

**ARTICLES OF INCORPORATION  
OF  
SPRING CREEK ASSOCIATION**

451 Spring Creek Parkway  
Spring Creek, NV 89815

KNOW ALL MEN BY THESE PRESENTS:

THAT we, the undersigned, a majority of whom are residents of the State of Nevada, have this day voluntarily associated ourselves together for the purpose of forming a non-profit, non-stock corporation under the laws of the State of Nevada, and do hereby certify:

ARTICLE I

NAME

THAT the name of the corporation shall be SPRING CREEK ASSOCIATION (hereinafter, the "Association").

ARTICLE II

PRINCIPAL OFFICE

THAT the principal office for the transaction of the business of this Association is located at 451 Spring Creek Parkway, Spring Creek, Elko County, Nevada 89801, but the Association's Board of Directors may designate other places either within or without the State of Nevada where other offices may be established and maintained, and all corporate business transacted.

ARTICLE III

ORGANIZATION

THAT this Association is organized as a non-stock, non-profit cooperative corporation pursuant to Section 81.410 et seq., Nevada Revised Statutes and is formed to qualify as a residential real estate management association under Section 528 of the Internal Revenue Code of 1954, as amended.

## ARTICLE IV

### PURPOSES AND POWERS OF THE ASSOCIATION

THAT the general purposes and powers of the Association and the general nature of business to be transacted are as follows:

1. To acquire, manage, maintain, and care for the Association property and roads located within the Spring Creek Development (hereinafter defined). For purposes of these Articles, the "Association property" is defined as the real and personal property owned by the Association, which consists of the Common Recreation Facilities as defined in the Declaration of Reservations referred to in Section 2 of this Article (which include the golf course and pro shop, park and fishing area, trap and skeet facilities, equestrian center, and other common areas and landscaping) and property acquired by the Association as an incident of the management, maintenance and care of the Common Recreation Facilities, but does not include real and personal property owned individually by members of the Association. All of the Association property and property of its members is located within that certain area described as Spring Creek Subdivision as recorded in the Office of the Recorder for the County of Elko, State of Nevada, and hereinafter referred to as the "Spring Creek Development". The Association shall maintain and operate the Common Recreation Facilities, and is empowered to establish rules and regulations for the use thereof.
2. To perform all of the duties and obligations of the Association set forth in that certain Declaration of Reservations hereinafter called the "Declaration", as applicable to the Association property, and recorded in the Office of the Recorder for the County of Elko, State of Nevada, on April 8, 1971, in Book 142, Page 606.
3. To fix, levy, collect, and enforce payment by any lawful means of all charges or assessments pursuant to the terms of the Declaration; to pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the Association, including all licenses, taxes, or governmental charges levied or imposed against the Association property.

4. To take, lease, purchase, or otherwise acquire, and to own, use, hold, sell, convey, exchange, hire, lease, pledge, mortgage, and otherwise deal in and dispose of such personal property, chattels real, rights, easements, privileges, choses in action, notes, bonds, mortgages, and securities as may be lawfully acquired, held, or disposed of by it under the laws of the State of Nevada.

5. To take, lease, purchase, or otherwise acquire and to own, use, hold, sell, convey, exchange, lease, mortgage, work, improve, develop, divide, and otherwise handle, deal in and dispose of real property other than the Association property, and any interest of right therein.

6. To erect, construct, maintain, improve, rebuild, enlarge, alter, and manage and control, directly or through ownership of stock in any corporation, any and all kinds of buildings, houses, stores, offices, ships, and any and all other structures and erections which may be in the judgment of the Association's Board of Directors at any time be necessary, useful or advantageous for the purposes of the Association, and which can lawfully be done under the laws of the State of Nevada and the Declaration.

7. To borrow money, and only with the assent of a majority of those voting in person or by proxy at any regular meeting or duly called special meeting of the membership, mortgage, pledge, deed in trust, or hypothecate any or all of the Association property as security for money borrowed or debts incurred.

8. To solicit, collect, receive, acquire, hold, and invest money and property, both real and personal, including money and property received by gift, contribution, bequest, or devise; to sell and convert property, both real and personal, into cash; and to use the funds of the Association and the proceeds, income, rents, issues and profits derived from any of the Association property for any of the purposes for which this Association is formed; and to conduct and operate such businesses, sales and fund-raising activities as may be necessary and reasonable for provision of non-profit services and activities by the Association. In no event, however, may the Association sell, transfer or convey all or any part of the Common Recreation Facilities without the assent of at least seventy-five percent (75%) of the total number of votes in the Association; provided, however, that, except to the extent provided by law, this sentence shall not apply to a transfer of the Association property to a general improvement district within the State of Nevada.

9. To dedicate, sell, lease or transfer all or any part of the Association property to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the membership. No such dedication, sale or transfer shall be effective unless an instrument approving such dedication, sale, lease or transfer has

been approved by a majority of those voting in person or by proxy at a regular meeting or duly-called special meeting of the membership, agreeing to such dedication, sale, or transfer. In no event, however, may the Association dedicate, sell or transfer all or any part of the Common Recreation Facilities without the assent of at least seventy-five percent (75%) of the total number of votes in the Association; provided, however, that, except to the extent provided by law, this sentence shall not apply to a transfer of the Association property to a general improvement district within the State of Nevada.

10. To buy, sell, lease, or otherwise acquire or dispose of, introduce, erect, operate, conduct, maintain and carry on a restaurant, cafe, pro shop, cabaret business, cafeteria, cigar stand, lunch room, soda fountain, soft drink establishment, and all incidentals connected therewith or otherwise related thereto; and generally to do and perform everything necessary to implement the aforesaid purposes; to buy or otherwise acquire, manufacture, market, prepare for market, sell, deal in and with, import, and export food and food products of every call and description, whether fresh, canned, preserved, or otherwise, and to prepare and serve food, alcoholic and non-alcoholic beverages, and other preparations and refreshments of all kinds.

11. To make and perform contracts of every kind and description, including contracts hiring employees, consultants, managers, attorneys, accountants and the like to assist in the operation and/or management of the Association property, and in carrying on its business or for the purpose of attaining and furthering any of its objects, to do any and all things which a natural person might or could do, and which now or hereafter may be authorized by law, and in general to do and perform such acts and things and transact such business in connection with the foregoing objects, not inconsistent with law, as may be necessary and/or desirable for the benefit of the members.

NOTWITHSTANDING any of the above statements of purposes and powers, the Association shall not engage, in any activities or exercise any powers that are not in furtherance of the primary purpose of the Association, which is the acquisition, management, maintenance and care of the Association property.

## ARTICLE V

### MEMBERSHIP

THAT this Association shall issue no capital stock. Every person or entity who is a record owner or a purchaser under a real estate purchase agreement of a fee or undivided fee interest in any lot or property within the Spring Creek Development which is subject to the Declaration shall be a member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of any lot.

Membership shall be terminated upon transfer of said property ownership. Recreational privileges incident to such membership may be suspended by the Association upon delinquency in the payment of assessments by any member.

All powers, privileges, rights, duties and obligations which would otherwise be exercised and performed by members of the Association shall be vested in and exercised by those persons who shall from time to time constitute the Board of Directors of such Association.

## ARTICLE VI

### VOTING RIGHTS

Each lot in the Spring Creek Development shall be entitled to one (1) vote. When more than one person or entity holds an interest in any lot(s), all such persons or entities shall be members of the Association, and the vote for such lots which they own shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any individual lot. In the event of a transfer of property interest by any member(s) of the Association, the purchaser(s) of such property shall automatically become member(s) of the Association, which new member(s) shall be entitled to vote in accordance with the rules established under this Article.

## ARTICLE VII

## TERM

THAT the term for which the Association is to exist is fifty (50) years.

## ARTICLE VIII

### BOARD OF DIRECTORS

THAT affairs of the Association shall be managed by a Board of Directors, each of whom shall be a member of the Association. The initial number of Directors shall be seven (7), but the number of Directors may be increased or decreased in accordance with the Bylaws of the Association. The names and addresses of the persons who are to act as the initial Directors for the first year of business of the Association or until the selection of their successors are:

#### NAMES ADDRESSES

1. Kathy Algerio 362 N. Spring Valley Parkway West  
Spring Creek  
Elko, NV 89801
2. Charles Cash 192 East Flowing Wells  
Spring Creek  
Elko, NV 89801
3. Jack Hitchman 752 Second Street  
Elko, NV 89801
4. Christina Naungayan 307 North Spring Valley Parkway  
Spring Creek  
Elko, NV 89801
5. Dr. John Post 345 S. Spring Creek Parkway  
Elko, NV 89801
6. Joseph Salamone 834 Cliff Lane  
Elko, NV 89801
7. Kastler Taylor 642 N. Holiday Drive  
Elko, NV 89801

## ARTICLE IX

## EXEMPT PROPERTY

THAT private property of the members, directors, and officers of the Association shall at all times be exempt from all debts and liabilities of the Association of any kind whatsoever.

## ARTICLE X

### ASSOCIATION EXPENDITURES

THAT for all expenditures made in each year of the Association's existence, the Association shall insure that ninety percent (90%) or more of such expenditures are made on "qualifying expenditures" under Section 528 of the Internal Revenue Code of 1954, as amended.

## ARTICLE XI

### GAINS, PROFITS, AND DISTRIBUTIONS

This Association is one which does not contemplate pecuniary gain or profit to the directors, officers or members thereof, and shall conduct its business and affairs so that no part of the net earnings of income or principal of the Association shall ever inure, in whole or in part, to the benefit of any director, officer, or member; provided, however, that this language does not prevent the Association from (1) reimbursing out-of-pocket costs of any member, officer or director incurred on behalf of the Association at the direction of the Board of Directors, or (2) paying salaries to officers of the Association in accordance with the Bylaws. Further, this Association shall not conduct or participate in any activity which will discriminate against any person by reason of race, color, creed, or national origin. Upon dissolution of this Association, the assets thereof shall be distributed to an organization selected by the Board of Directors, provided such organization qualifies as a nonprofit entity under the same laws of the State of Nevada and the same regulations of the United States Department of Treasury by which this Association is formed.

## ARTICLE XII

## FORMATION OF IMPROVEMENT DISTRICT

Provided that all applicable requirements of Nevada law are followed, nothing contained in these Articles shall preclude the formation of a general improvement district within the Spring Creek Development, which district may be undertaken and/or assume all or part of the responsibilities of the Association, including, but not limited to, management and care of the roads and Common Recreation Facilities.

## ARTICLE XIII

### AMENDMENTS

Amendment of these Articles shall require the consent of two-thirds of the members of the Association voting in person or by proxy at a regular or duly-called special meeting; provided however, that the percentage of the voting power of the Association necessary to amend a specific clause or provision shall not be less than the percentage of affirmative votes prescribed for action to be taken under that clause or provision. For example, a change to the percentage of votes required to transfer the Association property as provided in Article IV, Section 9 of these Articles would require the affirmative vote of at least seventy-five percent (75%) of the total number of votes in the Association. The Bylaws of the Association may be amended or altered, and additional Bylaws may be made, by vote or by unanimous written consent of the Board of Directors, as well as in any other manner permitted by the laws of the State of Nevada.

## ARTICLE XIV

### CONFLICTS

In the event of any conflict or inconsistency in the language of these Articles and the language of the Declaration, the Declaration shall control.

IN WITNESS WHEREOF, for the purpose of forming this Association as a corporation under the aforesaid laws of the State of Nevada, we, the undersigned, being the incorporators of such corporation and residents of the State of Nevada, have executed these Articles of Incorporation as of this 31st day of March, 1983.

STATE OF NEVADA) /S/ John Post

) SS. /S/ Kathy Algerio

COUNTY OF ELKO ) /S/ Jack Hitchman

On this 31st day of March, 1983, before me, a Notary Public, personally appeared John Post, Kathy Algerio and Jack Hitchman, and acknowledged that they executed the above Articles of Incorporation for the purposes therein contained.

My Commission Expires: July 1, 1984 /S/ Linda Arlene Rossen

Notary Public

LINDA ARLENE ROSSEN

Notary Public-State of Nevada

Elko County, Nevada

My appointment expires July 1, 1984 STATE OF NEVADA

DEPARTMENT OF STATE

I hereby certify that this is a true and complete copy

Of the document as filed in this office.

Dated: April 8, 1983

/S/ WM. D. SWACKHAMER

Secretary of State