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JUL 07 2004

**ARTICLES OF INCORPORATION
OF
ANATOLIA UNITS 1, 2 AND 4 MASTER ASSOCIATION**

KEVIN SHELLEY
Secretary of State

**ARTICLE 1
NAME**

The name of this corporation is ANATOLIA UNITS 1, 2 AND 4 MASTER ASSOCIATION (the "Corporation").

**ARTICLE 2
NONPROFIT MUTUAL BENEFIT CORPORATION**

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

**ARTICLE 3
SPECIFIC PURPOSES OF THE CORPORATION**

The Corporation is an association formed to manage a common interest development under the Davis-Stirling Common Interest Development Act. The specific purpose for which this Corporation is formed is to provide for the administration, maintenance, preservation and architectural control of the residential lots, condominiums and Common Area within that certain real property situated in the County of Sacramento, State of California (the "Community") and more particularly described in the Master Declaration of Establishment of Conditions, Covenants, and Restrictions for Anatolia Units 1, 2 and 4 (the "Declaration") which has been, or will be, recorded in the Office of the County Recorder of Sacramento County.

Notwithstanding any of the above statements of purposes and powers, this Corporation shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the specific purpose of this Corporation.

**ARTICLE 4
SERVICE OF PROCESS**

The name and address, in the State of California, of this Corporation's initial agent for service of process is: Ms. Eleni Tsakopoulos, 7700 College Town Drive, Suite 101, Sacramento, CA 95826-2303.

**ARTICLE 5
PRINCIPAL OFFICE**

The corporation has no business or corporate office. The nine-digit zip code of the common interest development is 95742-0000. The front street and the nearest cross street to the common interest development are Douglas Road and Sunrise Boulevard.

**ARTICLE 6
MANAGING AGENT**

The name and address of the corporation's "managing agent" (as defined in Civil Code Section 1363.1), is Vierra Moore, Inc., 2890 Gateway Oaks Drive, Ste. 250, Sacramento, CA 95833, Attn: Mr. George Moore.

**ARTICLE 7
MEMBERS**

Every person or entity who is a record owner of a Lot or Condominium which is subject by covenants of record to assessment by the Corporation shall be a Member of the Corporation. 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 or Condominium which is subject to assessment by the Corporation.

**ARTICLE 8
DECLARATION OF ESTABLISHMENT OF CONDITIONS,
COVENANTS AND RESTRICTIONS**

The Corporation shall be bound by the terms and conditions of the Declaration.

**ARTICLE 9
LIABILITY**

The personal liability of the directors of the Corporation for debts, liabilities or obligations relating to the Corporation shall be eliminated to the extent permissible under California law.

**ARTICLE 10
CLASSES OF MEMBERSHIP**

The Corporation shall have three classes of voting membership:

Class A. Initially, Class A members shall be all Owners of Lots and Condominiums within the Community with the exception of Declarant and the Merchant Builders (as defined in the Declaration) and shall be entitled to one (1) vote for each Lot or Condominium owned.

When more than one person holds an interest in any Lot or Condominium, all such persons shall be Members, and the vote for such Lot or Condominium shall be exercised as they among themselves determine, but in no event shall more than one (1) vote be cast with respect to any Lot or Condominium.

Class B. The Class B member shall be the Declarant and the Merchant Builders and shall be entitled to three (3) votes for each Lot or Condominium owned which is subject to assessment by the Master Association within the Community. The Class B membership shall cease and be converted to Class A membership on the happening of any of the following events, whichever occurs earlier:

(1) Five (5) years from the date of the most recent conveyance of a subdivision interest in any phase of the overall development under authority of a Final Subdivision Public Report; or

(2) Twenty (20) years from the date of the first conveyance to a Class A Member of a subdivision interest in the first Phase of the overall development.

Class C. In addition to the other memberships it may hold, Declarant shall be the sole Class C Member of the Master Association. The Class C membership shall be considered a part of the Master Association's voting power for the sole purpose of the Class C Member electing a majority of the directors of the Master Association, and references to "each class of membership" in the Master Declaration or in the Bylaws or herein shall not refer to Class C membership for any purpose other than election of directors of the Master Association. The directors shall be elected as set forth in the Bylaws. The Class C membership shall forever cease on the happening of the earliest of the following to occur:

(1) Close of escrow for the sale to Class A Members of ninety percent (90%) of the total proposed Lots and Condominiums within the Community and the Annexable Property (as defined in the Declaration) in accordance with the conditions of approval for the Community; or

(2) Five (5) years from the date of the most recent conveyance of a subdivision interest in any Phase of the overall development under the authority of a Final Subdivision Public Report.

(3) Fifteen (15) years from the date of the first conveyance to a Class A Member of a subdivision interest in the first Phase of the overall development.

ARTICLE 11 AMENDMENT

So long as the two-class voting structure provided for in the Bylaws shall remain in effect, these Articles may be amended only by the vote or written assent of Delegates representing at least seventy-five percent (75%) of the voting power of each class of Members.

At such time as the Class B membership shall cease and be converted to Class A membership as set forth in the Bylaws, amendments to these Articles shall be enacted by requiring the vote or written assent of:

- (a) At least a majority of the Board of Directors of the Corporation; and
- (b) Delegates representing at least seventy-five percent (75%) of the Members of the Corporation; and
- (c) Delegates representing at least seventy-five percent (75%) of the votes of Members other than Declarant.

In either event, any and all amendments to the Articles of Incorporation shall require the approval of a majority of the Board of Directors.

Notwithstanding the foregoing, the percentage of a quorum of the Members or the Members other than the Declarant necessary to amend a specific provision in these Articles shall not be less than the prescribed percentage of affirmative votes required for action to be taken under said provision.

ARTICLE 12 MISCELLANEOUS

The qualifications of Members of the Corporation, the property, voting and other rights and privileges of membership and their liability for dues and assessments and the method of collection thereof, shall be set forth in the Bylaws of the Corporation which incorporate by reference thereto said Declaration.

ARTICLE 13 CORPORATION QUALIFICATION

This Corporation is intended to qualify as a homeowners' association under the applicable provisions of the Internal Revenue Code, and of the Revenue and Taxation Code of California. This Corporation is one which does not contemplate pecuniary gain or profit to the Members thereof, and is organized solely for nonprofit purposes. In no event shall the net earnings, income or assets of this Corporation be distributed to, or inure to the benefit of, any Member, director or officer of this Corporation or other private individual either directly, or indirectly, except upon winding up and dissolution. Upon winding up and dissolution of this Corporation, after paying or adequately providing for the debts and obligations of the Corporation, the remaining assets may be distributed to the Members as provided in the Bylaws. Notwithstanding the foregoing, without the approval of one hundred percent (100%) of the Members, so long as there is any Common Area for which this Corporation is obligated to provide management, maintenance, preservation or control:

- (a) The Corporation or any person or entity acting on its behalf shall not:

(1) Transfer all or substantially all of its assets; and

(2) File a Certificate of Dissolution; and

(b) No court shall enter an order declaring the corporation duly wound up and dissolved.

IN WITNESS WHEREOF, for the purposes of forming the Corporation under the laws of the State of California, the undersigned, constituting the sole incorporator of this Corporation, has executed these Articles of Incorporation this Sixth day of July, 2004.



Jorgen L. Nielsen, Incorporator

