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ARTICLES OF INCORPORATION OF

THE RIVER DISTRICT RESIDENTIAL PROPERTY OWNERS ASSOCIATION, INC.

KNOW ALL PERSONS BY THESE PRESENTS:

The undersigned, for the purpose of forming a nonprofit corporation under the laws of the State of Idaho in compliance with the Idaho Nonprofit Corporations Act (Title 30, Chapter 30, Idaho Code), does hereby certify, declare, and adopt the following Articles of Incorporation ("Articles"):

ARTICLE I NAME

The name of the corporation is The River District Residential Property Owners Association, Inc. (the "Association").

ARTICLE II TERM

The period of existence and duration of the life of the Association is perpetual.

ARTICLE III NONPROFIT

The Association is a nonprofit, membership corporation.

ARTICLE IV REGISTERED AGENT

The Association's initial registered agent shall be Josh Davis, whose address is 23 Warm Lake Highway, Cascade, Idaho 83611. The Board may change the registered agent from time to time in the Board's discretion.

ARTICLE V PURPOSE AND POWERS OF THE ASSOCIATION

The Association is formed to exercise all powers and privileges, and to perform all of the duties and obligations, of the Association as set forth in the Supplemental Declaration of Covenants, Conditions and Restrictions of the River District – Phase 1 Residential, as the same is now or hereinafter recorded in the official records of Valley County, Idaho, and as the same may be amended and supplemented from time to time according to its terms (the "Declaration"). The Declaration is incorporated by this reference as if fully set forth herein. Capitalized terms used and not defined in these Articles have the meanings set forth in the Declaration. The Association does not contemplate pecuniary gain or profit to the Members.

ARTICLE VI MEMBERSHIP & VOTING RIGHTS

Each Owner (including Declarant), by virtue of owning a Lot and for so long as such Lot ownership is maintained, will be a member of the Association (each a "Member"), and no Owner will have more than one (1) membership in the Association for any Lot owned by such Member. When more than one (1) Person holds an ownership interest in any Lot, all such Persons will be Members; provided, however, the vote for such Lot with common ownership may not be split and shall be exercised by one (1) representative selected by such Persons as they, among themselves, may determine. In the event such Persons are unable to agree among themselves on any matter put to a vote as to how the vote shall be cast, such Persons shall not be entitled to vote on the matter in question. If only one (1) such Person casts a vote, it will be conclusively presumed for all purposes that such Person was acting with the authority and consent of all other co-Owners of such Lot. Memberships in the Association will be appurtenant to the Lot owned by such Owner. The memberships in the Association must not be transferred, pledged, assigned or alienated in any way except upon the transfer of Owner's title and then only to the transferee of such title. Any prohibited transfer or attempt to make a prohibited membership transfer will be void and will not be reflected on the books of the Association. The Association will have two (2) classes of membership as follows:

- (a) <u>Class A Members</u>. "Class A Members" will be the Owners of the Lots, excluding Declarant, until the Class B Member Termination Date. Prior to the Class B Member Termination Date, Class A Members are not entitled to vote. At all meetings of the Association after the Class B Member Termination Date, each Member will be entitled to one (1) vote for each Lot owned by such Member, subject to the restrictions on co-Owners as set forth in the paragraph above.
- (b) <u>Class B Member</u>. The "Class B Member" is Declarant, who will be the sole voting Member of the Association entitled to vote the collective and total voting power of the Association from the Effective Date through and including the Class B Member Termination Date (the "Initial Development Period"). The Class B Member will cease to exist as the Class B Member on the earlier of: (a) the date that is one (1) year after Declarant no longer owns any Lots in the Community; or (b) the date Declarant informs the Board in writing that Declarant no longer wishes to exercise its rights as the Class B Member (the "Class B Member Termination Date").

Notwithstanding the foregoing, if, pursuant to a Supplemental Declaration, any additional real property shall be annexed into the Community after the Class B Termination Date has already occurred, then: (i) the Class B membership shall not be deemed to have terminated pursuant to the provisions above, and (ii) the Class B membership and voting rights attendant thereto shall be deemed reinstated.

ARTICLE VII BOARD OF DIRECTORS

The affairs of the Association is managed and controlled by the Board of Directors (the "Board"). The Board will consist of three (3) directors, five (5) directors, or seven (7) directors, and will initially consist of three (3) directors. Upon the vote or written consent of Members representing more than fifty percent (50%) of the total voting power in the Association, the number of directors may be increased or decreased to three (3), five (5), or seven (7), as applicable under the circumstances. Directors need not be Owners. The names and addresses of the persons who are to act in the capacity of initial directors until the selection of their successors are as follows:

Josh Davis 23 Warm Lake Highway

Cascade, Idaho 83611

Phil Davis 19 Warm Lake Highway

Cascade, Idaho 83611

Katlin Caldwell 19 Warm Lake Highway

Cascade, Idaho 83611

ARTICLE VIII DISSOLUTION

The Association will only be dissolved at a regular meeting, or a special meeting of the Members called for that purpose, by the affirmative vote of at least eighty-five percent (85%) of the total voting power of the Association. Upon dissolution of the Association, other than incident to a merger or consolidation, the real and personal property of the Association will be distributed as follows: (i) dedicated to an appropriate public agency to be used for purposes similar to those for which the Association was created; or (ii) granted, conveyed, and assigned to a nonprofit corporation, association, trust, or other organization to be devoted to such similar purposes. Notwithstanding any other provisions of these Articles, the Association will 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 IX AMENDMENTS

These Articles may be amended at any regular meeting, or any special meeting of the Association called for that purpose, by the affirmative vote of more than fifty percent (50%) of the total voting power of the Association, subject to Declarant's exclusive voting right during the Initial Development Period. No amendment that is inconsistent with the provisions of the Declaration will be valid.

ARTICLE X INCORPORATOR

The name and address of the incorporator of the Association is:

Josh Davis 19 Warm Lake Highway Cascade, Idaho 83611

IN WITNESS WHEREOF, these Articles are executed effective as of $\frac{1}{6}$. 2025.

Msh Davis, Incorporator