ARTICLES OF INCORPORATION

OF

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TOWNHOME AT WHITE CLOUDS OWNERS ASSOCIATION INC.

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The undersigned, acting as the incorporator of a nonprofit corporation ("Corporation") organized under and pursuant to the Idaho Nonprofit Corporation Act, Chapter 30, Title 30, Idaho Code ("Act"), adopts the following Articles of Incorporation ("Articles").

Article - 1 Name.

The name of the Corporation is Townhome at White Clouds Owners Association, Inc.

Article - 2 Nonprofit Status.

The Corporation is a nonprofit corporation.

Article - 3 Period of Duration.

The period of duration of the Corporation is perpetual.

Article - 4 Registered Agent.

The name and address of the Corporation's initial registered agent is Mark Kelly, 313 N. Main Street, Hailey, Idaho 83333.

Article - 5 Purposes.

The purposes for which the Corporation is organized and will be operated are as follows:

- To provide for the care, maintenance, preservation, and control of certain improvements within and outside the Common Area and other portions of the Townhome Property of the White Clouds Subdivision, and further to provide for all architectural control of improvements constructed thereon, and also to perform any and all other functions delegated to the Corporation by the Declaration of Protective Covenants, Conditions and Restrictions for White Clouds, recorded in the official records of Ada County, Idaho, as Instrument No. 2016-036166, as amended.
- b. To promote the recreation, health, safety, and welfare of the members of the Corporation.
- To exercise all of the powers and privileges and to perform all of the duties and obligations of the Corporation as set forth in the Declaration, applicable to the Townhome Property and recorded or to be recorded in the Office of the County Recorder of Ada County, Idaho, and as the same may be amended from time to time as therein provided.

- d. Charitable, religious, educational, or scientific within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended from time to time, including, for such purposes, the making of distributions to organizations that qualify as exempt under such Section 501(c)(3).
- e. To exercise all powers granted by law necessary and proper to carry out the foregoing purposes, including, but not limited to, the power to accept donations of money, property, whether real or personal, or any other things of value. Nothing herein contained shall be deemed to authorize or permit the Corporation to carry on any business for profit, to exercise any power, or to do any act that a corporation formed under the Act, or any amendment thereto or substitute therefor, may not at that time lawfully carry on or do.
- f. To have and exercise any and all powers, rights, and privileges that a corporation organized under the laws for nonprofit corporations in the State of Idaho by law may now or hereafter have or exercise.

Article - 6 Members.

The Corporation shall have members who shall have such rights as are provided in the Declaration that are consistent with the management authority that these Articles grant the Board of Directors of the Corporation. Every person or entity who is a record owner of a Lot within the Townhome Property as that term is defined in the Declaration shall be a member of the Corporation. The foregoing is not intended to include persons or entities who hold an interest in a lot as security for the performance of an obligation. Membership shall be appurtenant to and shall not be separated from the ownership of any lot which is subject to assessment by the Corporation.

Article - 7 Voting Rights

Each member of the Corporation shall have voting rights as set forth in the Bylaws or Declaration.

Article - 8 Board of Directors.

The affairs of the Corporation shall be managed by its Board of Directors. The number of Directors serving on the Board of Directors shall be fixed in accordance with the Corporation's Bylaws, which number shall be no less than three. Other than the Directors constituting the initial Board of Directors, who are designated in these Articles, the Directors shall be elected by the members of the Corporation in the manner and for the term provided in the Bylaws of the Corporation.

The names and addresses of the persons constituting the initial Board of Directors are:

NAME

ADDRESS

Mark Kelly

313 N. Main Street, Hailey, Idaho 83333

Pete Whitehead

313 N. Main Street, Hailey, Idaho 83333

Joseph Miller

668 N. Coast Highway, Suite 229, Laguna Beach, CA, 92651

Article - 9 Distribution on Dissolution.

Upon dissolution of the Corporation, the Board of Directors shall, after paying or making provision for the payment of all liabilities of the Corporation, distribute all the assets of the Corporation consistent with the purposes of the Corporation to such organization or organizations as shall at that time qualify as exempt organizations under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended from time to time, in such manner as the Board of Directors shall determine. Any such assets not so distributed shall be distributed by the district court of the county in which the principal office of the Corporation is then located, exclusively for the purposes or to such organizations, as such court shall determine to be consistent with the purposes of the Corporation.

Article - 10 Incorporator.

The name and street address of the incorporator is David S. Jensen, 800 West Main Street, Suite 1300, Boise, Idaho 83702.

Article - 11 Bylaws.

Provisions for the regulation of the internal affairs of the Corporation shall be set forth in the Bylaws.

DATED January <u>21</u>, 2021.

David S. Jensen