

ARTICLES OF INCORPORATION

OF

SUNNY HILL HOME OWNERS ASSOCIATION

The undersigned, a natural person over the age of 21 years, acting as incorporator under the provisions of the laws of the State of Oregon relating to the incorporation of non-profit corporations, adopts the following Articles of Incorporation:

ARTICLE I

The name of this corporation shall be SUNNY HILL HOME OWNERS ASSOCIATION, and its duration shall be perpetual.

ARTICLE II

The purposes for which the corporation is organized are:

1. To the extent provided therein, to enforce the Declaration of Restrictions of Sunny Hill, a copy of which is attached hereto, marked Exhibit "A", and by this reference incorporated herein, and upon transfer to the corporation of the common area improvements made by the developer of the Sunny Hill subdivision, and transfer of the responsibility for maintenance thereof, to succeed to the rights, duties, obligations and responsibilities of the developer to the extent set forth in the Declaration of Restrictions.

2. To own, acquire, build, operate and maintain open spaces, recreation areas, and structures and personal properties incident thereto.

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41-4881

3. To care for all common areas in the Sunny Hill subdivision.

4. To enforce by court proceedings, or otherwise, covenants, conditions, restrictions obligations or charges at any time created for the benefit of Sunny Hill, the lots therein, and the owners thereof, or to which said property or any part thereof may at any time be subject, and to pay the expenses incident to the enforcement of the same and the collections of said charges.

5. To fix the annual charges and assessments to be levied against each lot for the purpose of acquisition, construction, operation and maintenance of the property, facilities and services provided by the corporation, and to pay for the administration and enforcement of the rights, terms and conditions of the Declaration of Restrictions; and to receive and collect such annual charges and assessments and to enforce any and all remedies and liens which may be provided or available to secure the payment of the same. Each member of the corporation, except Homesite Development Corporation its heirs, successors or assigns, shall be subject to charges and assessments by the Board of Directors to raise funds to carry out the aims and purposes of the corporation.

6. The corporation is hereby given the power to engage in any other lawful activity for which corporations

may be organized under Chapter 61 of Oregon Revised Statutes.

ARTICLE III

The corporation is organized as a non-profit corporation without capital stock. No gains, profits or dividends shall be paid or distributed to any of the members of the corporation, and no part of the income, net earnings, funds or assets of the corporation shall inure to the benefit of any member or any other person, firm or corporation.

ARTICLE IV

The address of the initial registered office of the corporation is 4475 S.W. Scholls Ferry Road, Suite 150, Portland, Oregon 97225, and the name of its initial registered agent as said address is Nick Bunick.

ARTICLE V

The number of directors constituting the initial Board of Directors of the corporation is three (3), and the names and addresses of the persons who are to serve as directors are:

1. Nick Bunick, 4110 S.W. Jerald Court, Portland, Oregon, 97221
2. Arthur C. Piculell, Jr. 671 Country Club Road, Lake Oswego, Oregon 97034
3. Gary A. Mc Mahill, 4317 S.W. 48th Place, Portland Oregon, 97221

ARTICLE VI

The name and address of the incorporator is Nick Bunick, 4110 S.W. Jerald Court, Portland, Oregon, 97221.

ARTICLE VII

The number of directors may be fixed or changed after the initial five year period referred to in Article II, Section 1, of the By-Laws of the corporation by amendment of said By-Laws. After the initial five year period, the directors shall be elected annually by a majority vote of the members of the corporation present and voting at said annual meeting and shall serve for one year and until their successors have been elected and qualified. Any vacancy in the Board of Directors during the initial five year period shall be filled by appointment by the remaining directors then in office. During the initial five year period, the directors need not be members of the corporation.

ARTICLE VIII

The members of the corporation shall be Homesite Development Corporation and all others who are the owners of record of lots in Sunny Hill subdivision. Contract purchasers residing upon a lot in Sunny Hill subdivision shall be considered owners of record for purposes of determining membership in the corporation. Such ownership or such holding of a contract of purchase and residence shall be the sole qualification for membership in this corporation and certificates of membership shall be issued to the members of the corporation accordingly. When such qualifications shall cease as to any member, membership of such member shall lapse and the certificate therefore be void. The owner of record of each lot in Sunny Hill subdivision shall be entitled to one vote upon all matters subject to vote of the

membership. Homesite Development Corporation, shall have one vote for each lot until it is sold. In the case of joint ownership of a lot, the joint owners shall be considered as a single voting unit and entitled to one vote only for each lot so jointly owned.

ARTICLES IX

The annual charges and assessments to be levied by the corporation against the lots in Sunny Hill shall be fixed and established prior to the first day of July of each year, and such charges and assessments shall cover the ensuing twelve (12) month period ending the 30th day of June of the following year. Each such charge or assessment shall be due and payable on the 15th day of November in the year in which it is fixed, and if not by then paid, shall thereafter be delinquent and bear interest at the rate of 6% per annum. Within 120 days after delinquency, the secretary of the corporation, in conformity with the lien laws of the State of Oregon, shall file in the office of the County Clerk of Clackamas County, State of Oregon, a statement of the amount of any charges or assessments, together with interest as aforesaid, which have become delinquent with respect to any lot in Sunny Hill subdivision, and upon payment in full thereof, shall execute and file a proper release of the lien securing the same. The aggregate amount of such assessment with interest as aforesaid shall constitute a lien on the land and the improvements from the date the notice of delinquency thereof is filed in the office of the County Clerk, until the same is released as herein provided. Such lien may be

enforced by the Association in the manner provided by law with respect to a lien on real property; and in the event of foreclosure of such lien, the property owner shall be liable for the costs and disbursements, including reasonable attorney's fees, of Declarant or of said Association, all of which costs, disbursements, and fees, shall be secured by such lien.

The purchasers of lots in Sunny Hill, by the acceptance of deeds therefore, whether from Declarant or subsequent owners of said lots, or by the signing of contracts or agreements to purchase the same, shall become personally obligated to pay such charges or assessments, including interest, upon the portion or portions of said lots purchased or agreed to be purchased by them, and shall thereby become subject to the right and power of the Association to institute proceedings for the collection of such charges, assessments and interest, and the enforcement of the lien securing the same. Such rights and powers shall continue in the Association, and such obligations shall run with the land so that the successor owner of record of any portion of said lots, and the holder or holders of contracts or agreements for the purchase thereof, shall in turn become liable for the payment of such charges or assessments together with interest on such as may have become delinquent. Delinquent charges or assessments, together with interest and the cost of collection, shall be a continuing lien on the property and shall bind such property in the hands of the then owner or contract purchaser, his heirs, devisees, personal representative

and assigns. The personal obligation of the then owner or contract purchaser to pay such charges and assessments shall remain his personal obligation for the statutory period and shall not pass to his successors in title, unless expressly assumed by them and approved by Declarant or the Association. Any sale or transfer of said property pursuant to a decree of foreclosure or any other proceeding in lieu of foreclosure shall not relieve such property from liability for any charges or assessments thereafter becoming due, nor from the lien of any such subsequent charge or assessment.

The proceeds received from said charges or assessments shall be applied as provided in the Articles and By-laws of the Association.

No charges or assessments of any kind shall be levied or assessed against lots owned by Homesite Development Corporation.

DATED this 29th day of December, 1977.

HOMESITE DEVELOPMENT CORPORATION

BY: Arthur C. Piculell, Jr.
Arthur C. Piculell, Jr. President

STATE OF OREGON)
County of Washington) ss.

I, Donald L. Lamb, a Notary Public for Oregon, hereby certify that on the 29 day of December, 1977, personally appeared before me Arthur C. Piculell, Jr., who being by me first duly sworn, did severally declare that he is the person who signed the foregoing document as incorporator and that the statements therein are true.

Donald L. Lamb
Notary Public for Oregon
My Commission Expires: September 6, 1980

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