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BUSINESS DIVISION

ARTICLES OF INCORPORATION OF
VIEW TERRACE ASSOCIATION

MAR 3 1978

ROBERT D. ZUMWALT
CLERK, SAN DIEGO COUNTY

signed, all of whom are residents of the State of California, voluntarily associate themselves together, as Incorporators, for the purpose of forming a corporation for purposes other than pecuniary profit pursuant to the provisions of Title I, Division 2, Part I of the Corporations Code of the State of California [Section 9000 et seq.], and do hereby certify:

ARTICLE I

NAME

The name of the corporation (the "Association" herein) shall be:

VIEW TERRACE ASSOCIATION.

ARTICLE II

NONPROFIT

The Association is organized pursuant to the General Nonprofit Corporation Law of the State of California.

ARTICLE III

PRINCIPAL OFFICE

The county in this State where the principal office for the transaction of business of the Association is located is San Diego County.

ARTICLE IV

PURPOSES AND POWERS

A. The specific and primary purposes of the Association are to provide for the maintenance, preservation and architectural control of the residential lots and common area within the real property described as:

Lots 1 through 51 and Lot 83 of Tract No. 224-A in the City of Escondido, County of San Diego, State of California according to Map thereof No. 8786 filed in the office of the County Recorder of San Diego County on Jan. 27, 1978 as File/Page No. 73-035873.

and any additions thereto as may hereafter be brought within the jurisdiction of the Association by annexation, as provided in Article VIII herein (such real property together with such additions being hereinafter referred to as the "Properties"), and to promote the health, safety and welfare of the residents within the Properties.

B. The general purposes and powers are:

(1) To exercise all the powers and privileges and to perform all the duties and obligations of the Association as may be from time to time set forth in the Declaration of Covenants, Conditions and Restrictions dated as of November 30, 1977 and any amendments and declarations of annexation thereto applicable to the Properties (hereinafter collectively referred to as the "Declaration");

(2) To fix, levy, collect and enforce payment by any lawful means, all charges or assessments due the Association; 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 any property owned by the Association;

(3) 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 Association;

(4) To borrow money, and, with the assent of two-thirds (2/3) of each class of Members, to mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred; and

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

The foregoing statement of purposes and powers shall be construed as a statement of both purposes and powers, and the purposes and powers stated in each clause shall not, except where otherwise expressed, be construed as a limitation upon the general purposes for which the Association is formed, but shall be regarded as independent purposes and powers. Notwithstanding any contrary provision herein, no part of the activities of the Association shall consist in carrying on propaganda or otherwise attempting to influence legislation, and the carrying on by the Association at a profit of any business hereinabove recited as a purpose of the Association shall be merely incidental to and in furtherance of the general community betterment and recreational purposes for which the Association is formed.

ARTICLE V

MEMBERSHIP

(Every person or group of persons or entity which is a record owner of a fee in any lot which is subjected by the Declaration to assessment by the Association, including Cal-Vet contract purchasers, and excluding those having record ownership interests merely as security for the performance of obligations, other than non-Cal-Vet contract sellers. No owner shall have more than one membership, but an owner may be entitled to additional voting privileges for each lot owned. Membership shall be appurtenant to and may not be separated from ownership of any lot which is subject to assessment by the Association. Ownership of such lot shall be the sole qualification for membership. The classes of membership shall be as provided in the Declaration.

ARTICLE VI
VOTING RIGHTS

A. The Association shall have two classes of voting membership:

Class A. Class A members shall be all Owners, with the exception of Declarant of the Declaration, and shall be entitled to one vote for each lot owned. When more than one person holds an interest in any lot, all such persons shall be members. The vote for such lot shall be exercised as they determine, but in no event shall more than one vote be cast with respect to any lot.

Class B. The Class B member(s) shall be the Declarant and shall be entitled to three (3) votes for each lot owned. The Class B membership shall cease and be converted to Class A membership on the first to occur of the following:

(a) when the total votes held by Class A members equal the total votes held by Class B members, or

(b) two years from the date of issuance by the California Department of Real Estate of the most recent Public Report for a phase of the overall development described in Section 6.01(a) and (b) of the Declaration, or

(c) on August 31, 1981.

B. Approvals. Any action by the Association which must have the approval of the Association membership before being undertaken shall require the vote or written assent of members holding fifty-one percent (51%) of each class of membership during the time that there are two classes of membership. When Class

jurisdiction, function, duties and membership of the Association to such property.

ARTICLE IX

MERGERS AND CONSOLIDATIONS

To the extent permitted by law, the Association may participate in mergers and consolidations with other nonprofit corporations organized for the same purposes, provided that any such merger or consolidation shall have the assent of two-thirds (2/3) of the voting power of the entire membership of each class existing.

ARTICLE X

AUTHORITY TO DEDICATE

The Association shall have the power to dedicate, sell or transfer all or any part of the real property owned by it to any public agency, authority or utility, for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument has been signed by members entitled to cast seventy-five percent (75%) of the votes of the entire membership of each class existing agreeing to such dedication, sale or transfer.

ARTICLE XI

DISSOLUTION

The Association is one which does not contemplate pecuniary gain or profit to the members thereof, and it is organized solely for nonprofit purposes. Upon dissolution of the Association, its assets, both real and personal, shall be distributed to an appropriate public agency to be devoted to purposes as nearly as practicable the same as those to which they were required to be devoted by the Association. In the event such distribution is refused acceptance, such assets shall be granted, conveyed and assigned to any nonprofit corporation, association, trust or other organization to be devoted to purposes and uses to which they were required to be devoted by the Association.

if membership ceases, any action by the Association which must have the approval of the Association membership before being undertaken shall require the vote or written assent of fifty-one percent (51%) of Class A membership.

ARTICLE VII

BOARD OF DIRECTORS

The affairs of the Association shall be governed by a Board of Directors composed of five (5) persons, all of whom must be owners or officers of corporate owners, of lots in the project. The names and addresses of the persons who are to act in the capacity of directors until the selection of their successors at the first annual meeting of the Association are:

Thomas L. Cutkomp	30 South Portola South Laguna, CA 92677
Patricia Cutkomp	30 South Portola South Laguna, CA 92677
L. P. Cutkomp	30 South Portola South Laguna, CA 92677
Marshall A. Lewis	3252 Fifth Avenue San Diego, CA 92103
Lewis Silverberg	3252 Fifth Avenue San Diego, CA 92103

At the first annual meeting of the Association, the term of office of two directors shall be fixed for three years, the term of office of two directors shall be fixed for two years and the term of office for one director shall be fixed for one year. At the expiration of the initial term of office of each respective director his successor shall be elected for a term of three years.

ARTICLE VIII

ANNEXATIONS

The Association may, at any time and from time to time, annex additional property to the property described in Article IV, provided that such annexations are made only in accordance with the provisions of the Declaration. Such additions, when properly made under the applicable covenants, shall extend the

ARTICLE XII

NONSTOCK

The Association shall have no shares of stock.

ARTICLE XIII

NONLIABILITY OF MEMBERS

Neither the directors nor the members of the Association shall be personally liable for the debts, liabilities or obligations of the Association.

ARTICLE XIV

AMENDMENTS

Amendment of these Articles shall require the assent of seventy-five percent (75%) of the entire voting power of the entire membership of each class existing.

ARTICLE XV

DURATION

The Association shall exist perpetually.

Executed February 8, 1978.

Marshall A. Lewis
MARSHALL A. LEWIS

Lewis Silverberg
LEWIS SILVERBERG

Thomas L. Cutkomp
THOMAS L. CUTKOMP

Patricia Cutkomp
PATRICIA CUTKOMP

L. P. Cutkomp
L. P. CUTKOMP

STATE OF CALIFORNIA)
COUNTY OF ORANGE) SS.

On February 8, 1978, before me, the undersigned, a Notary Public in and for said State, personally appeared THOMAS L. CUTKOMP, PATRICIA CUTKOMP and L. P. CUTKOMP, known to me to be the persons whose names are subscribed to the within instrument and acknowledged to me that they executed the same.

WITNESS my hand and official seal.

Notary Public

[SEAL]

STATE OF CALIFORNIA)
) SS.
COUNTY OF SAN DIEGO)

On February 17, 1978, before me, the undersigned, a Notary Public in and for said State, personally appeared MARSHALL A. LEWIS and LEWIS SILVERBERG, known to me to be the persons whose names are subscribed to the within instrument and acknowledged to me that they executed the same.

WITNESS my hand and official seal.

Patricia Fritz

Notary Public

[S E A L]



CERTIFICATE OF SECRETARY

The undersigned, duly elected and presently acting Secretary of VIEW TERRACE ASSOCIATION, a California nonprofit corporation, does hereby certify that the foregoing Bylaws are the Bylaws of said corporation duly adopted at a meeting of its Board of Directors held February 26 , 1978; and that said Bylaws have not been amended, modified or rescinded.

IN WITNESS WHEREOF, the undersigned has executed this Certificate and affixed the seal of said corporation hereunto this 28 day of February , 1978.

Patricia Cutkomp

Secretary

Patricia Cutkomp