

State of Idaho

Department of State

CERTIFICATE OF INCORPORATION OF

SUN VALLEY CLUB AT THE PINNACLES, INC.

File number C 108902

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 SUN VALLEY CLUB AT THE PINNACLES, 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: January 5, 1995



Pete T. Cenarrusa
SECRETARY OF STATE

By *Cara Sukel*

ARTICLES OF INCORPORATION
OF
SUN VALLEY CLUB AT THE PINNACLES, INC.

JAN 5 9 26 AM '95
SECRETARY OF STATE

An Idaho Nonprofit Corporation

The Undersigned, acting as incorporator of a non-profit corporation pursuant to the Idaho Nonprofit Corporation Act, hereby adopts the following Articles of Incorporation for such nonprofit corporation.

ARTICLE I

NAME

The name of the nonprofit corporation is Sun Valley Club at the Pinnacles, Inc., hereinafter referred to as "Sun Valley Club".

ARTICLE II

DURATION

The Corporation shall exist perpetually, or until dissolved pursuant to law.

ARTICLE III

PURPOSES

The Corporation is organized as a nonprofit corporation and shall be operated exclusively for the purpose of owning, operating, managing and leasing the Sun Valley Club, a multiple ownership residence and recreational facility which is located, or to be located, upon real property in Ketchum, County of Blaine, State of Idaho, described in the Bylaws. The Corporation is organized and shall be operated to perform the functions and provide the services contemplated in the Bylaws, which document is to be recorded in the Office of the County Recorder of Blaine County, State of Idaho.

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together with these Articles.

ARTICLE IV

POWERS

Subject to the purposes declared in Article III above and any limitations herein expressed, the Corporation shall have and may exercise each and all of the following powers and privileges:

(a) The power to do any and all things that the Corporation is authorized or required to do under the Bylaws, as the same may from time to time be amended, including, without limiting the generality of the foregoing, the specific power to fix, levy, and collect the charges and assessments provided for in the said Bylaws;

(b) The power to purchase, acquire, own, hold, lease, mortgage, sell, and dispose of any and all kinds and character of real, personal, and mixed property (the foregoing particular enumeration in no sense being used by way of exclusion or limitation), and while the owner of any of the foregoing, to exercise all rights, powers, and privileges appertaining thereto; and

(c) The power to do any and all things that a nonprofit corporation may now or hereafter do under the laws of the State of Idaho.

ARTICLE V

MEMBERSHIP

The members of Sun Valley Club shall include, but not be limited to, the owners of Unit Interests in the Project, as such owners are shown on the records of the Corporation. The term

record owner shall not include any mortgagee, trustee, or beneficiary under any mortgage, trust deed, or other security instrument by which a Unit Interest or any part thereof is encumbered (unless mortgagee, trustee, or beneficiary has acquired title for other than security purposes), nor shall it include persons or entities purchasing a Unit Interest under contract (until such contract is fully performed and legal title conveyed). If record ownership of a Unit Interest in the Project is jointly held, the Membership appertaining to such Unit Interest shall also be jointly held. Membership in the Corporation of an Owner of a Unit Interest shall be mandatory and not optional. Each Membership in the Corporation shall be appurtenant to and shall not be separated from the Unit Interest to which it relates.

ARTICLE VI

ASSESSMENTS AND VOTING RIGHTS

Members of the Corporation shall be subject to assessments by the Corporation from time to time in accordance with the provisions of the Bylaws and shall be liable to the Corporation for payment of such assessments. Members shall not be individually or personally liable for the debts or obligations of the Corporation. All voting rights of the Corporation shall be exercised by the Members, each Membership being entitled to the number of votes appertaining to such Membership as set forth in the Bylaws. If a membership is jointly held, any or all holders thereof may attend any meeting of the Members, but such holders thereof must act unanimously to cast the votes relating to their joint membership. Any designation of a proxy to act for joint holders of a membership must be signed by

all such holders. With respect to matters to be voted upon by the Members, the voting requirements and proportions shall be set forth in the Bylaws.

ARTICLE VIII

PRINCIPAL OFFICE AND REGISTERED AGENT

The street address of the initial principal office of the Corporation is 206 Fairway Road, Sun Valley, Idaho 83353. The mailing address of the Corporation is P.O. Box 2559, Sun Valley, Idaho 83353. The name of the initial registered agent of the Corporation at such address is James S. Gibson.

ARTICLE IX

BOARD OF DIRECTORS

The affairs of the Corporation shall be managed by a Board of Directors, consisting of not less than two (2) nor more than five (5) directors as prescribed in the Bylaws. The names and addresses of the persons who are to serve as Directors until the first annual meeting of the Members held after responsibility for electing Directors is turned over to the Members and until the successors of such Directors are elected and shall qualify are as follows:

NAME	ADDRESS
James S. Gibson	P.O. Box 2559 Sun Valley, Idaho 83353
Andrea C. Gibson	P.O. Box 2559 Sun Valley, Idaho 83353

ARTICLE IX. MEMBERSHIP DUES.

Membership dues may be charged to all members or classes of membership in equal amounts or in different amounts or proportions upon different members or classes of membership and some members or classes of membership may be made exempt from such membership dues. The Board of Directors is authorized to fix the amount of membership dues from time to time, and to make them payable at such times or intervals, and upon such notice, and by such methods as the Board of Directors may prescribe.

ARTICLE X. 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 the 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.] or [. In doing so the Board of Directors shall distribute such assets among so many of the following nonprofit organizations: [List Names] as shall at the 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 such purposes or to such organizations, as such court shall determine to be consistent with the purposes of the Corporation.

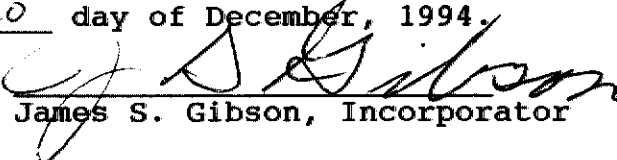
ARTICLE XI. INCORPORATION.

The name and street address of the incorporator is Jim Gibson, 206 Fairway Road, Sun Valley, Idaho 83353.

ARTICLE XII. BYLAWS.

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

DATED this 20 day of December, 1994.


James S. Gibson, Incorporator

STATE OF IDAHO

County of Blaine

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) ss.
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On this 27th day of December, 1994, before me, the undersigned, a Notary Public in and for said State, personally appeared James S. Gibson, known to me to be the person whose name is subscribed to the within instrument and acknowledged to me that he subscribed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal on the day and year first above written.

(seal)

Holly K. Cole
NOTARY PUBLIC for Idaho
Residing at Peterson Idaho
Commission Expires 10-27-98