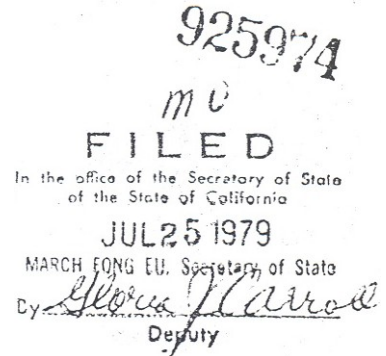


ARTICLES OF INCORPORATION OF
SADDLEBACK HOMEOWNERS ASSOCIATION



ARTICLE I
NAME

The name of the corporation is Saddleback Homeowners Association, (hereinafter called the "Association.")

ARTICLE II
PRINCIPAL OFFICE

The principal office of the Association for transaction of the business of the Association is located in Placer County, California.

ARTICLE III
ORGANIZATION

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

ARTICLE IV
PURPOSES AND POWERS OF THE ASSOCIATION

This Association does not contemplate pecuniary gain or profit to the members thereof, and the specific purposes for which it is formed are to provide for maintenance, preservation and architectural control of the residence lots and common maintenance area within that certain tract of property described as Saddleback Subdivision located in Placer County, California:

(See legal description attached hereto as "Exhibit A".)

and to promote the health, safety and welfare of the residents within the above-described property and any additions thereto as may hereafter be brought within the Jurisdiction of this Association for this purpose to:

(a) exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as set forth in that certain Declaration of Covenants, Conditions and Restrictions, hereinafter called the "Declaration," applicable to the property and recorded or to be recorded in the Office of the County Recorder of Placer County, California, and as the same may be amended from time to time as therein provided, said Declaration being incorporated herein as if set forth at length;

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

(c) 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; .

(d) borrow money, and with the assent of two-thirds of each class of members, mortgage, pledge, deed in trust or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred;

(e) dedicate, sell or transfer all or any part of the common area 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 two-thirds of each class of members, agreeing. to such dedication, sale or transfer;

(f) 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 of each class of members;

(g) 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.

ARTICLE V MEMBERSHIP

Every person or entity who is a record owner of a fee or undivided fee interest in any lot which is subject by covenants of record to assessment by the Association, including contract sellers, 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 lot which is subject to assessment by the Association.

ARTICLE VI VOTING RIGHTS

The Association shall have two classes of voting membership:

Class A. Class A members shall be all owners, with the exception of the Declarant, 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. Class B member(s) shall be the Declarant (as defined in the Declaration) and shall be entitled to three (3) votes for each lot owned. The Class B membership shall be suspended and converted to Class A membership upon the earliest occurrence of any of the following events:

(a) The total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership; or

(b) two (2) years from the date of the original issuance of the public report by the California Department of Real Estate affecting any portion of the real property as described in Article IV hereof; or

(c) December 31, 1982.

Until such time as the number of Class A members shall be sufficient to elect one of their members as a Director through the cumulating of all of their votes, the Class A members shall vote amongst themselves and by majority vote shall elect one member of the Board of Directors of the Association.

During the period that the two-class voting structure is still in effect, these Articles shall not be amended without the vote or written assent of a majority of the voting power of each class of membership.

After all of the Class B membership have been suspended and converted to Class A memberships, as above provided, the provisions for amending these Articles may be enacted by the vote or written assent of members representing both a majority of the total voting power of the association and within that majority, a majority of the votes of members other than Declarant.

ARTICLE VII
BOARD OF DIRECTORS

The affairs of this Association shall be managed by a Board of three directors. The number of Directors may be changed by amendment of the By-Laws of the Association. The names and addresses of the persons who are to act in the capacity of Directors until the first annual meeting are:

Lewis K, Uhler	7330 Morningside Drive Loomis, CA 95650
Hugh Harris	6847 Highland Road Loomis, CA 95650
William H. Beck	8525 Hidden Lakes Drive Roseville, CA 95678

At the first annual meeting and at each annual meeting thereafter, the members shall elect five (5) Directors for a term of one (1) year.

ARTICLE VIII
DISTRIBUTION OF INCOME
AND PROHIBITED ACTIVITY

Notwithstanding any other provision in these Articles, the Association shall be subject to the following limitations and restrictions:

(a) The Association shall distribute its income for each taxable year at such time and in such manner as not to become subject to the tax on undistributed income imposed by Section 4942 of the Internal Revenue Code of 1954.

(b) The Association shall not engage in any act of self-dealing as defined in Section 4941 (d) of the Internal Revenue Code of 1954.

(c) The Association shall not retain any excess business holdings as defined in Section 4943 (c) of the Internal Revenue Code of 1954.

(d) The Association shall not make any investments in such manner as to subject it to tax under Section 4944 of the Internal Revenue Code of 1954.

(f) No substantial part of the activities of the Association shall consist of the carrying on of propaganda or otherwise attempting to influence legislation, nor shall the Association participate in or intervene in any political campaign on behalf of any candidate for public office.


ARTICLE IX
GAINS, PROFITS AND DISTRIBUTIONS

The property of this Association is irrevocably dedicated to charitable purposes, and no part of the net income or assets of this organization shall ever inure to the benefit of any director, officer or member thereof or to the benefit of any private person. Upon dissolution of the Association, other than incident to a merger or consolidation, the assets of the Association shall be dedicated to an appropriate public agency to be used for purposes similar to those for which this Association was created. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed and assigned to any nonprofit corporation, association, trust or other organization to be devoted to such similar purposes.

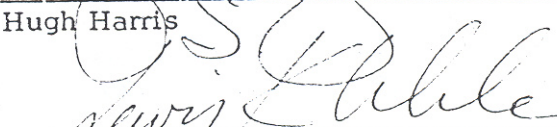
ARTICLE X
AMENDMENTS

Amendments of these Articles shall require the consent by vote or in writing of members representing 75 percent or more of the voting power until December 31, 1982; and thereafter, members representing 50 percent or more of the voting power.

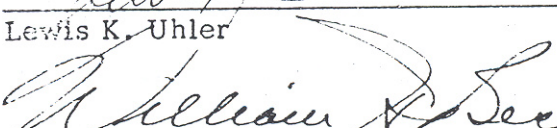
IN WITNESS WHEREOF, the undersigned, constituting the incorporators of this Association, for the purpose of forming this corporation under the laws of the State of California, have executed these Articles of Incorporation this 25th day of July, 1979.



Hugh Harris



Lewis K. Uhler



William H. Beck

STATE OF CALIFORNIA)
COUNTY OF PLACER) ss.

On this 25th day of July, 1979, before the undersigned Notary Public, personally appeared Hugh Harris, Lewis K. Uhler and William H. Beck, known to me to be the persons mentioned, and acknowledged that they executed the foregoing Articles of Incorporation .

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FILED *E*In the office of the Secretary of State
of the State of CaliforniaCERTIFICATE OF AMENDMENT
OF
ARTICLES OF INCORPORATION
OFSADDLEBACK HOMEOWNERS ASSOCIATION,
a California nonprofit corporation

AUG 12 1992

March Fong Eu
MARCH FONG EU, Secretary of State

ELSIE VICKERY, TOM BRADY, and CHARLES MILLER, certify that:

1. They are the Chairman of the Board of Directors, Vice-President, and Secretary, respectively, of said corporation.

2. The Articles of Incorporation of said corporation shall be amended to strike in its entirety Article IX.

3. The foregoing amendment has been approved by the Board of Directors of said corporation.

4. The foregoing amendment was approved by the required vote of the members of the corporation.

IN WITNESS WHEREOF, the undersigned have executed this Certificate on June 25th, 1992.

Elsie Vickery

ELSIE VICKERY, President*Thomas C. Brady*

TOM BRADY, Vice-President*Charles R. Miller*

CHARLES MILLER, Secretary