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SECRETARY OF STATE
STATE OF IDAHO

ARTICLES OF INCORPORATION

OF

HORIZON HILLS HOMEOWNERS ASSOCIATION, INC.

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 HORIZON HILLS HOMEOWNERS ASSOCIATION, INC. (the "Horizon Hills Homeowners Association").

ARTICLE II

TERM

The period of existence and duration of the life of the Horizon Hills Homeowners Association shall be perpetual.

ARTICLE III

NON-PROFIT

The Horizon Hills Homeowners Association shall be a non-profit, membership corporation.

IDAHO SECRETARY OF STATE
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ARTICLE IV
REGISTERED AGENT

The location and street address of the initial registered office of the Horizon Hills Homeowners Association shall be 7193 N. Pierce Park Road, Boise, ID 83703, and Marcia D. Pursley is hereby appointed the initial registered agent of the Horizon Hills Homeowners Association.

ARTICLE V
PURPOSE AND POWERS OF THE HORIZON HILLS HOMEOWNERS ASSOCIATION

The Horizon Hills Homeowners Association does not contemplate pecuniary gain or profit to the Members thereof, and the Horizon Hills Homeowners Association is formed to provide for certain regulation of the use of the Parcels within the Horizon Hills Homeowners Association residential development (the "Horizon Hills") designated as such in the Declaration of Covenants, Conditions and Restrictions for the Development, recorded in the official records of Ada County, Idaho, as Instrument No. 102090057, as amended and supplemented from time to time (the "Declaration"); and to promote the health, safety and welfare of the residents within Horizon Hills, including without limitation, the implementation of the following:

- (A) Exercise all of the powers and privileges and perform all of the duties and obligations of the Horizon Hills Homeowners Association as set forth in the Declaration, as amended from time to time as therein provided, including the management of the Common Area as defined in the Declaration as amended from time to time; and
- (B) Fix 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 Horizon Hills Homeowners 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 Horizon Hills Homeowners Association under the limitations imposed by the Declaration;
- (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, 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 Declaration and the

amendments thereto, and the Bylaws of the Horizon Hills Homeowners Association (“Bylaws”).

ARTICLE VI
MEMBERSHIP

Every Owner holding fee simple interest of record, and buyers under executory contracts of sale, but excluding those having such interest merely as security for the performance of an obligation, to any Parcel within the Horizon Hills (as defined in the Declaration) shall be a Member of the Horizon Hills Homeowners Association.

Membership shall be appurtenant to and may not be separated from ownership of any Parcel within Horizon Hills.

ARTICLE VII
VOTING RIGHTS

The Members shall be entitled to one (1) vote for each Parcel (as defined in the Declaration) owned by such Members. There shall be only one (1) vote for each Parcel (as defined in the Declaration.)

ARTICLE VIII
BOARD OF DIRECTORS

The affairs of the Horizon Hills Homeowners Association shall be managed by a Board of Directors (collectively the “Board,” individually "Directors") to carry out all of the powers and duties of the Horizon Hills Homeowners Association as set forth herein. The Board shall consist of not less than three (3) Directors nor more than five (5) Directors, who, other than the initial Directors specified herein shall be Members of the Horizon Hills Homeowners Association. The number of Directors may be changed by amendment of the Bylaws, 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 as follows:

Kenneth L. Pursley	277 N. 6 th Street, Suite 200 Boise, Idaho 83702
Marcia D. Pursley	7193 N. Pierce Park Road Boise, Idaho 83703
Benjamin C. Pursley	1721 N. 31 st St. Boise, Idaho 83703

ARTICLE IX
ASSESSMENTS

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

ARTICLE X
BYLAWS

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

ARTICLE XI
DISSOLUTION

The Horizon Hills Homeowners Association shall only be dissolved at a regular meeting, or a special meeting of the Horizon Hills Homeowners Association called for that purpose, by the affirmative votes of no less than two-thirds (2/3) of the total voting power of the Horizon Hills Homeowners Association. Upon dissolution of the Horizon Hills Homeowners Association, other than incident to a merger or consolidation, the real property and other assets of the Horizon Hills Homeowners Association shall be distributed as follows: (i) dedicated to an appropriate public agency to be used for purposes similar to those for which the Horizon Hills Homeowners 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 Horizon Hills Homeowners 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 Horizon Hills Homeowners Association called for that purpose, by the affirmative votes of more than two-thirds (2/3) of the total voting power of the Horizon Hills Homeowners Association's Members, and, if required by the Declaration, the consent of holders of First Mortgages on Parcels within Horizon Hills who have requested of the Horizon Hills Homeowners Association 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.

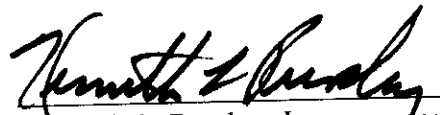
ARTICLE XIII
MEANING OF TERMS

Except as otherwise defined herein, all terms appearing herein initially capitalized shall have the same meanings as are ascribed to such terms in the Master Declaration.

ARTICLE XIV
INCORPORATION

Kenneth L. Pursley, 277 N. 6th Street, Suite 200, Boise, Idaho 83702, shall be the incorporator of the Horizon Hills Homeowners Association.

IN WITNESS WHEREOF, I have hereunto set my hand and seal effective this 11th day of April, 2003.



Kenneth L. Pursley, Incorporator