

**ARTICLES OF INCORPORATION
OF
DEERHORN 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 DEERHORN 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.

IDAHO SECRETARY OF STATE

03/24/2000 09:00
CX: none CT: 1117 DI: 302350

ARTICLE IV. REGISTERED AGENT 0 30.00 = 30.00 INC RHP 1 2

The location and street address of the initial registered office of this Corporation shall be 30 East Franklin, Suite 60, Meridian, Idaho 83642, and Greg Johnson is hereby appointed the initial registered agent of the Corporation.

ARTICLE V. PURPOSE AND POWERS OF THE ASSOCIATION

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 of the use and architectural control of the Building Lots and Common Area located or to be located in DeerHorn Subdivision according to the plat thereof recorded or to be recorded in the official records of Ada County, Idaho (the "Subdivision"), which Building Lots and Common Area are a portion of the Property covered by the Declaration of Covenants, Conditions and Restrictions for DeerHorn Subdivision recorded or to be recorded in the official records of Ada County, Idaho (the "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 of 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 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 of its real or personal property as security for money borrowed or debts incurred;

(E) Participate in mergers and consolidations with other nonprofit 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 Owner, by virtue of being an Owner and for so long as such ownership is maintained, shall be a Member of the Association. The memberships in the Association shall not be transferred, pledged, assigned or alienated in any way except upon the transfer of Owner's title in such Owner's Building Lot and then only to the transferee of such title. Any attempt to make a prohibited membership transfer shall be void and will not be reflected on the books of the Association.

ARTICLE VII. VOTING RIGHTS

Voting in the Association shall be carried out by Members who shall cast the votes attributable to the Building Lots which they own, or attributable to the Building Lots owned by Grantor. The number of votes any Member may cast on any issue is determined by the number of Building Lots which the Member, including Grantor, owns. When more than one person holds an interest in any Building Lot, all such persons shall be Members but shall share the votes attributable to the Building Lot. For voting purposes, the Association shall have two (2) classes of Members as described below:

(A) Class A Members. Owners other than Grantor shall be known as Class A Members. Each Class A Member shall be entitled to cast one (1) vote for each Building Lot owned by such Class A Member on the day of the vote.

(B) Class B Members. Grantor shall be known as the Class B Member, and shall be entitled to three (3) votes for each Building Lot owned by such Class B Member on the day of the vote. The Class B Member shall cease to be a voting Member in the Association on the happening of either of the following events, whichever occurs earlier:

(a) when eighty percent (80%) of the Building Lots have been sold to Owners other than Grantor; or

(b) ten (10) years after the date this Declaration is recorded in the official records of Ada County, Idaho.

Fractional votes shall not be allowed. In the event that joint Owners are unable to agree among themselves as to how their vote or votes shall be cast, they shall lose their right to vote on the matter being put to a vote. When an Owner casts a vote, it will thereafter be presumed conclusively for all purposes that such Owner was acting with authority and consent of all joint Owners of the Building Lot(s) from which the vote derived. The right to vote may not be severed or separated from the ownership of the Building Lot to which it is appurtenant, except that any Owner may give a revocable proxy, or may assign such Owner's right to vote to a lessee, mortgagee, beneficiary or contract purchaser of the Building Lot concerned, for the term of the lease, mortgage, deed of trust or contract. Any sale, transfer or conveyance of such Building Lot to a new Owner shall operate automatically to transfer the appurtenant voting right to the Owner, subject to any assignment of the right to vote to a lessee, mortgagee, or beneficiary as provided herein.

ARTICLE VIII. BOARD OF DIRECTORS

The affairs of this Corporation shall be managed by a Board of three (3) Directors, who need not be Members of the Association. The number of Directors may be changed by amendment of the Bylaws of the Corporation, but in no event shall the number be less 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:

Greg Johnson

P. O. Box 344
Meridian, Idaho 83680

R. Craig Groves

6223 N. Discovery Way
Boise, Idaho 83713

Tim Taylor

P.O. Box 344
Meridian, Idaho 83680

ARTICLE IX. ASSESSMENTS

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

ARTICLE X. BYLAWS

The Bylaws of this Corporation may be altered, amended, or new Bylaws adopted at any regular meeting, or any special meeting of the Corporation called for that purpose, by the affirmative votes of a majority of each class of Members. For the purpose of specifying in detail the rights, responsibilities, duties and obligations of the Board of Directors, the officers, employees and agents of the Corporation, and the Members for the payment of Assessments, the Bylaws may incorporate by reference the provisions of the Declaration.

ARTICLE XI. 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 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. The determination of the liquidating distribution of the real property and other assets of the Corporation as provided above, shall be determined by vote of a majority of the Owners of Building Lots as part of the Member vote on dissolution.

ARTICLE XII. 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 and, if required by the Declaration, the consent of holders of first mortgages on Building Lot(s) who have requested of the Corporation in writing to provide them notice of proposed action which affects their interests. No amendment which is inconsistent with the provisions of the Declaration shall be valid.

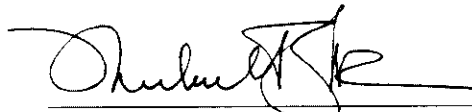
ARTICLE XIII. MEANING OF TERMS

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," "Association," "Board," "Building Lot," "Bylaws," "Common Area," "Grantor," "Member," "Owner," and "Property."

ARTICLE XIV. INCORPORATION

Michael T. Spink, 101 S. Capitol Blvd., 10th Floor, PO Box 829, Boise, Idaho 83701, shall be the incorporator of the Corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 23 day of March, 2000.



Michael T. Spink, Incorporator