

CERTIFICATE

State of Oregon

OFFICE OF THE SECRETARY OF STATE
Corporation Division

I, PHIL KEISLING, Secretary of State of Oregon, and Custodian of the Seal of said State, do hereby certify:

SAUVIE ISLAND DRAINAGE IMPROVEMENT COMPANY

was
incorporated
under the Oregon

District Improvement Nonprofit Act

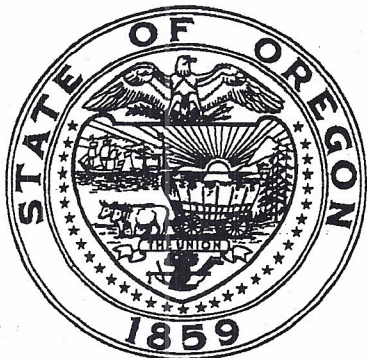
on

April 28, 1995

and is active on the records of the Corporation Division as
of the date of this certificate.

*In Testimony Whereof, I have hereunto set
my hand and affixed hereto the Seal of the
State of Oregon.*

PHIL KEISLING, Secretary of State



By

Marilyn R. Smith

Marilyn R. Smith

March 5, 1998

**ARTICLES OF INCORPORATION
OF
SAUVIE ISLAND
DRAINAGE IMPROVEMENT COMPANY**

The undersigned, members of the Board of Supervisors of the Sauvie Island Drainage District, having obtained the consent of the owners of land required by ORS 554.375, desiring to form a public corporation, and acting as incorporators under the ORS ch. 554, relating to district improvement companies, adopt the following Articles of Incorporation:

ARTICLE I

The name of this corporation is Sauvie Island Drainage Improvement Company and its duration is perpetual.

ARTICLE II

This corporation is a successor corporation to the Sauvie Island Drainage District organized under ORS ch. 547. The corporation is a public corporation formed under ORS ch. 554. It exists to provide benefit to particular lands and to the public. The corporation is not formed for the purpose of operating the corporation for profit or for the benefit of its members other than benefits accruing from improvements made by the corporation.

ARTICLE III

The purpose of the corporation is to provide flood control, drainage and irrigation water as permitted by corporation regulations for particular lands. The corporation shall continue operation and maintenance of the Sauvie Island Drainage District's existing drainage works and any other works authorized under ORS ch. 547. In addition to powers conferred by statute, the

corporation may make improvements for these purposes, including the construction, operation and maintenance of flood control facilities and a system of sloughs, canals, ditches and waterways necessary to drain the benefited properties and to make available water for the irrigation of benefited properties pursuant to corporation regulations and lands to be improved. These improvements are for sanitary or agricultural purposes, or both, and will be conducive to the public health, welfare, utility and benefit. The benefits of the proposed improvements will exceed any damage that might be done to the land. The best interests of the land to be maintained and improved the owners of that land as a whole, will be promoted by the operation and accomplishment of an improvement plan by the corporation. The formation of this corporation under ORS ch. 554 is a proper and advantageous method of accomplishing the improvement and protection of the lands improved by operation of the corporation and its works.

ARTICLE IV

The particular lands to be improved by the works of the corporation are the same lands formerly included within the boundaries of the Sauvie Island Drainage District. These lands, together with the names of the current owners of those lands and the acreage allocated to each owner, are described in the Plan of Reclamation and reports, as amended, prepared by a Board of Commissioners and on file, File No. 130087, with the Multnomah County, Oregon, Circuit Court.

ARTICLE V

The corporation assumes all of the rights, duties, debts and obligations legally incurred under contracts, covenants, other agreements, lease and business transactions entered into or begun before the date of dissolution of the Sauvie Island Drainage District. The corporation may impose charges or assessments for these debts and obligations as well as ongoing

operational costs without execution and recording of any landowners' notice under ORS ch. 554. All lands subject to liens and encumbrances for these debts and obligations remain subject to these liens and encumbrances.

ARTICLE VI

The address, including street address and number of the corporation's initial registered office is:

Preston Gates & Ellis
3200 U.S. Bancorp Tower
111 S.W. Fifth Avenue
Portland, Oregon 97204

and the name of the corporation's initial registered agent at that location is:

Richard D. Roberts.

The mailing address and location of the principal office of the corporation for the transaction of business is:

Preston Gates & Ellis
3200 U.S. Bancorp Tower
111 S.W. Fifth Avenue
Portland, Oregon 97204

ARTICLE VII

The current members of the Board of Supervisors of the Sauvie Island Drainage District are the initial directors of the corporation. The number of directors may be increased if so provided in the Bylaws of the corporation. The initial directors hold office as directors until the dates on which their terms of office as supervisors would have expired. At each annual meeting of the members of the corporation, a director or directors shall be elected for a three-year term. The terms of the directors shall be staggered so that one-third of the directors, to the extent possible, are elected each year. These same supervisors and directors are the incorporators of the

corporation. The name and address of each incorporator and date of expiration of current term of office are:

<u>Incorporator/Director</u>	<u>Term Expires</u>
Mr. Fred J. Cholick 27238 Sauvie Island Road Portland, OR 97231	1996
Mr. Konnie Wheeler 19815 N.W. Gilliam Road Portland, OR 97231	1997
Mr. Richard W. Vetsch 22670 N.W. Reeder Road Portland, OR 97231	1995

ARTICLE VIII

The corporation has members. Every owner of land described in Article IV is a member of the corporation. Membership is lost or gained through a sale or purchase of that land by which legal title is transferred. In case of sale or purchase under contract without transfer of legal title, the parties may agree as to who may vote and exercise membership in the corporation. In the absence of agreement, the holder of legal title votes. In cases where a dispute exists on the identity of the legal owner of property, the corporation may rely upon the latest records of the county assessor on property ownership to resolve the dispute.

ARTICLE IX

All revenue and income of the corporation shall be received, held, used and expended exclusively for the payment of the cost and expense of the improvements of the corporation and their maintenance, the payment of indebtedness, interest, cost and expense of the corporation incurred for these improvements, and for the operation, maintenance and necessary expenses of the corporation in the conduct of its business as stated in these Articles. No part of

the corporation's net earnings (if any) shall inure to the benefit of any member, trustee, officer, director or any other private individual, but shall inure solely for the benefit of a political subdivision of the State of Oregon. The corporation may pay reasonable compensation for services rendered, reimburse any person for reasonable expenses incurred on behalf of the corporation, and make payments and distributions as provided in these Articles and the Bylaws. No substantial part of the corporation's activities shall be the carrying on of propaganda, or otherwise attempting to influence legislation; and the corporation shall not participate in, or intervene in (including the publishing or distributing of statements) any political campaign on behalf of or in opposition to any candidate for public office. Notwithstanding any other provision of these articles of incorporation, the corporation shall not carry on any activities not permitted to be carried on:

- A. By a corporation exempt from federal income tax under § 501(c)(3) of the Internal Revenue Code of 1986 or corresponding provisions hereafter in effect; or
- B. By a corporation, contributions to which are deductible under § 170(c)(2) of the Internal Revenue Code of 1986 or corresponding provisions hereafter in effect.

ARTICLE X

On dissolution of the corporation, it shall distribute its assets to the State of Oregon or a city, county or other political subdivision of the State of Oregon. In the event this distribution cannot be made, the corporation shall distribute its assets to an organization organized for public or charitable purpose, a religious corporation, the United States, or person which is recognized as exempt under § 501(c)(3) of the Internal Revenue Code of 1986.

ARTICLE XI

To the fullest extent not prohibited by state law, a director or uncompensated officer of the corporation shall not be liable to the corporation or its members for any monetary damages for conduct as a director or officer. Any amendment to or repeal of this Article XI or amendment to the Oregon Nonprofit Corporation Act shall not adversely affect any right or protection of a director or officer of the corporation for or with respect to any acts or omissions of such director occurring prior to such amendment or repeal. This provision, however, shall not eliminate or limit the liability of a director or officer for:

- A. Any breach of the director's or officer's duty of loyalty to the corporation or its members;
- B. Acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of the law;
- C. Any unlawful distribution; or
- D. Any transaction from which the director or officer derived an improper personal benefit.

ARTICLE XII

To the fullest extent not prohibited by state law, the corporation;

- A. Shall indemnify any person who is made, or threatened to be made, a party to an action, suit or proceeding, whether civil, criminal, administrative, investigative, or otherwise
(including an action, suit or proceeding by or in the right of

the corporation), by reason of the fact that the person is or was a director of the corporation; and

- B. Shall indemnify any person who is made, or threatened to be made, a party to an action, suit or proceeding, whether civil, criminal, administrative, investigative, or otherwise (including an action, suit or proceeding by or in the right of the corporation), by reason of the fact that the person is or was an officer, employee or agent of the corporation, or a fiduciary (within the meaning of the Employee Retirement Income Security act of 1974), with respect to any employee benefit plan of the corporation, or serves or served at the request of the corporation as a director or officer of, or as a fiduciary (as defined above) of an employee benefit plan of, another corporation, partnership, joint venture, trust or other enterprise.

This Article XII shall not be deemed exclusive of any other provisions or insurance for the indemnification of directors, officers, employees, or agents that may be included in any statute, bylaw, agreement, resolution of shareholders or directors or otherwise, both as to action in any official capacity and action in any other capacity while holding office, or while an employee or agent of the corporation.

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. We further state that we have obtained the consent of each director named to serve.

DATED: April 25, 1995

Fred J. Cholick
Fred J. Cholick, Incorporator

Konnie Wheeler
Konnie Wheeler, Incorporator

Richard W. Vetsch
Richard W. Vetsch, Incorporator

STATE OF OREGON)

County of Clackamas)

On this 26th day of April, 1995 personally appeared Fred J. Cholick personally known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged that Betty J. Britton executed the same freely and voluntarily.

Betty J. Britton
NOTARY PUBLIC FOR OREGON
OFFICIAL SEAL
My Commission Expires: BETTY J BRITTON
NOTARY PUBLIC - OREGON
COMMISSION NO. 028334
MY COMMISSION EXPIRES DEC. 19, 1997

STATE OF OREGON)

County of Clackamas)

On this 26th day of April, 1995, personally appeared Konnie Wheeler personally known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged that Betty J. Britton executed the same freely and voluntarily.

Betty J. Britton
NOTARY PUBLIC FOR OREGON
My Commission Expires:
OFFICIAL SEAL
BETTY J BRITTON
NOTARY PUBLIC - OREGON
COMMISSION NO. 028334
MY COMMISSION EXPIRES DEC. 19, 1997

STATE OF OREGON)

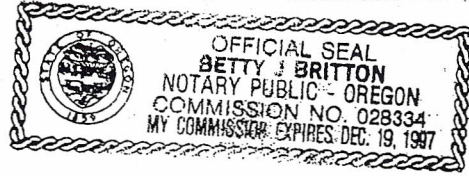
County of Clackamas)

On this 26th day of April, 1999, personally appeared Richard W. Vetsch, personally known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged that Betty J. Britton executed the same freely and voluntarily.

Betty J. Britton

NOTARY PUBLIC FOR OREGON

My Commission Expires: _____



STATE OF OREGON }
Multnomah County }
ss.

I, a Deputy for the Recorder of Conveyances, in and for said County, do hereby certify that the within instrument of writing was received for record and recorded in the record of said County

95 MAY 2 AM 9:56
RECORDING SECTION
MULTNOMAH CO. OREGON

Vol / Page 95 51991

witness my hand and seal of office affixed.
Recorder of Conveyances

C Swick

Deputy

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CERTIFICATION

I, Richard D. Roberts, declare that I am the Secretary and officer of the Sauvie Island Drainage District. I control and maintain the corporate records of the Sauvie Island Drainage District. The attached Articles of Incorporation dated April 25, 1995, is a true and correct copy of the original corporate record of the Sauvie Island Drainage District. The Articles of Incorporation were adopted on the date shown by the Board of supervisors of the District.

DATED this 28th day of April, 1995

By: *Richard D. Roberts*
Richard D. Roberts
Secretary for Sauvie Island Drainage District

Preston Gates & Ellis
Suite 3200
111 S.W. Fifth Avenue
Portland, Oregon 97204
(503) 228-3200

Return to:

I hereby certify that the within instrument was received for record and recorded in the County of Columbia, State of Oregon.

05167 '95 JUN 19 P12:47
Pages 10



ELIZABETH HUSER, County Clerk
By: *[Signature]* Deputy

Receipt # 6549
Fees \$ 50.00