

53/586-98

476/150 (5500)

**ARTICLES OF INCORPORATION  
OF  
CREEKSIDE COMMUNITY ASSOCIATION, INC.  
AN OREGON NON-PROFIT MUTUAL BENEFIT CORPORATION**

**FILED**  
**JUL - 2 2008**  
**OREGON**  
**SECRETARY OF STATE**

The undersigned individual, acting as incorporator under the Oregon Non-Profit Corporation Act, adopts the following Articles of Incorporation.

1. The name of the Corporation is Creekside Community Association, Inc.
2. The Corporation is a non-profit, mutual benefit corporation.
3. The Corporation shall act as the Association pursuant to that certain Declaration of Covenants, Conditions, Restrictions and Reservations (the "Declaration") for Creekside Planned Community dated June 25, 2008 and recorded on June 26, 2008, as instrument number 200807740 of the records of the Lincoln County Recorder, State of Oregon. The Association shall have all rights, powers, privileges, authorities, and obligations set forth in the Declaration, the Oregon Planned Community Act, and the Oregon Non-Profit Corporation Act. In the event of conflict, the provisions of these Articles shall control over those of the Declaration and Bylaws.

Without limiting the foregoing, if, and to the extent that, the Association elects under Section 528(c)(1)(E) of the Internal Revenue Code of 1986, as amended ("Code") all of the Association's assets and earnings shall be used exclusively for the purposes set forth herein and in accordance with Section 528, and no part of the assets of this Association may inure to the benefit of any individual Member or any other person. While an election under Section 528(c)(1)(E) is in effect, the Association may however, reimburse its Members for the actual expenses incurred for or on behalf of the Association and may pay compensation in a reasonable amount to its Members for actual services rendered to the Association, as permitted by Section 528 of the Code or other applicable provisions of the Code and federal and state law.

4. The existence of the Association shall be perpetual. However, if for any reason the Corporation is dissolved, upon dissolution all of its assets shall pass to a successor non-profit corporation formed for the same purposes as the Corporation; or, in the absence of such a successor corporation, to the Members of the Corporation, as tenants in common to be held by them as Members of an unincorporated association for the same purposes as the Corporation.

5. The Corporation will have Members. Each owner of one or more Lots in the Creekside Planned Community shall be a Member of the Corporation. An owner is the person named as either the grantee on a duly executed and recorded deed or the vendee on a duly executed and recorded contract of sale. The holder of a security interest in a Lot is not an owner. Whenever

*[Handwritten signature]*

a Lot is sold, membership is considered appurtenant to the Lot and automatically transferred to the new owner effective upon recording of either the deed or the contract of sale. It is the duty of each Member to provide the Association with the following: (a) a copy of the Member's recorded deed or the Member's recorded contact of sale; and (b) the Member's current mailing address, facsimile number, email address, and telephone numbers. If two or more persons own a Lot jointly, the owners jointly shall constitute one Member. If an entity owns a Lot, the entity shall designate in writing one natural person to act as the Member with respect to such entity. Except as otherwise provided in the Declaration, a Member shall have one (1) vote for each Lot owned. Until the day following the Turnover Meeting (as defined in the Declaration), Declarant shall have four (4) votes for each Lot owned. Unless otherwise provided in the Declaration or the Bylaws, a proposed action or resolution shall carry if approved by a simple majority of the total number of votes cast at a Member meeting at which a quorum is present. An abstention shall not count as a vote cast. A Member may vote by proxy, provided the proxy's authority is in writing and signed by the Member. If two or more persons own a lot jointly, any one of the co-owners may vote unless the other co-owner(s) object(s), in which case the vote shall be deemed an abstention. No change in ownership of a Lot shall be effective for voting purposes unless and until the Board is given actual written notice of such change and is provided satisfactory proof thereof.

6. Neither the Declarant or any officer or director of the Corporation shall have any liability to the Corporation or its Members or any third party beneficiary for monetary damages for conduct as Declarant or as a director or officer unless such conduct is a breach of the its duty of loyalty to the Corporation or its Members; is not in good faith or involves intentional misconduct or a knowing violation of law; constitutes an unlawful distribution; any transaction from which the Declarant, director or officer derived an improper personal benefit; and any act or omission in violation of Oregon Revised Statutes 65.361 to 65.367. Notwithstanding the foregoing, no qualified director shall be liable to the Corporation unless his or her conduct constitutes gross negligence or intentional misconduct.


7. From the Corporation's assets on hand or obtainable by assessment, the Corporation shall indemnify, hold harmless and defend its officers, directors and members of the Architectural Control Committee (each an "Indemnified Party"), who by reason of being such, or as a result of the exercise of their duties as such, are a party or are threatened to be made a party to any threatened, pending, or contemplated action, suit or proceeding, whether civil or criminal, administrative or investigative; provided that such Indemnified Party reasonably believed his or her conduct was in the best interest of the Corporation, or not opposed to its best interests, and in the case of criminal proceeding, where the Indemnified Party had no reasonable cause to believe his or her conduct was unlawful. No indemnification shall be allowed in connection with: (a) a proceeding by or in the right of the Corporation in which the Indemnified Party was adjudged liable to the Corporation; or (b) any other proceeding charging improper personal benefit to the Indemnified Party or in which the Indemnified Party was adjudged liable on the basis that personal benefit was improperly received by the Indemnified Party. Indemnification, if warranted in accordance with the foregoing, may be had for costs and expenses (including attorneys fees), judgments, and settlement payments.

8. All references in these Articles of Incorporation to Sections of the Oregon Non-Profit Corporation Act shall also refer to the corresponding provisions of any future Oregon Non-Profit Corporation laws.

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9. The Registered Agent in Oregon is CT Corporation System whose address is 388 State Street, Suite 420, Salem, OR 97301.
10. The alternate address for mailing notices to the Corporation is One East Camelback Road, Suite 340, Phoenix, Arizona 85012.
11. The Incorporator is K. Layne Morrill, One East Camelback Road, Suite 340, Phoenix, Arizona 85012.
12. The name and address of the initial director is K. Layne Morrill, One East Camelback Road, Suite 340, Phoenix, Arizona 85012. The incorporator has obtained the consent of the initial named director to serve as director of the Corporation.
13. Until Turnover, Developer reserves the exclusive right to amend or repeal any of the provisions of these Articles of Incorporation or any amendments hereto without the consent of any other Member or Institutional Mortgagee. After Turnover, the Association shall have the right to amend or repeal any of the provisions contained in these Articles or any amendments hereto, provided, however, that any such amendment shall require the written consent of seventy-five percent (75%) of the Votes of the Members at a meeting or by written consent without a meeting. No amendment shall conflict with any provisions of the Declaration. After Turnover, the consent of any Institutional Mortgagees shall be required for any amendment to these Articles which impairs the rights, priorities, remedies or interest of such Institutional Mortgagees, and such consent shall be obtained in accordance with the terms and conditions, and subject to the time limitations, set forth in the Declaration. Amendments to these Articles need only be filed with the Secretary of State and do not need to be recorded in the public records of Lincoln County.
14. To resolve any questions concerning this filing please call Nicole Cain at 602-650-4137.

Dated this 27<sup>th</sup> day of June, 2008.

  
K. Layne Morrill  
Incorporator