

ARTICLES OF INCORPORATION

OF

**HERITAGE FARMS SUBDIVISION HOMEOWNERS ASSOCIATION, INC.
A NONPROFIT CORPORATION****FILED EFFECTIVE****2018 JUN -7 PM 12:38****SECRETARY OF STATE
STATE OF IDAHO**

The undersigned, in order to form a nonprofit corporation under the provisions of Title 30, Chapter 30 of the Idaho Code, hereby adopts and certifies the following articles of incorporation:

Article I – Name

The name of this corporation is Heritage Farms Subdivision Homeowner's Association, Inc. (hereinafter, the "Corporation").

Article II – Membership

The Corporation is a nonprofit, membership corporation.

Article III – Registered Agent

The street address of the registered office of this Corporation in the State of Idaho is 11152 W. State Street, Ste. 102, Star, ID 83669. The name of its registered agent at such address is Todd Ostrom.

Article IV – Incorporator

The name and mailing address of the incorporator is:

Todd Ostrom
11152 W. State Street, Ste. 102
Star, ID 83669

Article V – Mailing Address

The mailing address of the Corporation is 11152 W. State Street, Ste. 102, Star, ID 83669.

Article VII – Purpose

The Corporation does not contemplate pecuniary gain or profit to the members thereof, and the specific purposes for which the Corporation is formed are to provide for certain regulations in connection with the development of the property (the "Property") subject to the Declaration of Covenants, Conditions and Restrictions for Heritage Farms Subdivision recorded

IDAHO SECRETARY OF STATE

06/07/2018 05:00

Articles of Incorporation

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C218137

or to be recorded in the official records of Twin Falls County, Idaho (the "Declaration"); and to promote the health, safety and welfare of the residents within the Property by exercising those powers granted by the Idaho Nonprofit Corporation Act, these Articles, the by-laws of the Corporation, the Declaration and the amendments or supplements thereto, including the power to collect assessments from members and to secure any such assessments by a lien upon real property to which membership rights are appurtenant.

Article VII – Duration

The Corporation shall have a perpetual duration.

Article VIII– Members

Each record owner, whether persons or entities, holding fee simple interest of record to a building lot which is part of the Property (including sellers under executory contracts for sale, but excluding those having such interest merely as security for the performance of any obligation) shall be a member of the Corporation. There shall be one (1) membership in the Corporation for each building lot located in the Property. Membership shall be appurtenant to and may not be separated from ownership of any building lot located in the Property.

Article IX – Voting Rights

(a) *Class A Members.* The "Class A Members" shall be all owners of building lots within the Property with the exception of the Class B Member (as such term is defined below). No Class A Member shall be entitled to vote prior to the Class B Member Termination Date (as such term is defined below). Upon the occurrence of the Class B Member Termination Date, (a) the Class B Member (if any) shall become a Class A Member with respect to each building lot it owns in the Property and (b) each Class A Member shall be entitled to one (1) vote for each building lot in the Property owned by such person or entity.

(b) *Class B Member.* The "Class B Member" shall be H3O, LLC or its Successor (as such term is defined below). The "Successor" of H3O, LLC shall refer to any individual or entity that (a) is designated as such in writing by H3O, LLC or (b) is a successor in interest to the entire interest then-held by H3O, LLC in the Property; provided, however, that the term Successor shall not include a purchaser of less than ten (10) building lots within the Property. The Class B Member shall be entitled to ten (10) votes for each building lot in the Property owned by such Class B Member. The Class B Member shall become a Class A Member with respect to each building lot it owns in the Property upon the occurrence of the Class B Member Termination Date. The "Class B Member Termination Date" shall be the first to occur of (a) the date designated in writing by H3O, LLC (or the Successor, as applicable), (b) the date that H3O, LLC (or the Successor, as applicable) has deeded the last building lot in the Property to an owner other than H3O, LLC or the Successor or (c) December 31, 2028.

Article X – Board of Directors

The board of directors shall consist of no fewer than three (3) people. The names and addresses of the initial directors are:

Todd Ostrom
11152 W. State Street, Ste. 102
Star, ID 83669

Kim Ostrom
11152 W. State Street, Ste. 102
Star, ID 83669

Patrick Hughes
875 Harmony Rd.
Twin Falls, ID 83301

Article XI – By-Laws

In furtherance and not in limitation of the power conferred upon the board of directors by law, the board of directors shall have the power to make, adopt, alter, amend and repeal from time to time by-laws of the Corporation, subject to the right of the members entitled to vote with respect thereto to alter and repeal by-laws made by the board of directors.

Article XII – Assessments

Each Member shall be liable for payment of assessments as set forth in the Declaration or the by-laws of the Corporation.

Article XIII – Limitation of Liability

A director or officer of the Corporation shall not be liable to the Corporation or its members for monetary damages for any action taken, or any failure to take any action, as a director or officer, except to the extent that exculpation from liability is not permitted under the law of the State of Idaho as in effect at the time such liability is determined. No amendment or repeal of this Article XIII shall apply to or have any effect on the liability or alleged liability of any director or officer of the Corporation for or with respect to any acts or omissions of such director or officer occurring prior to such amendment or repeal.

Article XIV – Indemnification

The Corporation shall, to the maximum extent permitted from time to time under the law of the State of Idaho, indemnify and upon request advance expenses to any person who is or was a party or is threatened to be made a party to any threatened, pending or completed proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that such person is or was or has agreed to be a director or officer of the Corporation or while a director or officer is

or was serving at the request of the Corporation as a director, officer, partner, trustee, employee or agent of any corporation, partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans, against judgments, settlements, penalties, fines, including any excise tax assessed with respect to any employee benefit plan, and reasonable fees and expenses (including attorney's fees and expenses) incurred with respect to the investigation, preparation to defend or defense of such proceeding; *provided, however*, that indemnification under this Article XIV shall be available only if (i) the director or officer, at the time of such act or omission, determined in good faith that his or her course of conduct was in, or not opposed to, the best interest of the Corporation and (ii) the act or omission did not constitute fraud, gross negligence or willful misconduct; and *provided, further*, that the foregoing shall not require the Corporation to indemnify or advance expenses to any person in connection with any action, suit, proceeding, claim or counterclaim initiated by or on behalf of such person. Such indemnification shall not be exclusive of other indemnification rights arising under any by-law, agreement, vote of directors or members or otherwise and shall inure to the benefit of the heirs and legal representatives of such person. Any person seeking indemnification under this Article XIV shall be deemed to have met the standard of conduct required for such indemnification unless the contrary shall be established. Any repeal or modification of this Article XIV shall not adversely affect any right or protection of a director or officer of the Corporation with respect to any acts or omissions of such director or officer occurring prior to such repeal or modification.

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THE UNDERSIGNED, as the sole incorporator named above, hereby adopts and certifies the articles stated above as of *MAY 25*, 2018.



Todd Ostrom
Sole Incorporator