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State of Idaho

Department of State

CERTIFICATE OF INCORPORATION OF

ELAINE HEIGHTS HOMEOWNERS ASSOCIATION, INC.

I, PETE T. CENARRUSA, Secretary of State of the State of Idaho, hereby certify that duplicate originals of Articles of Incorporation for the incorporation of ELAINE HEIGHTS HOMEOWNERS ASSOCIATION, INC. duly signed pursuant to the provisions of the Idaho Nonprofit Corporation Act, have been received in this office and are found to conform to law.

ACCORDINGLY and by virtue of the authority vested in me by law, I issue this Certificate of Incorporation and attach hereto a duplicate original of the Articles of Incorporation.

Dated: April 23, 1992



Pete T. Cenarrusa

SECRETARY OF STATE

By *Sheryl Dalrymple*

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ARTICLES OF INCORPORATION
OF STATE
OF

ELAINE HEIGHTS HOMEOWNERS ASSOCIATION, INC.

* * * * *

KNOW ALL MEN BY THESE PRESENTS: That we, the undersigned, each being a natural person of full age and a citizen of the United States of America, have voluntarily and do hereby associate ourselves together for the purpose of forming a non-profit corporation under the laws of the State of Idaho, Idaho Code, Title 30, Chapter 10. We do hereby certify, declare and adopt the following Articles of Incorporation.

ARTICLE I

The name of the corporation is Elaine Heights Homeowners Association, Inc.

ARTICLE II

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

ARTICLE III

This corporation shall be a non-profit, membership corporation.

ARTICLE IV

The location and post office address of the corporation's registered office shall be: 249 4th Ave. South, Twin Falls, Idaho, 83301. The registered agent shall be Don L. Anderson and the address of the registered agent shall be 249 4th Ave. South, P. O. Box 2293, Twin Falls, Idaho, 83301.

ARTICLE V

The nature of the business and the object and purpose of this corporation shall be as follows:

1. To form a corporation under Title 30, Chapter 10 of the Idaho Code, for the purpose of providing an association to which all owners of units located in Elaine Heights Condominiums, Twin Falls County, Idaho, shall belong for the purpose of maintaining and creating an environment that will provide maximum opportunity for the orderly operation of the Elaine Heights Condominiums. This corporation shall be the Homeowners Association defined in the Declaration of Covenants, Conditions and Restrictions of Elaine Heights Condominiums, hereinafter referred as the "Declaration", which Declaration will be filed of record with the Twin Falls County Recorder. All of the words or terms which are capitalized herein shall have the same meaning and definition as contained in the definitions section of the Declaration which definitions are incorporated herein by reference. The Association does not contemplate pecuniary gain or profit to the members thereof, and the specific purposes for which it is formed are to provide for maintenance and preservation of the Condominium units and Common areas within Elaine Heights Condominiums and to promote the health, safety and welfare of the residents within said Elaine Heights Condominiums; to (A) Exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as set forth in that certain Declaration of Covenants, Conditions and Restrictions above described; (B) Levy, collect and enforce payment by any lawful

means, all charges or assessments pursuant to the terms of the Declaration; to pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the Association, including all licenses, taxes or governmental charges levied or imposed against the property of the 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 Association; (D) Borrow money, and with the assent of three-quarters 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) Dedicate, sell or transfer any part of the common areas to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument has been signed by three-quarters of each class of members, agreeing to such dedications, sale or transfer; (F) 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 have the assent of three-quarters of each class of members; and, (G) To have and to exercise any and all powers, rights and privileges (not inconsistent with the Condominium Property Act provided in Idaho Code, Title 55, Chapter 15, as now exists or may hereafter be amended) which a corporation organized under the non-profit corporation law of the State of Idaho, provided in Idaho Code, Title 30, Chapter 10, as

now exists or may hereafter be amended.

ARTICLE VI

MEMBERSHIP

Every person or entity who is a record owner of a fee or undivided fee interest in any Condominium unit which is subject by covenants of record to assessment by the Association, including contract buyers, shall be a member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of any Condominium unit which is subject to assessment by the Association.

ARTICLE VII

BOARD OF DIRECTORS

The affairs of this Association shall be managed by a Board of five directors who need not be members of the Association. The number of directors may be changed by amendment of the By-Laws of the Association by a vote of seventy-five percent (75%) of each class of membership. The names and addresses of the persons who are to act in the capacity of directors until the election of their successors are:

Raymond Sabala

980 Mountain View Drive
Twin Falls, ID 83301

Barbara Sabala

980 Mountain View Drive
Twin Falls, ID 83301

Don L. Anderson

3720 N. 2710 E.
Twin Falls, ID 83301

Diana L. Anderson

3720 N. 2710 E.
Twin Falls, ID 83301

J. Dee May

2029 Stadium
Twin Falls, ID 83301

At the first annual meeting, the members shall elect three directors for a term of one (1) year, one director for a term of two (2) years and one director for a term of three (3) years; and at each annual meeting thereafter, the members shall elect the required number of directors needed to retain the Board at five (5) members.

ARTICLE IX

AMENDMENTS

Amendment of these articles shall require the assent of seventy-five percent (75%) of each class of membership.

ARTICLE X

MEMBERSHIP AND VOTING RIGHTS

1. The Corporation shall not issue any capital stock but shall issue membership certificates to each member hereof including the Declarant, under the terms and conditions hereinafter set forth. Each owner (including the Declarant) of a Condominium unit by virtue of being such an owner and so long as he is such an owner, shall be deemed a member of the Association. the Association membership of each owner (including the Declarant) shall be appurtenant to said Condominium unit and shall not be transferred, pledged or alienated in any way except upon the transfer of title to said Condominium unit and then only to the transferee of title of said Condominium unit. Any attempt to make or prohibit a transfer shall be void. Any transfer of title to said Condominium unit shall operate automatically to transfer said

membership to the new owner thereof.

2. The Association shall have two classes of voting membership:

Class A Members. Class A members shall be all owners, with the exception of the Declarant, of any of the Condominium units in the project and shall be entitled to one vote for each Condominium unit owned. When more than one person holds an interest in any such Condominium unit, all such persons shall be members; the vote for such Condominium units shall be exercised as they determine, but in no event shall more than one vote be cast with respect to any Condominium unit.

Class B Members. The Class B members shall be the Declarant and shall be entitled to three votes for each Condominium unit owned in the project. The Class B membership shall cease and be converted to Class A membership upon the happening of either of the following events, whichever occurs earlier:

- A. When the total votes outstanding in the Class A membership equal the total votes outstanding in Class B membership; or
- B. On the 1st day of January, 1995, whichever is sooner.

3. Suspension of voting rights. There shall be no violation of the Elaine Heights Condominium rules and regulations once adopted by the Board after notice and hearing. If any owner, his family, or any licensee and lessee or invitee violates the Elaine Heights Condominium Rules and Regulations, the Board may impose a special assessment upon such person of not more than \$20.00 for each violation and/or may suspend the right of such

person to sue the Association properties under such conditions as the Board may specify for a period not to exceed thirty (30) days for each violation. Before invoking any such assessment or suspension, the Board shall give such person notice and hearing. Any assessment imposed hereunder which remains unpaid for a period of ten (10) days or more shall become a lien upon the owner's Condominium unit upon its inclusion and a Notice of Assessment recorded pursuant to the herein referred to Declaration.

4. Subsections 1 and 2 of this Article shall not be amended without the consent of seventy-five percent (75%) of the combined number of Condominium units then within Elaine Heights Condominiums plus, until all Condominium units are sold, the written consent thereto of the Declarant.

ARTICLE XII

Section 1: Creation of the lien and personal obligation of assessments. The Declarant, for each Condominium unit owned within the properties, hereby covenants, and each owner of any Condominium unit by acceptance of a deed therefore, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association:

1. Annual assessments or charges, and,
2. Special assessments for capital improvements, such assessments to be established and collected as hereinafter provided. The annual and special assessments, together with interest, costs, and reasonable attorneys' fees shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is

paid. Each such assessment, together with interest, costs, and reasonable attorneys' fees, shall also be the personal obligation of the person or entity who was the owner of such property at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them in writing.

Section 2: The purpose of assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the residents of the Condominium units including maintenance of the Common and Limited Common areas.

Section 3: Maximum annual assessment. Until January 1 of the year immediately following the conveyance of the first Condominium unit to an owner, there shall be no annual assessment; provided however that beginning with January 1 following the conveyance of a Condominium unit to an owner, the maximum annual assessment for Class A members shall be \$70.00 per month.

A. From and after January 1 of the second year immediately following the conveyance of the first Condominium unit to an owner, the maximum annual assessment may be increased each year not more than five percent (5%) above the maximum assessment for the previous year without a seventy-five percent (75%) vote of the membership.

B. The board of directors may fix the annual assessment at an amount not in excess of the

maximum.

- C. The Declarant shall be treated as any other owner for assessment purposes.

Section 4: Special assessment for capital improvements. In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon a Common area appurtenant to each Class of ownership including fixtures and personal property related thereof, provided that any such assessment shall have the assent of seventy-five percent (75%) of the votes of both Classes of members who are voting in person or by proxy at a meeting duly called for this purpose.

Section 5: Notice and Quorum for any action authorized under Sections 3 and 4. Written notice of any meeting called for the purpose of taking any action authorized under Section 3 or 4 of this Article shall be sent to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast seventy-five percent (75%) of all the votes of both Classes of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 6: Uniform rate of assessment. Both the annual and

special assessments shall be fixed at a uniform rate for all such Condominium units and may be collected on a monthly basis.

Section 7: Date of commencement of annual assessments; due dates.

The annual assessments provided for herein shall commence as to all Condominium units on the first day of January following the conveyance of the Condominium unit to the owner. the Board of Directors shall fix the amount of the annual assessment against each Condominium unit at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every owner subject thereto. The due dates shall be established by the Board of Directors. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Condominium unit have been paid. A properly executed certificate of the association as to the status of assessments on a particular Condominium unit is binding upon the association as of the date of its issuance.

Section 8: Effect of non-payment of assessments; Remedies of the

Association. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of eighteen percent (18%) per annum. The association may bring an action at law or in equity against the owner personally obligated to pay the same, or foreclose the lien against the property. No owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the common area appurtenant to his particular Condominium unit or abandonment of his Condominium unit.

Section 9: Subordination of the lien to mortgages. The lien of

the assessments provided for herein shall be subordinate to the lien of any first mortgage. Sale or transfer of any Condominium unit shall not affect the assessment lien. However, the sale or transfer of any Condominium unit pursuant to a mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which become due prior to such sale or transfer. No sale or transfer shall relieve such Condominium unit from liability for any assessments thereafter becoming due or from the lien thereof.

ARTICLE XIII

The By-Laws of this corporation may be altered, amended or new By-Laws adopted at any regular or any special meeting of the corporation called for the purpose by the affirmative vote of seventy-five percent (75%) of the votes entitled to be cast by the members present at such meeting.

ARTICLE XIV

For the purpose of specifying in detail, the rights, responsibilities, duties and obligations of the Board of Directors, the officers, the manager, or other employees and agents of the Association and members thereof, including the liability of the members for the payment of assessment, the By-Laws may incorporate by reference the provisions of the Declaration recorded in Twin Falls County, State of Idaho, provided a true and correct copy of the Declaration is attached to and made a part of the By-Laws of the corporation.

ARTICLE XV

The names and street addresses of the incorporators are as follows:

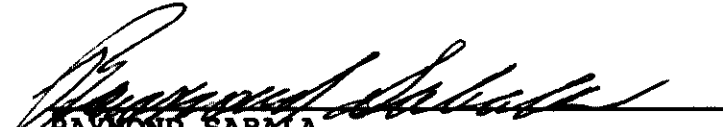
Raymond Sabala


980 Mountain View Drive
Twin Falls, ID 83301

Don L. Anderson

3720 N. 2710 E.
Twin Falls, ID 83301

IN WITNESS WHEREOF, We have hereunto set our hands and
seals this 22nd day of April, 1992.


RAYMOND SABALA


DON L. ANDERSON


STATE OF IDAHO

County of Twin Falls

)
) ss.
)

On this 22nd day of April, 1992, before me, the
undersigned, A Notary Public in and for said State, personally
appeared RAYMOND SABALA, known to me (or proved to me on the oath
of _____) or identified to me to be the person who
executed the foregoing instrument and acknowledged to me that he
executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and
affixed my official seal the day and year in this certificate first
above written.


Notary Public for State of Idaho
Residing at Twin Falls, therein.
Commission Expires: 10/30/93

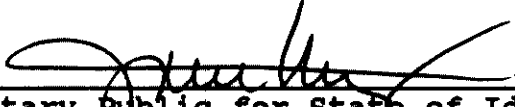
STATE OF IDAHO

County of Twin Falls

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)
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ss.

On this 22nd day of April, 1992, before me, the undersigned, A Notary Public in and for said State, personally appeared DON L. ANDERSON, known to me (or proved to me on the oath of _____) or identified to me to be the person who executed the foregoing instrument and acknowledged to me that he executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.



Notary Public for State of Idaho
Residing at Twin Falls therein.
Commission Expires: 10/30/93