

State of Idaho

Department of State

CERTIFICATE OF INCORPORATION OF

THE VALLEY CLUB OWNERS ASSOCIATION, INC.

File number C 106153

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 THE VALLEY CLUB OWNERS ASSOCIATION, INC. duly signed pursuant to the provisions of the Idaho Nonprofit 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: April 29, 1994



Pete T. Cenarrusa
SECRETARY OF STATE

By 

ARTICLES OF INCORPORATION

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OF

THE VALLEY CLUB OWNERS ASSOCIATION, INC.

SECRETARY OF STATE (An Idaho Nonprofit Mutual Benefit Corporation)

The undersigned, by these Articles, associate themselves for the purpose of forming a nonprofit corporation, pursuant to the Idaho Nonprofit Corporation Act, Idaho Code § § 30-30-1 certify as follows:

Article 1. Name. The name of the Corporation shall be The Valley Club Owners Association, Inc. For convenience, the Corporation shall be referred to in this instrument as the "Association."

Article 2. Nonprofit Mutual Benefit Corporation. The Association is formed as a nonprofit mutual benefit corporation under the Idaho Nonprofit Corporations Act.

Article 3. Address. The address of the initial principal office of the Association and the initial mailing address of the association is 240 Leadville Avenue North, Ketchum, Idaho 83340.

Article 4. Definitions. All capitalized terms used herein which are not defined shall have the same meaning as set forth in the Declaration Of Covenants, Conditions And Restrictions For Valley Club Community, recorded or to be recorded in the office of the County Clerk of Blaine County, Idaho.

Article 5. Purposes. The purposes for which the Association is organized are:

(a) to be and constitute the Association to which reference is made in the Declaration, to perform all obligations and duties of the Association, and to exercise all rights and powers of the Association, as specified therein, in the By-Laws of the Association ("By-Laws"), and as provided by law; and

(b) to provide an entity for the furtherance of the interests of the owners of real property subject to the Declaration.

Article 6. Powers. The powers of the Association shall include and be governed by the following provisions:

(a) The Association shall have all of the common law and

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powers conferred upon a nonprofit mutual benefit corporation under Idaho law and all of the powers necessary or desirable to perform the obligations and duties and to exercise the rights and powers set out in these Articles, the By-Laws, or the Declaration, including, without limitation, the power:

- (i) to fix and to collect assessments and other charges to be levied against the Units;
- (ii) to manage, control, operate, maintain, repair, and improve property subject to the Declaration or any other property for which the Association by rule, regulation, covenant, or contract has a right or duty to provide such services;
- (iii) to enforce covenants, conditions, or restrictions affecting any property to the extent the Association may be authorized to do so under the Declaration or By-Laws;
- (iv) to engage in activities which will actively foster, promote, and advance the common interests of all owners of real property subject to the Declaration;
- (v) to buy or otherwise acquire, sell, or otherwise dispose of, mortgage, or otherwise encumber, exchange, lease, hold, use, operate, and otherwise deal in and with real, personal, and mixed property of all kinds and any right or interest therein for any purpose of the Association, subject to such limitations as may be set forth in the Declaration or By-Laws;
- (vi) to borrow money for any purpose, subject to such limitations as may be contained in the By-Laws;
- (vii) to enter into, make, perform, or enforce contracts of every kind and description, and to do all other acts necessary, appropriate, or advisable in carrying out any purpose of the Association, with or in association with any other association, corporation, or other entity or agency, public or private;
- (viii) to act as agent, trustee, or other representative of other corporations, firms, or individuals, and as such to advance the business or ownership interests in such corporations, firms, or individuals;
- (ix) to adopt, alter, and amend or repeal such By-Laws as may be necessary or desirable for the proper management of the affairs of the Association; provided, however, such By-Laws may not be inconsistent with or contrary to any provisions of the Declaration; and

(x) to provide any and all supplemental municipal services to the real property subject to the Declaration as may be necessary or proper.

The foregoing enumeration of powers shall not limit or restrict in any manner the exercise of other rights and powers which may now or hereafter be permitted by law; the powers specified in each of the paragraphs of this Article ~~¶~~ are independent powers, not to be restricted by reference to or inference from the terms of any other paragraph of this Article.

(b) The Association shall make no distributions of income to its members, directors, or officers.

Article 7. Members.

(a) The Owner of each Unit, as those terms are defined in the Declaration, shall be a member of the Association and shall be entitled to vote in accordance with the terms of the Declaration, except there shall be no vote for any Unit owned by the Association. The manner of exercising voting rights shall be as set forth in the Declaration and in the By-Laws of the Association.

(b) Change of membership in the Association shall be established by recording in the Office of the County Clerk of Blaine County, Idaho, a deed or other instrument establishing record title to real property subject to the Declaration. Upon such recordation, the owner designated by such instrument shall become a member of the Association and the membership of the prior owner shall be terminated.

(c) The share of a member in the funds and assets of the Association cannot be assigned, hypothecated, or transferred in any manner, except as an appurtenance of its Unit.

Article 8. Dissolution. In the event of dissolution, liquidation or winding up of the Association, subject to the Declaration, the Association's assets remaining after payment, or provisions of payment, of all known debts and liabilities of the Association shall be divided among and distributed to the members thereof in accordance with their respective rights therein.

Article 9. Directors.

(a) The affairs of the Association shall be conducted, managed, and controlled by a Board of Directors. The initial Board of Directors shall consist of three directors. The number of directors may be increased in accordance with the By-Laws.

(b) The names and addresses of the members of the initial Board of Directors, who shall hold office until their successors are elected and have qualified, or until removed, are as follows:

Isaac Kalisvaart, 121 SW Morrison Suite 950, Portland, OR 97204

Sharon L. Criswell, 64000 Johnson Road, Bend, OR 97702

David Hutchinson, 240 Leadville Avenue North, Ketchum, ID 83340

Each of the foregoing persons has consented to be a director.

(c) The method of election, removal, and filling of vacancies on the Board of Directors and the term of office of directors shall be as set forth in the By-Laws.

(d) The Board may delegate its operating authority to such corporations, individuals, and committees as it, in its discretion, may determine.

Article 10. By-Laws. The By-Laws of the Association shall be adopted by the Board of Directors and may be altered, amended, or rescinded in the manner provided in the By-Laws.

Article 11. Liability of Directors. To the fullest extent that the Idaho Nonprofit Corporations Act, as it exists on the date thereof or as it may hereafter be amended, permits the limitation or elimination of the liability of directors, no director of the Association shall be personally liable to the Association or its members for monetary damages for breach of duty of care or other duty as a director. No amendment to or repeal of this Article shall apply to or have any effect on the liability or alleged liability of any director of the Association for or with respect to any acts or omissions of such director occurring prior to such amendment or repeal.

Article 12. Amendments. Amendments to these Articles of Incorporation may be proposed and adopted as provided in the Idaho Nonprofit Corporations Act; provided, no amendment may be in conflict with the Declaration, and provided, further, no amendment shall be effective to impair or dilute any rights of members that are governed by such Declaration. Any proposed amendment must be approved by Voting Members representing 2/3 of the total Class "A" votes in the Association, and the consent of the Class "B" Member, if such exists.

Article 13. Incorporator. The name of the incorporator of the Association is David Hutchinson and such incorporator's address is 240 Leadville Avenue North, Ketchum, Idaho 83340.

Article 14. Registered Agent and Office. The initial registered office of the Corporation is 240 Leadville Avenue North, Ketchum, Idaho 83340, and the initial registered agent at such address is David Hutchinson.

IN WITNESS WHEREOF, the undersigned Declarant has executed the Articles of Incorporation this 28th day of APRIL, 1997



David Hutchinson
Incorporator