

BY-LAWS
OF
SOUTHPOINT HOMEOWNERS ASSOCIATION, INC.

ARTICLE I - PRINCIPAL BUSINESS OFFICE

The principal business office of the corporation shall be located at 1111 S. Orchard, Suite 155, Boise, Ada County, Idaho. The corporation may have such other offices, either within or without the State of Idaho, as the Board of Directors may designate from time to time.

ARTICLE II - MEMBERSHIP MEETINGS

A. Annual Meetings. An annual membership meeting shall be held during the first quarter of each calendar year, unless the Board of Directors shall fix a different date. The meeting shall be held at the principal business office of the corporation, unless the Board of Directors shall fix a different place. Written notice of the time and place of the annual membership meeting shall be directed to each member at his last address as shown on the books and records of the corporation and shall be mailed not less than ten (10) days nor more than fifty (50) days prior to the date of such meeting. Written notice of the meeting may be waived by unanimous consent of all Members.

B. Special meetings. Special meetings of the membership may be held at any time upon request of the Board of Directors, or upon request of any officer of the corporation, or upon the request of a sufficient number of members entitled to cast at least ten percent (10%) of the total voting power of the corporation. Any such request shall state the purpose for which the special membership meeting is requested. Written notice of the time and place of a special membership meeting shall be directed to each member at his last address as shown on the books and records of the corporation and shall be mailed not less than ten (10) days nor more than fifty (50) days prior to the date of such meeting, except that notice of a special meeting resulting from a written request by ten percent (10%) of the members shall be noticed within thirty (30) days. The notice of meeting shall include a statement of the purpose of the meeting, as set forth in the request for the meeting. Written notice of the meeting may be waived by unanimous consent of all members.

C. Proxies and Written Ballots: Members may vote in person or by proxy executed in writing by the member designating the proxy and indicating the effective date of the proxy. All proxies must be filed with the Secretary of the corporation not later than the commencement of the first meeting at which such proxy intends to vote for a member. No proxy shall be valid more than eleven (11) months after its date of execution. Members may also vote absentee by written ballot when a ballot is preapproved by the Directors as a part of the notice of meeting sent to the members. All co-owners of a single lot must collectively cast only one (1) vote, in the manner determined by a majority in interest of such co-owners.

D. Notice and quorum for meetings to approve special assessments: In the event a membership meeting is called for the purpose of approving a special assessment as defined in Section 5.4 of the Declaration of Covenants, Conditions, and Restriction for Southpoint Subdivision #1, recorded as Instrument No. 97079120, Records of Ada County, Idaho, (hereinafter "Declaration"), written notice of the time and place of the meeting shall be directed to each member at his last address as shown on the books and records of the corporation and shall be mailed not less than ten (10) days nor more than fifty (50) days prior to the date of such meeting. The notice of meeting shall include a statement of the purpose of the meeting. The presence in person or by proxy or by written ballot of members entitled to cast sixty percent (60%) of the total votes entitled to be cast shall constitute a quorum. If the required quorum is not present, another meeting may be called and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum for the prior meeting. No such subsequent meeting shall be held more than fifty (50) days following the prior meeting date.

E. Quorum for all other meetings: At membership meetings called for any purpose other than approving a special assessment, the presence in person or by proxy or by written ballot of members entitled to cast ten percent (10%) of the total votes entitled to be cast shall constitute a quorum.

ARTICLE III - BOARD OF DIRECTORS

A. Election and qualifications: Directors shall be elected at each annual membership meeting, by a simple plurality vote process.

B. Term of office and removal: At the first annual meeting and at each annual meeting thereafter, the Members shall elect each director for a term of one (1) year. Each director so elected shall hold office for the term elected and until his/her successor is elected and qualified.

Directors may be removed from office by a majority vote of all votes entitled to be cast at any special membership meeting called for such purpose.

C. Meetings: Regular meetings of the Board of Directors shall be held from time to time as determined by resolution of the Board of Directors. Special meetings of the Board of Directors may be called by any director upon not less than five (5) days written notice to each of the other directors given by regular United States Mail, to the last known address of such director as the same shall appear upon the books and records of the corporation. Written notice of any special meeting may be waived by unanimous consent of the Board of Directors. A simple majority of the directors shall constitute a quorum for the transaction of regular business at any meeting of the Board of Directors.

D. Vacancies. Vacancies in the Board of Directors resulting from death, resignation, or removal from office of a director, shall be filled by a majority vote of the remaining directors. Any person so appointed to fill a vacancy shall serve until the next annual membership meeting and until his successor has been duly elected and qualified.

ARTICLE IV - OFFICERS

A. Election: Terms of Office. All officers of the corporation shall be elected by a majority vote of the Board of Directors, and their terms of office shall be prescribed by the Board of Directors. Officers shall be elected at the first regular or special meeting of the Board of Directors following each annual membership meeting. Any officer may be removed from office by a majority vote of the Board of Directors.

B. Duties and Responsibilities. The powers, duties and responsibilities of the officers of the corporation shall be as hereafter set forth, unless modified from time to time by resolution of the Board of Directors.

1. The President. The President shall be the chief executive officer of the corporation, and shall have general supervision of the other officers. The President shall preside at all meetings of the members and of the Board of Directors and see that all orders and resolutions of the Board of Directors are carried into effect subject, however, to the right of the Board to delegate to any other officer or officers any specific powers other than those that may be by law be conferred only upon the President. The President shall execute in the name of the corporation all deeds, bonds, mortgages, contracts and other documents authorized by the Board of Directors, except in cases where the execution thereof shall be expressly delegated by the Board to some other officer or agent of the corporation. The President shall have the general powers and

duties of supervision and management usually vested in the office of president of a corporation.

2. Vice President. A Vice President shall perform the duties and exercise the powers of the President in case of the President's illness, disability, or temporary absence from the office of the corporation and shall perform such other duties as may from time to time be granted or imposed by the Board of Directors or the President.

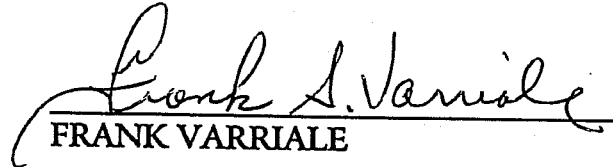
3. The Secretary. The Secretary shall attend all sessions of the Board of Directors and all meetings of members held at the office of the corporation and act as clerk thereof and record all votes and the minutes of all proceedings in a book to be kept for that purpose. The Secretary shall give notice of meetings of the members and of the Board of Directors when notice is required to be given under these By-Laws or any resolution of the Board of Directors. The Secretary shall in general perform the duties usually incident to the office of Secretary and such further duties as shall from time to time be prescribed by the Board of Directors or the President.

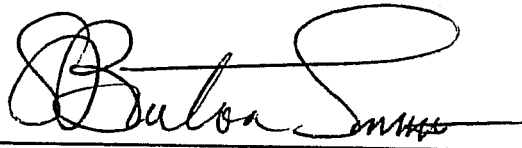
4. The Treasurer. The Treasurer shall keep full and accurate accounts of receipts and disbursements in books belonging to the corporation, and shall deposit all monies and other valuable effects in the name and to the credit of the corporation in such banks and depositories as may be designated by the Board of Directors. The Treasurer shall disburse the funds of the corporation as may be ordered by the Board of Directors, taking proper vouchers for such disbursements, and shall render to the President and Directors at the regular meetings of the Board of Directors, and whenever they may require, accounts of all transactions as Treasurer and of the financial condition of the company. The Treasurer shall perform the duties usually incident to the office of the Treasurer and such other duties as may be prescribed from time to time by the Board of Directors or the President. The office of Treasurer may be filled by the same person as the person holding the office of Secretary.

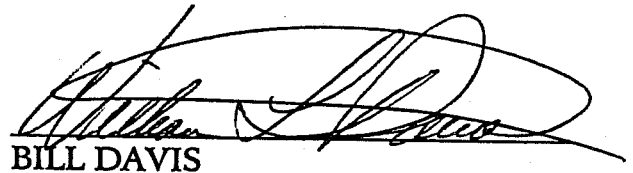
ARTICLE V: AMENDMENT

These By-Laws may be amended from time to time by a majority vote of the Board of Directors in a manner authorized by law.

THE UNDERSIGNED, being the initial Directors of Southpoint Homeowners Association, Inc., hereby adopt the foregoing as the initial By-Laws for the corporation this 12 day of Nov., 1997.


FRANK VARRIALE


S. ~~BERT~~ SMITH, JR.


BILL DAVIS