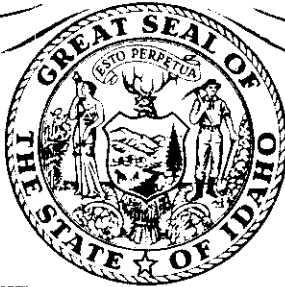


State of Idaho



Department of State.

CERTIFICATE OF INCORPORATION

I, PETE T. CENARRUSA, Secretary of State of the State of Idaho, and legal custodian of the corporation records of the State of Idaho, do hereby certify that the original of the articles of incorporation of

RIVERWOODS PROPERTY OWNERS ASSOCIATION, INC.

was filed in the office of the Secretary of State on the *2nd* day of *May* A. D. One Thousand Nine Hundred *Seventy-seven* and *will be* as duly recorded on ~~Film No.~~ *microfilm* of Record of Domestic Corporations, of the State of Idaho, and that the said articles contain the statement of facts required by Section 30-103 and Sections 30-1001 to 30-1005, inclusive, Idaho Code.

I FURTHER CERTIFY, That the persons executing the articles and their associates and successors are hereby constituted a corporation, by the name hereinbefore stated, for *perpetual existence* from the date hereof, with its registered office in this State located at *Ketchum, Idaho* in the County of *Blaine* and as such are subject to the rights, privileges and limitations granted to Non-Profit Cooperative Associations as provided in Chapter 10, Title 30, Idaho Code.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the Great Seal of the State. Done at Boise City, the Capital of Idaho, this *2nd* day of *May* A.D., 19 *77*.

Secretary of State.

ARTICLES OF INCORPORATION
OF
RIVERWOODS PROPERTY OWNERS ASSOCIATION, INC.

In compliance with the requirements of Idaho Code, Section 30-117A, (Nonprofit Corporations), the undersigned, all of whom are residents of Idaho, and all of whom are of full age, have this day voluntarily associated themselves together for the purpose of forming a corporation not for profit and do hereby certify:

ARTICLE I

The name of the corporation is RIVERWOODS PROPERTY OWNERS ASSOCIATION, INC. hereinafter called "Association".

ARTICLE II

The principal office of the Association is P.O. Box 433, Ketchum, Idaho 83340.

ARTICLE III

The Odmark Company, a corporation whose Idaho address is P.O. Box 433, Ketchum, Idaho is the initial agent of this Association.

ARTICLE IV

PURPOSE AND POWERS OF THE ASSOCIATION

This 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 the maintenance, preservation and architectural control of the residence Lots and Common Area within that certain tract of property described in Exhibit A attached hereto and made a part hereof, and to promote the health, safety and welfare of the residents

within the above described property and any additions thereto as may hereafter be brought within the jurisdiction of this Association for this purpose 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 of Riverwoods Subdivision and any supplemental Declaration, hereinafter called the "Declaration", applicable to the property and recorded or to be recorded in the Office of the Blaine County Recorder and as the same may be amended from time to time as therein provided, said Declaration being incorporated 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 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 two-thirds (2/3) 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 all or any part of the Common Area 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 two-thirds (2/3) of members agreeing to such dedication, sale or transfer;

(f) Participate in mergers and consolidations with other nonprofit corporations organized for the same purposes or annex additional residential property and Common Area, provided that any such merger, consolidations or annexation shall have the assent of two-thirds (2/3) of members;

(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 or exercise.

ARTICLE V

MEMBERSHIP

Every person or entity who is a record owner of a fee or undivided fee interest in any Lot which is subject by the Declaration to assessment by the Association, including contract sellers, 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 Lot which is subject to assessment by the Association.

ARTICLE VI

VOTING RIGHTS

Each Association member shall have and be entitled to

one (1) vote for each lot owned in matters submitted to a vote of the membership of the Association.

ARTICLE VII

BOARD OF DIRECTORS

The affairs of this Association shall be managed by a Board of three (3) Directors, who must be members of the Association. The number of Directors may be changed by amendment of the ByLaws of the Association. The Declarant or its successors shall retain the right to appoint a majority of the members of the Board until thirty (30) days after the closing on seventy-five (75%) percent of the lots in the subdivision. Members of the Board of the Association, other than those designated by Declarant shall be elected by cumulative voting of the membership of the Association, including Declarant to the extent of its ownership of Lots.

At the first annual meeting, the members shall elect three (3) Directors for a term of one (1) year. At each annual meeting thereafter, the members shall elect sufficient Directors for a term of one (1) year to fill all vacancies.

ARTICLE VIII

DISSOLUTION

The Association may be dissolved with the assent given in writing and signed by not less than two-thirds (2/3) of members except the declarant. Upon dissolution of the Association, other than incident to a merger or consolidation, the assets of the Association shall be dedicated to an appropriate public agency to be used for purposes similar to those for which this Association was created. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed and assigned to any nonprofit

corporation, association, trust or other organization to be devoted to such similar purpose.

ARTICLE IX

DURATION

The corporation shall exist perpetually.

ARTICLE X

AMENDMENTS

Amendments of these Articles shall require the assent of seventy-five percent (75%) of the eligible votes.

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 Association, have executed these Articles of Incorporation this 20 day of April, 1977.

Incorporators

Stratton P. Laggis
STRATTON P. LAGGIS
Box 217A
Ketchum, Idaho 83340

Robert Korb, III
ROBERT KORB, III
Box 258
Ketchum, Idaho 83340

Bruce Collier
BRUCE COLLIER
Box 1548
Ketchum, Idaho 83340

Joann Hopkins
JOANN HOPKINS
Box 637
Ketchum, Idaho 83340

Stephanie Bourgette
STEPHANIE BOURGETTE
Box 1424
Ketchum, Idaho 83340

STATE OF IDAHO)
) ss.
COUNTY OF BLAINE)

On this 29 day of April, 1977, before me a Notary Public in and for the State of Idaho, personally appeared STRATTON P. LAGGIS, ROBERT KORB, III, BRUCE COLLIER, JOANN HOPKINS and STEPHANIE BOURGETTE, to me known to be the persons who signed as incorporators of the within and foregoing ARTICLES OF INCORPORATION, and who acknowledged to me that they signed the same as their free and voluntary acts and deeds for the uses and purposes therein mentioned.

GIVEN UNDER MY HAND AND OFFICIAL SEAL the day and year in this certificate first above written.

[Signature]
NOTARY PUBLIC in and for the
State of Idaho, residing at
[Signature]
My commission expires: 7/31/78

EXHIBIT "A"

A parcel of land known as Riverwoods Subdivision in Sections 1 and 12, T. 4 N., R. 17 E., B.M., Blaine County, Idaho, more particularly described as follows:

Commencing at a brass cap marking the $\frac{1}{4}$ corner common to said Sections 1 and 12, which point is the REAL POINT OF BEGINNING;

thence North $0^{\circ}16'19''$ West 2,629.60 feet along the Westerly Boundary of the $SE\frac{1}{4}$, said Section 1 to a brass cap marking the center $\frac{1}{4}$ corner, said Section 1;

thence North $89^{\circ}47'18''$ East 353.22 feet along the Northerly Boundary of said $SE\frac{1}{4}$, Section 1, to the centerline of Big Wood River;

thence the following courses and distances along said centerline of Big Wood River:

South $31^{\circ}13'42''$ East 635.31 feet;
South $3^{\circ}19'23''$ West 465.78 feet;
South $32^{\circ}58'37''$ West 512.58 feet;
South $12^{\circ}04'35''$ East 219.87 feet;
South $12^{\circ}50'38''$ West 256.42 feet;
South $4^{\circ}17'47''$ East 387.09 feet;
South $28^{\circ}55'01''$ West 283.32 feet;
South $17^{\circ}35'21''$ East 407.05 feet;
South $11^{\circ}32'40''$ West 574.63 feet;
South $37^{\circ}41'16''$ East 322.23 feet;
South $12^{\circ}14'43''$ East 172.24 feet;
South $31^{\circ}31'01''$ East 248.68 feet;
South $3^{\circ}37'08''$ West 586.17 feet;
North $85^{\circ}10'59''$ West 178.63 feet;
South $3^{\circ}08'38''$ West 212.40 feet;
South $22^{\circ}22'26''$ East 407.16 feet to a point on the Southerly boundary of the $NE\frac{1}{4}$, said Section 12;

thence South $89^{\circ}38'01''$ West 545.00 feet along said Southerly Boundary of the $NE\frac{1}{4}$, Section 12 to an iron pin marking the center $\frac{1}{4}$ corner of said Section 12;

thence North $0^{\circ}00'00''$ West 2654.80 feet along the Westerly Boundary of said $NE\frac{1}{4}$, Section 12 to the point of beginning, containing 54.95 acres, more or less.