

ARTICLES OF INCORPORATION
OF
INCLINE CREST III "B" ASSOCIATION

We the undersigned, have voluntarily associated ourselves together for the purpose of forming a non-profit corporation pursuant to the provisions of Sections 81.410 through 81.540 of the Nevada Revised Statutes, and we do hereby make, subscribe, acknowledge, certify and adopt the following Articles of Incorporation:

ARTICLE ONE
Name

The name of the corporation shall be:

INCLINE CREST III "B" ASSOCIATION

ARTICLE TWO
Location

The initial principal office for the transaction of the business of the corporation is to be located at 567 Silvertip, Incline Village, County of Washoe, State of Nevada. The mailing address will be Post Office Box 7050, Incline Village, Nevada 89450.

ARTICLE THREE
Purposes

The purposes for which the corporation is formed are:

(a) Specifically and primarily to provide for maintenance, preservation and architectural control of the townhouse project (herein the "townhouse project") of the real property located in the County of Washoe, State of Nevada, and all structures and improvements thereon as more particularly described and set forth as follows:

All of INCLINE CREST III UNIT "B", a townhouse, according to the map thereof, filed in the office of the county recorder of Washoe County, State of Nevada, on October 17, 1969, under filing No. 157023, official records.

(b) Generally:

(1) To promote the health, safety and welfare of the residents of the condominium project;

(2) To exercise all of the powers and privileges and to perform all of the duties and obligations of the corporation arising from the Declaration of Covenants, Conditions and Restrictions of INCLINE CREST III "B" ASSOCIATION as now are or hereafter may be vested in, delegated to, or assigned to the corporation, and to pay all expenses incidental thereto; to commence and maintain actions and suits to restrain and enjoin the breach or threatened breach of any such Declaration of Covenants, Conditions, and Restrictions affecting property described herein above, and to pay the expenses thereof.

(3) To fix, levy, collect and enforce payment by any lawful means of charges or assessments pursuant to the terms of the Declaration of Covenants, Conditions and Restrictions of INCLINE CREST III "B" ASSOCIATION, and all amendments thereto; to pay all expenses in connection therewith and all office and other expenses incidental to the conduct of the business of the corporation, including all licenses, taxes, or governmental charges levied or imposed against the property of the corporation.

(4) To acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use, or otherwise dispose of real or personal property in connection with the affairs of the corporation;

(5) To borrow money, pledge, secure by deed of trust, or hypothecate any or all of its real or personal property as security for money borrowed when approved by a majority of the owners;

(6) To hold and to exercise any and all powers, rights and privileges which a corporation organized under the General Nonprofit Corporation Law of the State of Nevada by law may now or hereafter have or exercise; and

(7) To act in the capacity of principal, agent, or otherwise.

(c) Notwithstanding any of the above statements of purposes and powers, the corporation shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the primary purposes of the corporation.

ARTICLE FOUR
Nonprofit corporation

This corporation shall have no capital stock and is not formed for profit. It is a corporation which does not contemplate the distribution of accumulations, gains, profits or dividends to the members thereof, and is a corporation no part of the accumulations, gains or profits of which shall be paid or inure to the benefit of any private person, member or individual, and no part of the activities of this corporation shall consist of the carrying on of propaganda or otherwise to influence legislation.

ARTICLE FIVE
Membership

The corporation shall have one class of members whose rights and interests shall be equal and identical, except only as to voting rights as hereinafter provided, and the total number of members which the corporation shall be authorized to have shall be one per parcel. Each person who or which is shown by a duly acknowledged instrument recorded in the Office of the County Recorder of Washoe County, Nevada to be the owner of a fee interest in one or more numbered parcels embraced within the property herein described above, shall be a member of this corporation, except that:

- a) Notwithstanding that more than one person may be shown of record to be the owners of such interest jointly or in common with others, only one of such joint or common owners shall be a member;
- b) Membership shall continue only for so long as such interest is shown of record to be the interest of the member;
- c) Notwithstanding that the corporation may own any such interest as would otherwise entitle the corporation to be a member, the corporation shall not be a member.

ARTICLE SIX
Voting Rights

The voting rights of the corporation shall be vested in the members thereof. Each member shall be entitled to as many votes as the number of numbered parcels which such member is shown by an instrument duly acknowledged and recorded in the Office of the County Recorder of Washoe

County, Nevada, to be the owners, but only one vote shall be allowed for each such parcel, notwithstanding that such interest may be owned jointly or in common with others.

The voting power and the property rights and interests for each unit shall be equal, with each member having one (1) vote.

ARTICLE SEVEN
Charges and Assessments

The number parcels and the interest of each member of the corporation therein shall be subject to such charges and assessments, and to costs, fees, penalties and interest for the late payment thereof, as shall from time to time be determined by the board of directors by resolution at any regular or special meeting, and the members shall be subject to such membership fees as provided in the bylaws of the corporation, all subject however, to the limitations provided in the Declaration of Covenants, Conditions, and Restrictions affecting the herein above described property, and each member shall be liable for the payment thereof to the extent that the same relate to the parcel or parcels of which such member is the owner of record. Upon the failure of any member to pay any and all charges and assessments when due, and any costs, fees, penalties or interest relating to the same when past due, the same shall be enforceable against such member and shall be enforceable against the interest of such member in the particular parcel or parcels subject to the same in the same manner and following the same procedure to the extent applicable as is provided by the laws of the State of Nevada for a trustee's sale under a power of sale in a deed of trust.

ARTICLE EIGHT
Period of Existence

The corporation shall exist for fifty (50) years, unless terminated earlier by unanimous membership vote.

ARTICLE NINE
Incorporators

The name and mailing address of each of the incorporators are:

Mr. Chip Tassone
651 Lake Street
San Francisco, CA 94118

Mr. Hal Boyd
1120 Ramblewood Way
San Mateo, CA 94403

Mr. John McAdams
1474 Merrit Drive
El Cajon, CA 92020

Mr. Leonard Potigian
4041 South Highway 99
Fresno, CA 93725

ARTICLE TEN Directors

The members of the governing board of the corporation shall be styled directors, and their number shall be not less than three (3) nor more than five (5), with the initial number being five (5). The name and mailing address of those selected for the first year and until their successors have been elected and shall have accepted office are:

Mr. Chip Tassone
651 Lake Street
San Francisco, CA 94118

Mr. Hal Boyd
1120 Ramblewood Way
San Mateo, CA 94403

Mr. John McAdams
1474 Merrit Drive
El Cajon, CA 92020

Mr. Leonard Potigian
4041 South Highway 99
Fresno, CA 93725

ARTICLE ELEVEN Corporate Officers and Their Functions

The general officers of the corporation shall be President, Vice-President, Secretary and Treasurer.

The Principal duties of the President shall be to preside at all meetings of the members of the Board of Directors and to have a general supervision of the affairs of the corporation.

The principle duties of the Vice-President shall be to discharge the duties of the President in the event of absence or disability, for any cause whatsoever, of the President.

The principle duties of the Secretary shall be to countersign all documents to be executed by the corporation, to keep a record of the proceedings of the Board of Directors, and to safely and systematically keep all books, papers, records, and documents belonging to the corporation, or in any way pertaining to the business thereof, except the books and records incidental to the duties of the Treasurer.

The principal duties of the Treasurer shall be to keep an account of all monies, credits, and property of any and every nature of the corporation, to keep an accurate account of all monies received and disbursed in proper vouchers, and to render such accounts, statements, and inventories of monies received and disbursed and of money and property on hand, and generally of all matters pertaining to this office, as shall be required by the Board of Directors.

The Board of Directors may provide for the appointment of such additional officers as they may deem for the best interests of the corporation.

Whenever the Board of Directors may so order, any two offices, the duties of which do not conflict, may be held by one person.

The officers shall perform such additional or different duties as shall from time to time be imposed or required by the Board of Directors, or as may be prescribed from time to time by the Bylaws.

ARTICLE TWELVE Limitation of Liability

The liability of officers and directors for damages for breach of their fiduciary duties to the corporation and members is limited to acts or omissions which involve intentional misconduct, fraud or a knowing violation of the law, or, the payment of dividends in violation of NRS 78.300.

ARTICLE THIRTEEN Distribution of Income and Prohibited Activities

Notwithstanding any other provisions in these Articles of Incorporation, the corporation shall be subject to the following limitations and restrictions:

(a) The corporation shall distribute its income for each taxable year at such time and in such manner as not to become subject to the tax on undistributed income imposed by the Internal Revenue Code as amended.

(b) The Corporation shall not engage in any act of self-dealing as defined in Section 4941(d) of the Internal Revenue Code.

(c) The Corporation shall not retain any excess business holdings as defined in Section 4943(c) of the Internal Revenue Code.

(d) The Corporation shall not make any investments in such manner as to subject it to tax under Section 4944 of the Internal Revenue Code.

(e) The Corporation shall not make any taxable expenditures as defined in Section 4945(d) of the Internal Revenue Code.

(f) The Corporation shall not conduct any activity which adversely affects its tax exempt status.

ARTICLE FOURTEEN

Adoption and Amendment of Bylaws

Subsequent to adoption of the initial code of Bylaws for this corporation as required by Nevada Revised Statutes 81.470 (1) the Board of Directors of this corporation may adopt additional Bylaws or alter the Bylaws previously adopted as required by Section 81.470 (1). The authority conferred on the Directors herein shall not diminish the authority of the membership to alter, amend or adopt additional Bylaws by the affirmative vote of two thirds of the membership. The Bylaws shall not be amended in any respect inconsistent with the provisions of the Declaration of Covenants, Conditions and Restrictions covering the Development.

ARTICLE FIFTEEN

Gains, Profits, Distributions

The property of this corporation is irrevocably dedicated to charitable purposes and no part of the net income or assets of this organization shall ever inure to the benefit of any director, officer, or member thereof, or to the benefit of any private persons. Upon the dissolution or winding up of the corporation, its assets remaining after payment or provision for payment of all its debts and liabilities shall be distributed to a non-profit fund, foundation or corporation which is organized and operated exclusively for charitable purposes and which has established its tax exempt status under Section 501(c) (3) of the Internal Revenue Code.