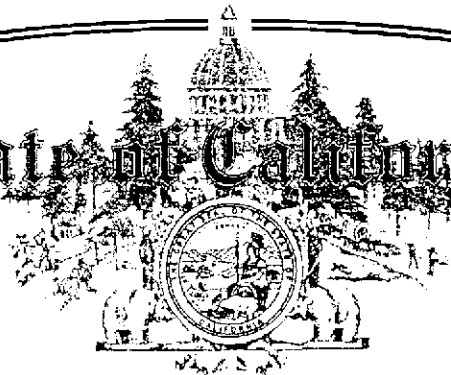


State of California



2299686



SECRETARY OF STATE

I, *Kevin Shelley*, Secretary of State of the State of California, hereby certify:

That the attached transcript of ____ 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

DEC 17 2003



Kevin Shelley
Secretary of State

2299686

ENDORSED - FILED
in the office of the Secretary of State
of the State of California

DEC 15 2003

KEVIN SHELLEY
Secretary of State

ARTICLES OF INCORPORATION

FOR

~~DEL MAR VILLAS CONDOMINIUM OWNERS ASSOCIATION~~

1. NAME OF CORPORATION

The name of this corporation is **DEL MAR VILLAS CONDOMINIUM OWNERS ASSOCIATION**, (hereinafter referred to as the "*Association*").

2. PURPOSES

The purposes for which the Association is formed are as follows:

(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) The specific and primary purpose of the Association is to act as a "management body" for the preservation, maintenance, improvement and aesthetic/architectural control of the Association Property and Common Area, which comprise the **DEL MAR VILLAS CONDOMINIUM PROJECT**, a Common Interest Development (hereinafter referred to as the "**Project**") in **San Diego County, California**.

The Association may also exercise the powers granted to a nonprofit mutual benefit corporation enumerated in Section 7140 of the Corporation Code. In addition, the Association may exercise the powers granted to an Association by Section 383 of the Code of Civil Procedure, or any amendment thereto, and the powers granted to the Association in the Davis-Stirling Common Interest Development Act (Civil Code §1350 et seq.).

The foregoing clauses concerning the purposes of the Association shall be considered as a statement of both purposes and powers; and the purposes and powers in each clause shall, except where otherwise expressed, be in no manner limited or restricted by reference to or inference from the terms or provisions of any other clause but shall be regarded as independent purposes and powers. Notwithstanding the foregoing, the Association shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the specific and primary purpose of the Association.

3. INITIAL AGENT

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

Thomas P. Sayer, Jr., Esq.
1785 Hancock St., Ste. 100
San Diego, CA 92110

4. ASSOCIATION ADDRESS; LOCATION; ZIP CODE

(a) The initial address of the Association is, and the initial managing agent as defined in Civil Code §1363.1 is:

DEL MAR VILLAS CONDOMINIUM OWNERS ASSOCIATION
c/o Thomas P. Sayer, Jr.
1785 Hancock St., Ste. 100
San Diego, CA 92110

(b) The nearest front and side streets of the Association are:

CARMEL CREEK ROAD and CAMINO MIRA DEL MAR

(c) The nine digit zip code(s) of the physical location of the Project are:

92130-2308	92130-2317	92130-2377	92130-2568
92130-2310	92130-2318	92130-2378	92130-2569
92130-2311	92130-2319	92130-2379	92130-2570
92130-2312	92130-2320	92130-2380	92130-2575
92130-2313	92130-2321	92130-2391	92130-2576
92130-2314	92130-2322	92130-2392	92130-2582
92130-2315	92130-2367	92130-2398	92130-3314
92130-2316	92130-2375	92130-2568	92130-3315

5. RIGHTS OF MEMBERS

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

6. NONPROFIT STATUS; DISSOLUTION

The 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. So long as there are any Condominium Units (hereafter "Unit" or "Units") for which the Association is obligated to provide management, maintenance, preservation or control, the Association shall not transfer all or substantially all of its assets or file a Certificate of Dissolution without the approval of one hundred percent (100%) of the members. On the dissolution or winding up of the Association, upon or after termination of the Project, in accordance with the provisions of the Declaration, the assets of the Association

remaining after payment, or provision for payment, of all debts and liabilities of the Association, shall be distributed to the Members (as defined in the Declaration) in accordance with their respective rights therein.

7. AMENDMENTS

Amendments to these Articles of Incorporation shall require (a) at least fifty-one percent (51%) of the total voting power of the governing body, and (b) the assent (by vote or written consent) of members representing fifty-one percent (51%) or more of the voting power of each class of members; provided, however, that after conversion of the Class B membership to Class A membership, amendment to these Articles of Incorporation shall require the assent (by vote or written consent) of (i) fifty-one percent (51%) or more of the total voting power of the governing body (ii) fifty-one percent (51%) or more of the voting power of members other than Declarant (as defined in the Declaration), and (iii) at least fifty-one percent (51%) of the voting power of the Association. However, the percentage of voting power necessary to amend a specific clause or provision shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause.

8. MEMBERSHIP

Every person or entity who is a record owner of a fee or undivided fee interest in any Unit which is subject by covenants of record to assessment by the Association shall be a member of the Association. 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 Unit which is subject to assessment by the Association.

9. CLASSES OF MEMBERS

The Association shall have two classes of voting membership:

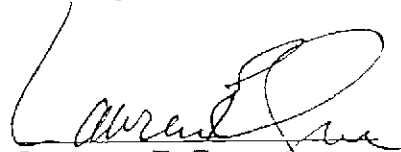
CLASS A. Each Member, other than the Declarant, shall be a Class A member. Class A membership entitles the holder to one (1) vote for each Unit of which he or she is record owner. If a Unit is owned by more than one person, each such person shall be a Member of the Association, but there shall be no more than one (1) vote for each Unit.

CLASS B. The Declarant is a Class B Member. Class B membership entitles the holder to three (3) votes for each Unit of which the Declarant is record owner.

The Class B membership shall be irreversibly converted to Class A membership on the first to occur of the following:

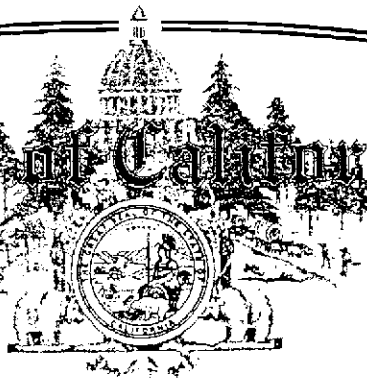
- (a) The second (2nd) anniversary of the first Close of Escrow in the most recent Phase of the Project; or
- (b) The fourth (4th) anniversary of first Close of Escrow in the Project.

IN WITNESS WHEREOF, for the purposes of forming this Association under the laws of the State of California, the undersigned has executed these Articles of Incorporation this 9th day of December 2003.


Lawrence E. Grove
Incorporator



State of California



2299686



SECRETARY OF STATE

I, *Kevin Shelley*, Secretary of State of the State of California, hereby certify:

That the attached transcript of _____ 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.

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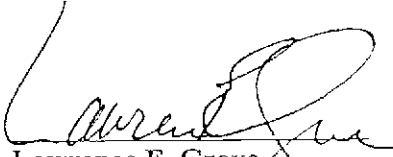
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- (a) The second (2nd) anniversary of the first Close of Escrow in the most recent Phase of the Project; or
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Lawrence E. Grove
Incorporator

