



State of California
Secretary of State

I, BRUCE McPHERSON, Secretary of State of the State of California, hereby certify:

That the attached transcript of 3 page(s) has been compared with the record on file in this office, of which it purports to be a copy, and that it is full, true and correct.



IN WITNESS WHEREOF, I execute this certificate and affix the Great Seal of the State of California this day of

SEP 15 2005

A handwritten signature in cursive script, appearing to read "Bruce McPherson".

BRUCE McPHERSON
Secretary of State

ARTICLES OF INCORPORATION

OF

LAKE HILLS RESERVE
HOMEOWNERS ASSOCIATION**ENDORSED - FILED**
In the office of the Secretary of State
of the State of California

SEP 15 2005

I

The name of this corporation is Lake Hills Reserve Homeowners Association (hereinafter referred to as the "Association").

II

A. 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 credit union business, for which a corporation may be organized under such law.

B. This corporation does not contemplate pecuniary gain or profit to the members thereof. This corporation is an association formed to manage a common interest development, under the Davis-Stirling Common Interest Development Act, and the specific primary purposes for which it is formed are to provide for management, administration, maintenance, preservation and architectural control of the Residential Lots and Association Property units within that certain tract of property situated in the County of Riverside, California, commonly known as Lake Hills Reserve ("Project"). Subject to the provisions of the recorded or to be recorded Declaration of Covenants, Conditions and Restrictions of Lake Hills Reserve applicable to the development (hereinafter referred to as the "Declaration"), the general purposes and powers of the Association are:

(1) to promote the health, safety and welfare of the residents within the development;

(2) to exercise all of the powers and privileges and to perform all of the duties and obligations of the Association arising from the Declaration;

(3) to fix, levy, collect and enforce payment by any lawful means, all charges or assessments pursuant to the terms of the Declaration and 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 and governmental charges levied or imposed against the property of the Association;

(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 Association;

(5) to borrow money, and 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;

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

(7) to act in the capacity of principal, agent, joint venturer, or partner, or otherwise.

The foregoing statement of purposes shall be construed as a statement both of purposes and of powers, and purposes and powers in each clause shall in no way be limited or restricted by reference to or inference from the terms or provisions of any other clause, but shall be broadly construed as independent purposes and powers. Notwithstanding any of the above statements of purposes and powers, the Association 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 Association.

III

The principal office for the transaction of the business of the Association is located in the County of Riverside, State of California, and the street address of the Association is: 29 B Technology Drive, Suite 100, Irvine, CA 92618. The nearest front and side streets of the Project are Lake Crest Drive and La Sierra Avenue. The zip code is 92503-0000.

IV

This Association 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. No part of the net earnings of this organization shall inure to the benefit of any private individual, except as expressly provided in those Sections with respect to the acquisition, construction, or provision for management, maintenance, and care of the Association property, and other than by a rebate of excess membership dues, fees, or assessments. 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, its assets remaining after payment, or provision for payment, of all debts and liabilities of the Association, shall be divided among and distributed to the members in accordance with their respective rights therein.

V

These Articles may be amended only by the affirmative vote (in person or by proxy) or written consent of a majority of the Board of Directors of this Association and the affirmative vote, in person or by proxy, or written consent of Members representing a majority of the voting power of the Association Members which shall include a majority of the votes of Members other than Declarant, or where the Class B membership is still in effect, as provided in the Declaration and the Bylaws, a majority of voting power of Class A membership and of Class B membership.

VI

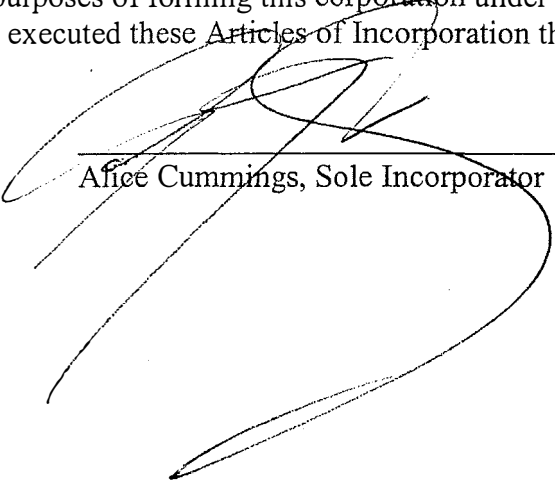
The authorized number and qualifications of Members of the Association, the different classes of members, if any, the property, voting, and other rights and privileges of Members, and their liability for assessments and the method of collection thereof, shall be as set forth in the Bylaws.

VII

The name of the Association's initial agent for service of process is: Gerri Ann Vagadori. The address of its initial agent is: 29B Technology Drive, Suite 100, Irvine, CA 92618-2302.

The name of the Association's managing agent as defined in Civil Code § 1363.1 is Action Property Management, Inc. The address of its managing agent is: 29B Technology Drive, Suite 100, Irvine, CA 92618-2302.

IN WITNESS WHEREOF, for the purposes of forming this corporation under the laws of the State of California, the undersigned has executed these Articles of Incorporation this 14th day of September, 2005.



Alice Cummings, Sole Incorporator

