

KOOSKOOSKEE HOMEOWNERS' ASSOCIATION

ARTICLES OF INCORPORATION

(As amended by vote of the membership
in accordance with Article IX)

The undersigned by these Articles associate themselves for the purpose of forming a corporation not for profit under the Oregon Nonprofit Corporation Act, and certify as follows:

ARTICLE I. Name and Definitions

The name of the corporation shall be Kooskooskee Homeowners' Association, Inc. For convenience, the corporation shall be referred to in this instrument as the Association, these Articles of Incorporation as Articles, and the By-Laws of the Association as By-Laws.

ARTICLE II. Purpose

The purpose for which the Association is organized is to provide an entity to promote the health, safety and welfare of the members of the Association and to provide for enforcement of the Declaration of Covenants, Conditions and Restrictions (to be referred to herein as the Declaration) of the Association which relate to real property situated in Marion County, Oregon, more particularly described in Exhibit A to the Declaration.

ARTICLE III. Powers

The powers of the Association shall include and shall be governed by the following provisions:

3.1. General. The Association shall have all of the common-law and statutory powers of a non-stock corporation not for profit under the laws of Oregon that are not in conflict with the terms of these Articles.

3.2. Enumeration. The Association shall have all of the powers set forth in the declaration, and all of the powers and duties reasonably necessary to carry out the purposes of the Declaration as it may be amended from time to time, including but not limited to the following:

- a. To make and collect assessments against members as owners of Lots to defray the costs, expenses and losses of the Association.

b. To use the proceeds of assessments and charges as provided by the Declaration; to fix, levy, collect and enforce payment by any lawful means, all charges or assessments pursuant to the terms of the Declaration; to pay all expenses in connection therewith and all expenses incident to the conduct of the business of the Association, including all charges levied or imposed against the Lots and property of the Association.

c. Insofar as permitted by law, to do all other things that, in the opinion of the Board of Directors of the Association, will promote the common benefit and enjoyment of the owners of Lots.

d. Giving authority to participate in mergers and consolidations with other nonprofit corporations provided that such action shall have the consent of 2/3 of each class of members.

e. Giving authority to borrow money and with the assent of 2/3 of each class of members mortgage, pledge, deed in trust or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred.

f. Dedicate, sell or transfer all or any part of the Common Area to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the members. Prior to the dedication, sale or transfer, the Board shall comply with the provisions of ORS 61.505, and shall put the matter to a vote of the members. No such dedication, sale or transfer shall be effective unless approved by at least 2/3 of each class of members who are present or represented by proxy at the meeting called to consider the proposal.

3.3. Limitation. The powers of the Association shall be subject to, and shall be exercised in accordance with, the provisions of the Declaration and the By-Laws.

ARTICLE IV. Members

The Association shall have two classes of voting membership. With the exception of the Declarant, every person, group of persons or entities that is a record owner of a fee interest in any Lot which is or becomes subject by covenants of record to assessments by the Association, shall be a Class A member of the Association; provided, however, that any such person, group of persons, or entities, who holds such interest solely as security for the performance of an obligation shall not be a member. Class A members shall be entitled to one vote for each Lot in which they hold the interests required for membership. In the event that more than one person, group of persons or entities is a record owner of a fee interest in any Lot, then the vote for membership appurtenant to

such shall be exercised as such persons among themselves determine, but in no event shall more than one vote be cast with respect to any Lot or Dwelling Unit.

The Class B member shall be the Declarant (as defined in the Declaration), and shall be entitled to three votes for each Lot in which it holds the interest otherwise required for Class A membership; provided, however, that each Class B membership shall lapse and be converted to Class A membership on the first to happen of the following events:

- a. When the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership; or
- b. On January 1, 1991.

The membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment by the Association. Contract sellers are included to be members of the Association.

ARTICLE V. Directors

5.1. Number and Qualification. The affairs of the Association shall be managed by a Board consisting of the number of directors determined by the By-Laws, but not less than three directors nor more than five directors, and in the absence of that determination shall consist of three directors. Directors need not be members of the Association as long as the Declarant is in control of the Board.

5.2. Duties and Powers. The Board of directors shall have all of the powers and duties necessary for the administration of the affairs of the Association, including all of the duties and powers necessary for exercising the rights of the Association under the Declaration.

5.3. Election; Removal. Directors of the Association shall be elected at the annual meeting of the members in the manner determined by the By-Laws. Directors may be removed and vacancies on the Board of Directors shall be filled in the manner provided by the By-Laws.

5.4. Term of First Directors. At the first annual meeting of the Association, the term of office of two members of the Board of Directors shall be fixed at three years, the term of office of two members of Board of Directors shall be fixed at two years and the term of office of one member of the Board of Directors shall be fixed at one year. The first Board of Directors shall be elected simultaneously with one ballot or election. The persons receiving the two highest number of votes shall be elected for the three-year terms. The persons receiving the next two highest (third and fourth) number of votes shall be elected for the two-year terms. The person receiving the next highest (fifth) number of votes shall be elected for the one-year term. At the expiration of the initial term of office of each respective member of the Board of directors, the member's

successor shall be elected to serve for a term of three years. The members of the Board of directors shall hold office until their respective successors shall have been elected by the Association.

5.5. First Directors. The names and addresses of the members of the first Board of Directors who shall hold office until their successors are elected and have qualified, or until removed, are as follows:

Gary Kaufman, 645 Justice Street SE, Salem OR 97302; Dean Kaufman, 575 Juneau Drive SE, Salem OR 97302; Duane Kaufman, 642 Justice Street SE, Salem OR 97302.

ARTICLE VI. Officers

The affairs of the Association shall be administered by the officers designated in the By-Laws. The officers shall be elected by the Board of Directors at its first meeting following the annual meeting of the members of the Association and shall serve at the pleasure of the Board of directors.

ARTICLE VII. Indemnification

The Association shall pay on behalf of every officer and director of the Association any and all expenses, including counsel fees, reasonably incurred by or imposed upon any officer or director in connection with any action, suit or other proceeding (including settlement of any suit or proceeding if approved by the then Board of Directors of the Association) to which the officer or director may be made a party by reason of being or having been an officer or director of the Association, whether or not such person is an officer or director at the time such expenses are incurred. The officers and directors of the Association shall not be liable for any mistake of judgment, negligence or otherwise, except for their own individual willful misconduct or bad faith. The officers and directors of the Association shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Association (except to the extent that such officers or directors may also be owners of Lots) and the Association shall pay on behalf of and forever hold each such officer and director, and each such officer's heirs and estates and director's heirs and estates free and harmless against any and all liabilities to others on account of any such contract or commitment. Any rights to indemnification provided for herein shall not be exclusive of any other rights to which any officer or director of the Association, or former officer or director of the Association, may be entitled.

ARTICLE VIII. By-Laws

The first By-Laws of the Association shall be adopted by the Board of Directors and may be altered, amended or rescinded by the Directors and members in the manner provided by the By-Laws.

ARTICLE IX. Amendments

Amendments to these Articles of Incorporation shall be proposed and adopted in the following manner:

9.1. Notice. Notice of the subject matter of the proposed amendment shall be included in the notice of any meeting at which the proposed amendment is to be considered.

9.2. Adoption. A resolution for the adoption of a proposed amendment may be proposed either by the Board of Directors or by members holding in the aggregate not less than 25% of the total of votes entitled to be cast by the Class A and Class B members pursuant to Article 4.1. hereinabove. Directors and members not present in person or by proxy at the meeting considering the amendment may express their approval in writing, providing the approval is delivered to the Secretary at or prior to the meeting. The approvals shall require the assent of members holding in the aggregate not less than 75% of the total of votes entitled to be cast by the Class A and Class B members pursuant to Article 4.1. hereinabove.

9.3. Limitation. Provided, however, that no amendment shall make any changes in the qualification for membership nor in the voting rights or property rights of members, without approval in writing by all members. No amendment shall be made that is in conflict with the Declaration.

9.4. Recording. A copy of each amendment shall be accepted and certified by the Corporation Commission of the State of Oregon.

ARTICLE X. Term

The term of the Association shall be perpetual.

ARTICLE XI. Office

The Association shall initially have an office at 645 Justice Street, SE, Salem, Oregon 97302.

ARTICLE XII. Dissolution

The Association may be dissolved with the assent of not less than 2/3 of each class of members. Upon dissolution of the Association, other than incident to a merger or consolidation, the assets of the Association shall be dedicated to an appropriate public agency to be used for purposes similar to those for which this Association was created. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed or assigned to any nonprofit corporation, association, trust or other

organization to be devoted to such similar purposes. Dissolution is subject to the provisions of the Oregon Nonprofit Corporation Act.

ARTICLE XIII. FHA/VA Approval

As long as there is a Class B membership, the following actions will require the prior approval of the Federal Housing Administration or the Veterans Administration: annexation of additional properties, mergers and consolidations, mortgaging of Common Area, dedication of Common Area, dissolution and amendment of these Articles.

ARTICLE XIV. Registered Office

Kenneth Sherman Jr. , a resident of Oregon, whose business address was 475 Cottage Street NE, Salem, Oregon 97308, was appointed as the initial registered agent of this Association. As of October 15, 2018, there is no registered agent for this Association. Business matters should be directed to the Board of Directors.

ARTICLE XV. Subscribers

The names and addresses of the incorporators to these Articles of Incorporation are as follows:

Gary Kaufman, 645 Justice Street SE, Salem OR 97302; Dean Kaufman, 575 Juneau Drive SE, Salem OR 97302; Duane Kaufman, 642 Justice Street SE, Salem OR 97302.

We, the undersigned incorporators, declare under penalties of perjury that we have examined the foregoing, and to the best of our knowledge and belief, it is true, correct and complete.

/s/ Gary Kaufman

/s/ Dean Kaufman

/s/ Duane Kaufman

Dated June 1, 1981

Amended February 23, 1988

Updated February 14, 2019