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SUNSET CREST ESTATES OWNERS ASSOCIATION

ARTICLES OF INCORPORATION

FILED
NOV 09 2006
OREGON
SECRETARY OF STATE

The undersigned limited liability company, acting as incorporator under the Oregon Nonprofit Corporation Law, adopts the following Articles of Incorporation:

ARTICLE I - NAME

The name of this corporation is **Sunset Crest Estates Owners Association** (hereinafter called the "**Association**").

ARTICLE II - PURPOSES

This corporation is a mutual benefit, membership corporation. The purposes for which the Association is organized are to provide for the management, maintenance, protection and preservation of property in Sunset Crest Estates, a planned development in Coos County, Oregon, and to promote the health, safety, welfare and other general benefit of its members, not for profit, but for the mutual advantages to be derived therefrom as contemplated in the Declaration of Protective Covenants, Conditions, Restrictions and Easements for Sunset Crest Estates, recorded or to be recorded in the Records of Deeds of Coos County, Oregon, as the same may be subsequently amended or supplemented by instruments of record (the "**Declaration**"). The definitions contained in the Declaration are hereby adopted by reference.

ARTICLE III - POWERS AND DUTIES

(a) The Association shall have, exercise and perform all of the following powers, duties and obligations:

(1) The powers, duties and obligations granted to the Association by the Declaration.

(2) The powers and obligations of a nonprofit corporation pursuant to the general nonprofit corporation laws of the State of Oregon.

(3) The powers, duties and obligations of a homeowners association pursuant to the Oregon Planned Community Act.

(4) Any additional or different powers, duties and obligations necessary or desirable for the purpose of carrying out the functions of the Association pursuant to the Declaration or otherwise promoting the general benefit of the Owners within the Property.

ARTICLE IV - REGISTERED OFFICE AND AGENT

(a) The street address of the initial registered office of the Association is 1944 Sherman Avenue, North Bend, Oregon 97459 and the name of its initial registered agent who shall be amenable to service of process at such address is C. Wayne Schrunk.

(b) The principal office and mailing address to which the Office of the Secretary of State may mail notices as required by law is PO Box 725, North Bend, Oregon 97459.

ARTICLE V - DIRECTORS

The powers of the Association shall be exercised and its properties controlled and its affairs conducted by a Board of Directors elected or appointed as provided in the Declaration and Bylaws.

ARTICLE VI - INCORPORATOR

The name and address of the incorporator is:

Sunset Crest Estates, LLC
PO Box 725
North Bend, Oregon 97459

ARTICLE VII - DISSOLUTION

In the event that the Association is at any time dissolved, whether inadvertently or deliberately, it shall automatically be succeeded by an unincorporated association of the same name. In that event the assets of the Association shall be dedicated to a public body, or all of the property, powers and obligations of the incorporated association existing immediately prior to its dissolution shall thereupon automatically vest in the successor unincorporated association and such vesting shall thereafter be confirmed and evidenced by appropriate conveyances and assignments by the incorporated association. To the greatest extent possible, any successor unincorporated association shall be governed by the Articles of Incorporation and Bylaws of the Association as if they had been made to constitute the governing documents of the unincorporated association.

ARTICLE VIII - MEMBERSHIP AND VOTING RIGHTS

(a) Every Owner (as that term is defined in the Declaration) of one or more Lots in the Property shall, immediately upon creation of the Association and thereafter during the entire period of such ownership, be a member of the Association. Such membership shall commence, exist and continue simply by virtue of such ownership, shall expire automatically upon termination of such ownership, and need not be confirmed or evidenced by any certificate or acceptance of membership.

(b) The Association shall have two classes of voting membership:

Class A. Class A members shall be all Owners with the exception of the Class B member and shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be members. The vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Lot.

Class B. The Class B member shall be the Declarant and shall be entitled to three votes for each Lot owned by Declarant. The Class B membership shall cease and be converted to Class A membership on the happening of any of the following events, whichever occurs earlier:

(i) When all of the Lots in the final phase of development of Sunset Crest Estates have been sold and conveyed to owners other than a successor Declarant; or

(ii) At such earlier time as Declarant may elect in writing to terminate Class B membership.

ARTICLE IX - LIABILITY AND INDEMNIFICATION

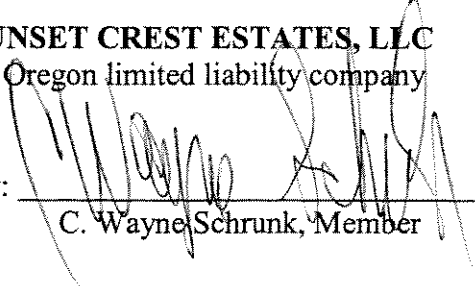
Neither a member of the Board of Directors nor an officer of the Association shall be liable to the Association or any member thereof for any damage, loss or prejudice suffered or claimed on account of any action or failure to act in the performance of his or her duties, except for acts of gross negligence or intentional acts. In the event any member of the Board of Directors or any officer of the Association is made a party to any proceeding because the individual is or was a director or officer of the Association, the Association shall indemnify such individual against liability and expenses incurred to the maximum extent permitted by law. The managing agent of the Association, and its officers and employees, shall not be liable to the owners or any third parties on account of any action or failure to act in the performance of its duties as managing agent, except for acts of gross negligence or intentional acts, and the Association shall indemnify the managing agent and its officers and employees from any such claims, other than for gross negligence or intentional misconduct.

ARTICLE X - AMENDMENT

The provisions hereof may not be amended without the vote of members having not less than two-thirds of the voting rights of the Association. Notwithstanding such vote, the provisions hereof shall not be amended so as to be inconsistent with the Declaration; if inconsistent, the Declaration shall be amended as provided in Article 13 thereof.

DATED: 11-1, 2006.

SUNSET CREST ESTATES, LLC
an Oregon limited liability company

By: 
C. Wayne Schrunk, Member