

FILED EFFECTIVE

ARTICLES OF INCORPORATION
OF
THE VILLAGE GREEN AT THE VALLEY CLUB HOMEOWNERS ASSOCIATION, INC.

The undersigned, each being a natural person of full age and a citizen of the United States of America, have voluntarily and do hereby associate ourselves together for the purpose of forming a non-profit corporation under the Idaho Nonprofit Corporation Act, Idaho Code Section 30-3-01, et seq. We do hereby certify, declare and adopt the following Articles of Incorporation.

ARTICLE I
NAME

The name of the corporation shall be THE VILLAGE GREEN AT THE VALLEY CLUB HOMEOWNERS ASSOCIATION, INC.

ARTICLE II
DURATION

The period of existence and the duration of the life of this corporation shall be perpetual.

ARTICLE III
NONPROFIT CORPORATION

This corporation shall be a non-profit membership corporation.

ARTICLE IV
INITIAL REGISTERED OFFICE AND AGENT

The location and post office address of the registered office of this corporation is 171 2nd Street, P.O. Box 5500, Ketchum, Idaho. The name of the initial registered agent of this corporation at that address is Henry W. Dean.

ARTICLE V
PURPOSES

A. The nature of the business and the object and purpose of the corporation shall be as follows:

1. To function as a property owners' association, and in that capacity, to undertake all duties and obligations imposed upon it by the Declaration of Covenants, Conditions

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and Restrictions of The Village Green at the Valley Club, and any subsequent amendments thereto, (hereinafter referred to as the "Declaration"), which Declaration will be filed of record with the office of the Blaine County Recorder, Hailey, Idaho. All of the words or terms, which are capitalized herein, shall have the same meaning and definition as contained the Declaration, which definitions are incorporated herein by reference.

2. To form an association in which the rights, privileges, burdens, responsibilities and interest of all members shall be based upon the ownership of each. This corporation shall have all powers incidental to a corporate structure except as its powers are restricted in the Declaration, and otherwise shall act and be operated a as "homeowners association" as defined in Section 528 of the Internal Revenue Code as amended.

3. To receive and accept and to be obligated to receive and accept from the Declarant grants of rights, title and interest in Association Property, to assume the functions and obligations imposed upon the Association as provided for under the Declaration. All Association Property, both real and personal, received and accepted by the corporation shall be held for the benefit and use of the members of the corporation or as otherwise set forth in the Declarations.

4. To prosecute any violation in law or equity against any person or persons who violate or attempt to violate any provisions of the Declaration, and to do all acts reasonably necessary and convenient to carry out all of the provisions of the Declaration.

5. To receive and accept, to take and to hold, directly or indirectly, by request, devise, gift, purchase or lease, either absolutely or in trust, any real or person property without limitation as to amount or value for any of the purposes and objectives set forth in these Articles of Incorporation.

6. To levy regular or special assessments to fulfill the obligations and purposes set forth in these Articles of Incorporation and the Declaration.

B. In addition to the foregoing, where not inconsistent with the laws of the State of Idaho, and in particular the Idaho Nonprofit Corporation Act or the Declaration, the corporation shall have the following powers:

1. To buy, sell, acquire, hold or mortgage, or enter into security agreements, pledge, lease, assign, transfer, trade and deal in and with all kinds of personal property and goods and chattels.

2. To buy, sell, lease, let, mortgage, exchange or otherwise acquire or dispose of real property, improvements, hereditaments and appurtenances of all kinds and wheresoever situated, and of any interest and rights therein.

3. To borrow money, to draw, make, accept, enforce, transfer and execute promissory notes, debentures and other evidences of indebtedness, and for the purpose of securing any of its obligations or contracts, to convey, transfer, assign, deliver, mortgage and/or pledge all or any part of the property or assets, real or personal, at any time owned or held by this corporation.

4. To have one or more offices to carry on all or any part of its operations and business, and to do all and everything necessary, suitable, convenient or proper for the accomplishment of any of the purposes, or the attainment of any one or more of the objects herein named, or which shall at any time appear conducive or expedient for the protection or benefit of the Association, and which now or hereafter may be authorized by law, and this to the same extent and as fully as natural persons might or could do, as principals, agents, contractors, trustees or otherwise, and either alone or in connection with any firm, person, association or corporation.

5. The foregoing clauses are to be construed both as objects and powers. As hereby expressly provided, an enumeration herein of the objects, powers and purposes shall not be held to restrict in any manner the general powers of the corporation. The corporation shall have the power to do all acts that are necessary and convenient to obtain the objects and purposes herein set forth to the same extent as fully as any natural person could or might do, within the framework of these Articles of Incorporation, the Declarations, and the general and the nonprofit corporation laws of the state of Idaho.

ARTICLE VI ASSETS AND INCOME

In no event shall any income or assets of the corporation be distributed to or inure to the benefit of any member, director or officer hereof, either directly or indirectly, other than as bona fide expenses in carrying out the instructions and directions of the Board of Directors and the officers in order to accomplish and achieve the purpose and objectives of the corporation.

ARTICLE VII MEMBERSHIP

A. The corporation shall not issue any capital stock but the Secretary of the corporation shall maintain an official Membership List of each member hereof, including the Declarant, under the terms and conditions set forth in the Declaration and herein. Each Owner, including Declarant, of a Lot within The Village Green at The Valley Club by virtue of being such an Owner and for so long as he or she is such an Owner, shall be deemed a member of the Association and have such membership by classification and proportional voting and other membership rights as set forth in the Declaration. The Association membership of each Owner, including the Declarant, shall be appurtenant to each of said Lots within The Village Green at the

Valley Club Subdivision and shall not be transferred, pledged or alienated in any way except upon the transfer of title to each of said Lots, and then only to the Transferee of title to said Lot.

B. There shall be three (3) classes of membership as set forth in the Declaration. Members of each classification of membership shall be Owners and each shall be entitled to the number of votes as set forth in the Declaration.

C. Subsections A and B of this Article shall not be amended without the consent of one hundred percent (100%) of the Owners within The Village Green at the Valley Club Ranch Subdivision.

ARTICLE VIII ASSESSMENTS

Each member shall be liable for payment of all regular assessments, special assessments, specific assessments and other assessments provided for in the Declaration, and for payment of discharge of the liabilities of the corporation as provided for in the Declaration and as set forth in the Bylaws of the corporation. Such assessments shall a lien upon the real property and Lot to which the membership right is appurtenant until paid and the corporation may collect same by civil action and otherwise as set forth in the Declaration.

ARTICLE IX BOARD OF DIRECTORS

A. The business of the corporation shall be managed by a Board of Directors established pursuant to the provisions of the Bylaws of the corporation. A director shall hold office for the term for which he or she has named or elected, and until his or her successor is elected and qualified. The initial Board of Directors shall consist of two 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, are as follows:

- | | |
|---------------------|-------------------------------------|
| i. Henry W. Dean | P.O. Box 5500, Ketchum, Idaho 83340 |
| ii. Linda Badell | P.O. Box 5500, Ketchum, Idaho 83340 |
| iii. Dennis Wheeler | P.O. Box 2588, Ketchum, Idaho 83340 |

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.

ARTICLE X
LIABILITY OF DIRECTORS

A. To the fullest extent that the Idaho Nonprofit Corporation Act and the laws of the state of Idaho, 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 reach of duty of care of other duty as a director, and the corporation shall have the power to indemnify its officers, directors, employees and agents.

B. 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 XI
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 each class of membership in the Association as set forth in the Declaration.

ARTICLE XII
DISSOLUTION

Upon dissolution, the assets of the corporation shall first be distributed toward the payment of its outstanding indebtedness, with the remainder, if any, then distributed to tis members, all in compliant with the Idaho Nonprofit Corporations Act.

ARTICLE XIII
BY-LAWS

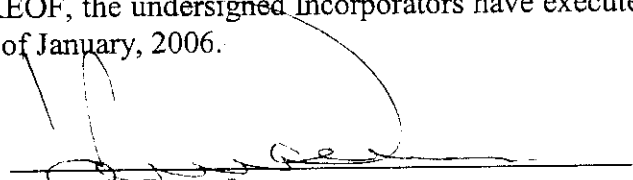
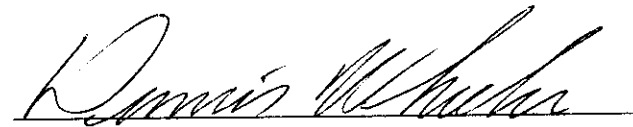
Provisions for the regulation of the internal affairs of the Corporation shall be set forth in the Bylaws.

ARTICLE XIV
INCORPORATORS

The name of the incorporators of the Association is Henry W. Dean and such incorporator's address is 171 2nd Street, P.O. Box 5500, Ketchum, Idaho 83340, Linda Badell at P.O. Box 5500, Ketchum, Idaho 83340 and Dennis Wheeler at P.O. Box 2588, Ketchum, Idaho

83340.

IN WITNESS WHEREOF, the undersigned Incorporators have executed these Articles of Incorporation this ____ day of January, 2006.


Henry W. Dean, Incorporator
Linda Badell, Incorporator
Dennis Wheeler