

ARTICLES

"If this document contains any restriction based upon race, color, religion, sex, familial status, marital status, disability, national origin, or ancestry, that restriction violates state and federal fair housing laws and is void and may be removed pursuant to Section 12956.1 of the Government Code. Lawful restrictions under state and federal law on age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status."

1593891

ENDORSED
FILED
In the office of the Secretary of State
of the State of California

ARTICLES OF INCORPORATION
OF
QUAIL VALLEY ESTATES OWNERS' ASSOCIATION

AUG 21 1987

ARTICLE I

NAME

MARCH FONG EU, Secretary of State

The name of the corporation is QUAIL VALLEY ESTATES OWNERS' ASSOCIATION (hereinafter referred to as the "Association").

ARTICLE II

PURPOSES OF THE ASSOCIATION

This Association is a nonprofit mutual benefit corporation organized under the California Nonprofit Mutual Benefit Corporation Law. The purpose of this Association is to engage in any lawful act or activity for which a corporation may be organized under such law.

This Association does not contemplate pecuniary gain or profit to its Members. The specific and primary purposes for which the Association is formed are to provide for management, administration, maintenance, preservation and architectural control of the Lots and Common Area within the real property (the "Project") situated in the County of Contra Costa, State of California, commonly known as Quail Valley Estates, a Common Interest Development of the type known as a planned development project, and to promote the health, safety and welfare of all residents within the Project and such additions as may hereafter be brought within the jurisdiction of the Association for those purposes, all according to that certain Declaration of Covenants, Conditions and Restrictions of Quail Valley Estates (the "Declaration") recorded or to be recorded with respect to the Project in the Official Records of the County of Contra Costa, State of California.

ARTICLE III

LIMIT ON POWERS

Notwithstanding any statement herein to the contrary, the Association shall not engage, except to an insubstantial degree, in any activity or exercise any power that is not in furtherance of its specific and primary purposes. This Association is intended to qualify as a homeowners association under the applicable provisions of Section 528 of the United States Internal Revenue Code ("IRC") and of Section

23701t of the Revenue and Taxation Code of the State of California ("R&TC"), as each may be amended from time to time. No part of the net earnings of this Association shall inure to the benefit of any private individual except as expressly provided in IRC Section 528 and R&TC Section 23701t with respect to the acquisition, construction or provision for management, maintenance and care of the Project, other than by a rebate of excess assessments.

ARTICLE IV

GOVERNANCE

The rights of Members, number of Members, manner of election of the Directors and all other matters concerning the operation and governance of the Association shall be as set forth in the Bylaws and the Declaration.

ARTICLE V

AGENT FOR SERVICE OF PROCESS

The name and address of the Association's initial agent for service of process is:

John A. Hauck
2751 Chanticleer Ave.
Santa Cruz, California 95065

ARTICLE VI

DISSOLUTION

In the event of the dissolution, liquidation or winding-up of the Association upon or after termination of the Project, in accordance with provisions of the Declaration, the Association's assets remaining after payment, or provision for payment, of all debts and liabilities of the Association shall be divided among and distributed to its Members in accordance with their respective rights therein.

ARTICLE VII

AMENDMENTS

Amendments to these Articles of Incorporation shall require the affirmative vote or written assent of the Members as follows:

- A. Fifty-one percent (51%) of all Directors; and

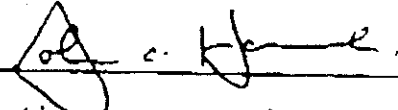
B. 1. When a one class voting structure is in effect:

(i) Fifty-one percent (51%) of the total voting power of all Members; and

(ii) Fifty-one percent (51%) of the total voting power of all Members other than Declarant; or

2. When a two class voting structure is in effect, fifty-one percent (51%) of the total voting power of each class of Members.

IN WITNESS WHEREOF, for the purpose of forming this corporation under the laws of the State of California, the undersigned has executed these Articles of Incorporation this 17th day of August, 1987.



I hereby declare that I am the person who executed the above Articles of Incorporation and that such instrument is my act and deed.

