

JUL 25 1979

ARTICLES OF INCORPORATION

OF

SKYLAKE CONDOMINIUMS

WM. SWACKHAMER - SECRETARY OF STATE

  
No. 415779

In compliance with the requirements of Nevada Revised Statutes 81.410 - 540, inclusive, the undersigned, all of whom are original members and residents of Nevada, and all of whom are of full age, have this day voluntarily associated themselves together for the purpose of forming a corporation not for profit and do hereby certify:

First: Name: The name of this corporation shall be SKYLAKE CONDOMINIUMS (sometimes hereinafter referred to as "the Association").

Second: Principal Office: The principal office of this Association shall be 923 Tahoe Boulevard, Incline Village, Nevada 89450. The Board of Directors of the Association may designate other offices from time to time and may change the location of the office.

Third: Purposes and Powers:

1. Purposes. The purposes of the Association shall be to further and promote the common interest and welfare of its members within SKYLAKE CONDOMINIUMS, a condominium development within Washoe County, Nevada, wherein SKYLAKE CONDOMINIUMS, a Nevada general partnership, hereinafter referred to as "Developer", is the developer.

2. Powers. The Association shall do whatever is necessary or advisable to accomplish and promote its purposes and in connection therewith shall have, but not by way of limitation, the following powers:

- (a) To acquire real or personal property by gift, purchase, or other means;
- (b) To own, hold, enjoy, lease, operate, maintain, convey, sell, assign, transfer, mortgage or otherwise encumber or dedicate for public use any real or personal property owned by it;
- (c) To exercise the powers and functions and to undertake and carry out the duties granted or designated to it in the Declaration of Covenants, Conditions, and Restrictions, hereinafter referred to as "Declaration of Covenants", affecting the real property within the Development;

- (d) To own, construct, acquire, maintain and operate common areas and recreational facilities of all kinds within the Development and contract for maintenance, operation and management thereof; to prescribe the use thereof and to formulate and adopt rules and regulations governing the use thereof and prescribe methods of enforcement of such rules including the imposition of fines and penalties for failure to observe such rules and regulations;
- (e) To care for vacant, unimproved or unkept lots within the Development;
- (f) To maintain, rebuild, repair, beautify and otherwise care for all streets and common areas within the Development, not subject to maintenance by the governmental authorities;
- (g) To pay taxes and assessments, if any, levied by any governmental authority on the property by the Association;
- (h) To enforce charges, assessments, restrictions, covenants, conditions and agreements existing upon or created for the benefit of the real property located within the Development;
- (i) To appoint such committees as may be necessary or convenient in the discharge of any of its obligations or powers;
- (j) To levy annual and special assessments upon its members and to declare the same a lien against the property subject thereto in accordance with the recorded Declaration of Covenants relating to the Development;
- (k) To prescribe and enforce motor vehicle speed limits and other rules and regulations governing the use of all motor and other vehicles within the Development;
  - (l) To enforce collection of all delinquent assessment liens by whatever means possible including, but not limited to, exercising the power of sale as set forth in said Declaration of Covenants;
- (m) To borrow money, contract debts, and issue bonds, notes and debentures and to secure the payment or performance of its obligations;

- (n) To expend its monies for the payment and discharge of all proper costs, expenses and obligations incurred in carrying out all, or any of these powers in carrying out the duties set forth in the Declaration of Covenants covering the Development, and such as may be incurred in the furtherance of this Association's purposes;
- (o) To contract and pay premiums for fire, casualty, liability, and any other insurance including indemnity and other bonds;
- (p) To contract and pay for maintenance, gardening, gatehouse watchmen, utilities, materials, supplies and services relating to property or facilities owned or operated by it and to employ personnel reasonably necessary for the administration of its affairs, including legal counsel and accountants;
- (q) To do all other acts and engage in any lawful activity whatsoever in the State of Nevada or elsewhere and to have, enjoy and exercise all the rights, powers, and privileges which are now or which may hereafter be conferred upon non-profit corporations, by the State of Nevada including the right to do any and all of the things hereinabove set forth as principal and as agent to the same extent as natural persons might or could do.

Fourth: Memberships:

1. Classes. There shall be a single class of membership in the Association.
2. Number. There shall be one membership for each proposed living unit within the Development; there are a maximum of 14 memberships based on the proposed number of living units shown on the map of the Development that was filed in the office of the Recorder of Washoe County on August 8, 1978. No membership shall be held by persons who are not owners of one or more of the units within the Development.
3. Voting Rights. Each membership shall be entitled to one vote on all matters properly coming before the membership of the Association.
4. Privileges. Each member shall be entitled to use and enjoy all facilities owned and operated by or for the benefit of the Association, and shall enjoy a right of access over all roads and common areas of the Association within the Development. Corporate, partnership or Association members shall designate the name of the person who, together with his family, shall have the right to use the recreational facilities of the Association.

5. Payment of Assessment. Each member shall be subject to annual and special assessments in accordance with the provisions of the Declaration of Covenants, these Articles and the By-Laws of the Association.

6. Memberships. Ownership of more than one membership shall entitle the owner thereof to all of the rights and privileges of the membership appurtenant to each unit owned by such person and shall subject such owner to all of the liabilities and duties thereof that are attendant to the ownership of each unit separately.

Fifth: Assessments: Each membership shall be subject to such annual assessments as may be levied from time to time by the Board of Directors of this Association, and to such Special Assessments for capital improvements, acquisitions or for purposes related to health, safety and welfare of the Association members as may be levied from time to time by the Board of Directors of this Association with the affirmative vote of all memberships entitled to exercise at least a majority of the voting power of such memberships, such assessments to be in such amounts as may be reasonably necessary and in furtherance of the objects of this corporation with the manner of levying and enforcing such assessments to be in accordance with the provisions of the Declaration of Covenants covering the Development and the By-Laws.

Sixth: Corporation Not Formed For Profit. 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 as a corporation, no part of the accumulations, gains or profits shall be paid or inure to the benefit of any private person, member or individual.

All of the assets and property of this corporation are irrevocably dedicated to the community and civic welfare and interest of its members, and in the event of dissolution, liquidation or abandonment of this corporation, none of its assets or property shall inure to the benefit of any private person, but shall be distributed to a fund or funds, foundation or foundations, or corporation or corporations organized and operated for the purpose of aiding and developing civic welfare; provided, however, that in the absence of a specific designation or designations by the person or persons or board having the authority to do so, then the same shall be distributed to the County of Washoe, State of Nevada, for park and recreational purposes; provided, however, the property may be conveyed to a non-profit corporation having similar purposes and membership to this corporation.

Seventh: Incorporators. The original incorporators, all of whom are residents of the State of Nevada, and their addresses are as follows:

| <u>Incorporators</u> | <u>Address</u>                              |
|----------------------|---|
| Preston Q. Hale      | 1885 S. Arlington<br>Reno, NV 89509         |
| Justin H. Johnson    | 722 James Lane<br>Incline Village, NV 89450 |
| James S. Hayhoe      | P. O. Box 5489<br>Incline Village, NV 89450 |

Eighth: Directors. The number of directors of this corporation shall not be less than three with the first Board consisting of three which shall constitute the authorized number of directors until changed by an amendment to these Articles of Incorporation or by a By-Law duly adopted by the members of this corporation in accordance with the provisions of Nevada Revised Statutes 81.470 and who shall serve until the first annual meeting of the membership, and until their successors are elected and assume office. Directors need not be members of the Association. The names and addresses of the persons first appointed to act as Directors are:

| <u>Name</u>       | <u>Address</u>                              |
|-------------------|---|
| Preston Q. Hale   | 1885 South Arlington<br>Reno, NV 89509      |
| Justin H. Johnson | 722 James Lane<br>Incline Village, NV 89450 |
| James S. Hayhoe   | P. O. Box 5489<br>Incline Village, NV 89450 |

Ninth: Term of Corporate Existence. The term of the corporate existence of this corporation is fifty years.

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

Eleventh: Indemnification of Directors. Every person who was or is a party or is threatened to be made a party to or is involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he or a person of whom he is the legal representative is or was a director or officer of the corporation, or is or was serving at the request of the corporation as a director or officer of another corporation, or as its representative in a partnership,

joint venture, trust or other enterprise, shall be indemnified and held harmless to the fullest extent legally permissible under the laws of the State of Nevada from time to time against all expenses, liability and loss, including attorneys' fees, judgments, fines and amounts paid or to be paid in settlement, reasonably incurred or suffered by him in connection therewith. Such right of indemnification shall be a contract right which may be enforced in any manner desired by such persons. Such right of indemnification shall not be exclusive of any other right which such directors, officers or representatives may have or hereafter acquire, and, without limiting the generality of such statement, they shall be entitled to their respective rights of indemnification under any By-Law, agreement, vote of stockholders, provision of law or otherwise, as well as their rights under this Article.

Without limiting the application of the foregoing, the Board of Directors may adopt By-Laws from time to time with respect to indemnification to provide at all times the fullest information permitted by laws of the State of Nevada, and may cause the corporation to purchase and maintain insurance on behalf of any person who is or was a director or officer of the corporation, or is or was serving at the request of the corporation as a director or officer of another corporation, or as its representative in a partnership, joint venture, trust or other enterprise against any liability asserted against such person and incurred in any such capacity or arising out of such status, whether or not the corporation would have the power to indemnify such person.

IN WITNESS WHEREOF, we have hereunto set our hands this 25<sup>th</sup> day of July, 1979, hereby declaring and certifying that the facts stated hereinabove are true.

Preston Q. Hale  
 Preston Q. Hale  
Justin H. Johnson  
 Justin H. Johnson  
James S. Hayhoe  
 James S. Hayhoe

STATE OF NEVADA )  
 ) ss.  
 COUNTY OF WASHOE )

On this 25<sup>th</sup> day of July, 1979, personally appeared before me, a Notary Public, PRESTON Q. HALE, JUSTIN H. JOHNSON and JAMES S. HAYHOE, known to me to be the persons described in and who acknowledged that they executed the foregoing instrument.

LINDA MISCHEL LUARK  
 Notary Public - State of Nevada  
 Washoe County  
 My Commission Expires Jan. 19, 1983

Linda Mischel Luark  
 Notary Public