



Department of State.

**CERTIFICATE OF INCORPORATION
OF**

ECHO DAY TERRACE SUBDIVISION CORPORATION

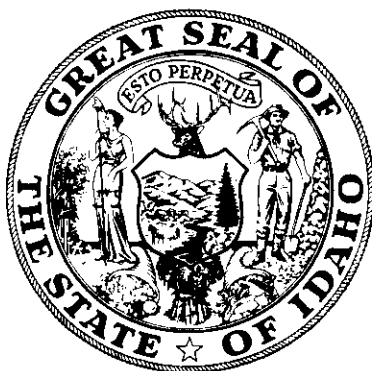
I, PETE T. CENARRUSA, Secretary of State of the State of Idaho, hereby certify that duplicate originals of Articles of Incorporation for the incorporation of _____

ECHO DAY TERRACE SUBDIVISION CORPORATION,

duly signed pursuant to the provisions of the Idaho Business 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 _____ December 7 _____, 19 72 _____.



Pete T. Cenarrusa

SECRETARY OF STATE

Corporation Clerk

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ARTICLES OF INCORPORATION
OF

STATE OF

ECHO BAY TERRACE SUBDIVISION CORPORATION

In compliance with the requirements of the laws of the State of Idaho relating to non-profit corporations and acts amendatory and supplemental thereto, including particularly Section 30-301 et.seq., Idaho Code, the undersigned natural persons, each of whom are of full age and residents of the United States, in order to form a non-profit corporation for the purposes hereinafter stated, do hereby as incorporators, adopt the following Articles of Incorporation and certify:

ARTICLE I.

The name of the corporation is ECHO BAY TERRACE Subdivision Corporation, hereinafter called the "Corporation."

ARTICLE II

The principal office of the Corporation is located at 2427 Government Way and the registered agent shall be Phil Hilby at the same address. (Cooper d'Alene)

ARTICLE III

Purpose and Powers of the Corporation

The purposes of this Corporation shall be to own, provide for maintenance, preservation and control of any common areas, sewage systems, water systems, within the Echo Bay Terrace as the same is now platted or may hereafter be platted being a portion of Government Lot 2, Section 7, Township 49 North, Range 3 W.B.M., Kootenai County, Idaho, and any addition thereto as may hereafter be brought within the jurisdiction of this Corporation by annexation or otherwise, and to promote the recreation, health, safety and welfare of the stockholders hereof, 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 that certain Declaration of Covenants, Conditions and Restrictions, hereafter called the "Declaration", applicable to the property and recorded or to be recorded in the office of the County Recorder of Kootenai County, Idaho, and as the same may be amended from time to time as herein provided, said Declaration being incorporation herein as if set forth at length.

(b) Fix, 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 Corporation including all licenses, taxes, or governmental charges imposed against the property of the Corporation;

(c) Acquire (by gift, purchase or otherwise) own, sell, hold, improve, build upon, operate, maintain, convey, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Corporation;

(d) Borrow money, mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred, subject to those restrictions

contained in the Declaration and any amendments thereto;

(e) Dedicate, sell or transfer all or any part of the Common Area or facilities to any public agency, authority, utility or other legally formed entity for such purposes and subject to such conditions as may be agreed to by the stockholders, subject to those restrictions contained in the Declaration and any amendments thereto;

(f) Participate in mergers and consolidations and other non-profit corporations organized for the same purposes or annex additional property and Common Area, subject to those restrictions contained in the Declaration and any amendments thereto; and

(g) Have and to exercise any and all powers, rights and privileges which a Corporation organized under the Non-Profit Corporation Law of the State of Idaho by law may now or hereafter have to exercise.

ARTICLE IV

STOCKHOLDER AND SHARES OF STOCK

Every person or entity who is a record owner (including contract sellers) of a fee or undivided fee interest in any improved lot located within said property shall, by virtue of such ownership, be a stockholder of the Corporation. When more than one person holds such interest in any Lot, all such persons shall be stockholders. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Stock ownership shall be appurtenant to and may not be separated from ownership of any such Lot subject to assessments by the Corporation. Such ownership shall be the sole qualification for becoming a stockholder, and shall automatically commence upon a person becoming such owner, and shall automatically terminate and lapse when such ownership in said property shall terminate or be transferred. The Corporation shall maintain a stockholder list and may require written proof of any stockholders' Lot ownership interest.

The number of shares to be issued shall be 50 shares of no par, assessable, common stock.

ARTICLE V

VOTING RIGHTS

The Corporation shall have one class of voting stock. Each stockholder shall be entitled to cast one vote or fractional vote as set forth herein for each improved Lot in which they shall hold the interest required for stock, and the vote for such lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any improved lot. Voting by proxy shall be permitted; provided, proxies shall not be valid for a period in excess of eleven (11) months from their date of execution and shall automatically terminate if the grantor of the proxy ceases to be a stockholder of the Corporation.

ARTICLE VI

BOARD OF DIRECTORS

The affairs of the Corporation shall be managed by a Board of at least three (3) Directors, who need not be stockholders of the Corporation, at meetings duly held pursuant to the By-Laws and at which a quorum is present in person or by proxy. A quorum shall consist of a majority of the Directors present in person or by proxy. The Board, by majority vote, may remove an officer of the Corporation.

Each Director shall be elected for a term of one (1) year.

ARTICLE VII

DISSOLUTION

The Corporation may be dissolved only upon compliance with one of the following conditions:

(a) One or more public agencies assuming all duties and responsibilities of the Corporation; or

(b) Merger or consolidation with a similar non-profit corporation to carry out the duties and responsibilities of the Corporation including the specific financial accounts as required by the By-Laws and/or the Declaration.

Upon compliance with the above requirements, the Corporation may be dissolved with the assent given in writing and signed by not less than two-thirds (2/3) of the stockholders. Upon dissolution of the Corporation, other than incident to a merger or consolidation, the assets of the Corporation shall be dedicated to the appropriate public agency, or agencies, to be used for purposes similar to those for which the Corporation was created. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed, and assigned to any non-profit corporation, trust or other organization to be devoted to such similar purposes.

The organization will refund excess earnings to members upon dissolution or when the amount of the retained earnings is in excess of the organizations reasonable needs to meet losses and expenses. The excess earnings shall be returned to members in proportion to the amount of business done with the organization.

Records will be kept showing the amount of business done by the members on the basis of its annual accounting period and the excess earnings derived during such period.

If a person's membership is terminated, his equitable interest in the organization shall not be forfeited.

Upon dissolution, all funds derived from the sale of assets together with any other funds shall be distributed to all members and former members on the basis of the amount of business done with the organization after the payment of all debts and obligations.

3. ARTICLES OF INCORPORATION

ARTICLE VII

DURATION

The Corporation shall exist perpetually.

ARTICLE IX

The names and post office address of each of the incorporators are:

Alice L. Hilby, 2427 Government Way, Coeur d'Alene, ID 83814

Phil Hilby, 2427 Government Way, Coeur d'Alene, ID 83814

and Phil Hilby is hereby appointed the initial registered agent of this Corporation at the above address.

ARTICLE X

The names and addresses of the initial directors are:

Phil Hilby, 2427 Government Way,
Coeur d'Alene, Idaho 83814

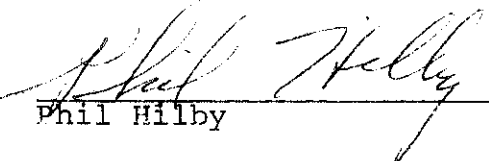
Alice L. Hilby, 2427 Government Way,
Coeur d'Alene, Idaho 83814


Douglas F. Edwards, 822 St. Maries Avenue
Coeur d'Alene, Idaho 83814

ARTICLE XI

Amendments to these Articles shall required the assent of those stockholders casting two-thirds (2/3) of the votes of the Corporation stock at any regular stockholders' meeting called specifically for that purpose. The By-Laws may be amended by the same procedure.

IN WITNESS WHEREOF, for the purpose of forming this corporation under the laws of the State of Idaho, we, the undersigned, constituting the incorporators of this Corporation, have executed these Articles of Incorporation, this 4th day of December, 1979.'


Phil Hilby


Alice L. Hilby

STATE OF Idaho)
County of Kootenai) ss.

On this 4th day of December, 1979, before me the undersigned Notary Public, personally appeared PHIL HILBY and ALICE L. HILBY, known to me to be the persons whose names are subscribed to the foregoing instrument, and acknowledged to me that they 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.

Roger E. Day
Notary Public for Idaho
Residing at Coeur d'Alene