and for said State, personally appeared Corey Barton, known or identified to me to be the Manager of Dyver Development, a Limited Liability Company, and acknowledged to me that he executed the same for and on behalf as such Limited Liability Company.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal

This 8th day of August, 2007.



Adair Kottus

Notary Public for Idaho

Residing at Nampa, ID

My Commission Expires 6-05-2010