

ARTICLES OF INCORPORATION
OF
HIDDEN SPRINGS TOWN ASSOCIATION, INC.

FILED
Aug 10 2 20 PM '98

SECRET
STATE

KNOW ALL PERSONS BY THESE PRESENTS:

The undersigned, for the purpose of forming a non-profit 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 HIDDEN SPRINGS TOWN ASSOCIATION, INC. (the "Town Association").

ARTICLE II
TERM

The period of existence and duration of the life of the Town Association shall be perpetual.

ARTICLE III
NON-PROFIT

The Town Association shall be a non-profit, membership corporation.

ARTICLE IV
REGISTERED AGENT

The location and street address of the initial registered office of the Town Association shall be 5215 W. Dry Creek Road, Boise, Idaho 83703, and Frank Martin is hereby appointed the initial registered agent of the Town Association.

IDaho SECRETARY OF STATE
08/18/1998 09:00
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ARTICLE V
PURPOSE AND POWERS OF THE TOWN ASSOCIATION

The Town Association does not contemplate pecuniary gain or profit to the Members thereof, and the specific purposes for which the Town Association is formed are to provide for certain regulations of the use and design control of the Lots, Common Area, Conservation Area, Maintenance Property and Restricted Area located in Hidden Springs according to any and all plats thereof recorded in the official records of Ada County, Idaho, which Lots, Common Area, Conservation Area, Maintenance Property and Restricted Area are a portion of the Property covered by the Master Declaration of Covenants, Conditions and Restrictions for the Hidden Springs Planned Rural Community (the "Master Declaration"), including the Community Documents identified therein and the Original Plat Supplement to the Master Declaration ("Plat Supplement"); and to promote the health, safety and welfare of the residents within Hidden Springs; and for this purpose to:

(A) Exercise all of the powers and privileges and to perform all of the duties and obligations of the Town Association as set forth in the Master Declaration and the Plat Supplement as they may be amended from time to time as therein provided, said Master Declaration and Plat Supplement being incorporated herein as if set forth at length;

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

(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 Town Association under the limitations imposed by the Master Declaration and the Plat Supplement;

(D) 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;

(E) Participate in mergers and consolidations with other non-profit corporations organized for the same purposes or annex additional residential property, Common Area, Conservation Area and Restricted Area, provided that any such merger, consolidation or annexation shall comply with the requirements of the Master 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, the Master Declaration, the Plat Supplement, the Community Documents and any amendments and supplements thereto.

In addition to the above enunciated purposes, this Town Association is also formed for the purpose of operating, maintaining and/or managing any and all Maintenance Property the Town Association, at its sole discretion, has decided to operate, maintain or manage due to the benefits flowing through to its Members.

ARTICLE VI MEMBERSHIP

Each Person holding fee simple interest of record to a Lot which is a part of the Property, and buyers under executory contracts of sale, but excluding those having such interest merely as security for the performance of an obligation unless and until such Person has acquired a fee simple interest pursuant to foreclosure or other proceedings, shall be a Member of the Town Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot located in Hidden Springs.

ARTICLE VII VOTING RIGHTS

The Town Association shall have two classes of memberships:

Class A. Class A Members shall be all of the Owners who own a Lot. Class A Members shall be entitled to one (1) vote for each Lot in which they hold the interest required for membership in the Town Association. When more than one person holds such interest in any Lot, all such persons shall be Members, but the right to vote for such Lot shall be exercised as provided in Section 3.1.2 of the Master Declaration, provided, however, that in no event shall more than one vote be cast with respect to each Lot.

Class B. The Class B Member shall be the Town Founder. The Class B Member shall be entitled to five (5) votes for each of the 915 approved Lots for Hidden Springs or 4,575 votes, less five (5) votes for each Lot owned by a person other than Town Founder within the Property, provided that the Class B Membership shall cease (the "Class B Member Termination Date") on the first to occur of (i) ten (10) years from the date of the transfer of the first Lot to an Owner (other than Town Founder) or (ii) Town Founder has less than 1,144 votes in the Town Association.

ARTICLE VIII
TOWN COUNCIL

The affairs of this Town Association shall be managed by a "Town Council" to be selected as follows:

(a) Until the Class B Member Termination Date, the Town Council shall consist of not less than three (3) Directors nor more than five (5) Directors to be appointed by the Class B Member in the Class B Member's sole discretion at such intervals as are provided in these Articles or the Bylaws, as the case may be.

(b) Subsequent to the Class B Member Termination Date, the Town Council shall consist of five (5) Directors elected by majority vote of the Class A Members of the Town Association, at meetings to be held for such purpose at intervals as are provided in these Articles or the Bylaws, as the case may be.

The number of Directors may be changed by amendment of the Bylaws of the Town Association, 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:

Frank Martin

Hidden Springs Town Association
5215 W. Dry Creek Road
Boise, Idaho 83703

James Grossman

Grossman Family Properties
118 South 5th Street
Boise, Idaho 83702

William P. Clark

Wm. Clark Planning & Development
479 West Main Street
Boise, Idaho 83702

ARTICLE IX
ASSESSMENTS

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

ARTICLE X BYLAWS

The Bylaws of this Town Association may be altered, amended, or new Bylaws adopted at any regular meeting, or any special meeting of the Town Association called for that purpose, by the affirmative votes of more than fifty percent (50%) of the total voting power of the Town Association. For the purpose of specifying in detail the rights, responsibilities, duties and obligations of the Town Council, the officers, employees and agents of the Town Association, and the Members for the payment of Assessments, the Bylaws shall incorporate by reference the provisions of the Master Declaration.

ARTICLE XI DISSOLUTION

The Town Association may be dissolved at any regular meeting, or any special meeting of the Town Association called for that purpose, by the affirmative votes of no less than two-thirds (2/3) of the total voting power in the Town Association as cast by the Members. Upon dissolution of the Town Association, other than incident to a merger or consolidation, the real property and other assets of the Town Association shall be: (i) dedicated to an appropriate public agency to be used for purposes similar to those for which the Town Association was created; or (ii) granted, conveyed and assigned to a non-profit corporation, association, trust or other organization to be devoted to such similar purposes. Notwithstanding any other provisions of these Articles, the Town Association shall not carry on any other activities not permitted by any organization exempt from federal income tax under Section 528 of the Internal Revenue Code of 1986 (or the corresponding provisions of any future United States internal revenue law).

ARTICLE XII AMENDMENTS

Amendment of these Articles of Incorporation may be made at any regular meeting, or any special meeting of the Town Association called for that purpose, by the affirmative votes of more than two-thirds (2/3) of the total voting power of the Town Association as cast by the Members, and, if required by the Master Declaration, the consent of holders of First Mortgages on Lot(s) who have requested in writing that the Town Association provide them notice of proposed actions which affect their interests. No amendment which is inconsistent with the provisions of the Master Declaration or the Community Documents shall be valid.

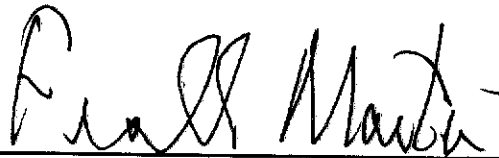
ARTICLE XIII
MEANING OF TERMS

Except as otherwise defined herein, all terms appearing herein initially capitalized shall have the same meanings as are ascribed to such terms in the Master Declaration and the Plat Supplement including, without limitation, "Articles", "Assessments", "Bylaws", "Common Area", "Community Documents", "Conservation Area", "Director", "First Mortgage", "Hidden Springs", "Lot", "Maintenance Property", "Member", "Owner", "Property", "Restricted Area", "Town Association", "Town Council", "Town Founder" and "Transfer Fees".

ARTICLE XV
INCORPORATION

Frank Martin, 5215 W. Dry Creek Road, Boise, Idaho 83703, shall be the incorporator of the Town Association.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 17th day of August, 1998.

A handwritten signature in black ink, appearing to read "Frank Martin", is written over a horizontal line.

FRANK MARTIN, INCORPORATOR