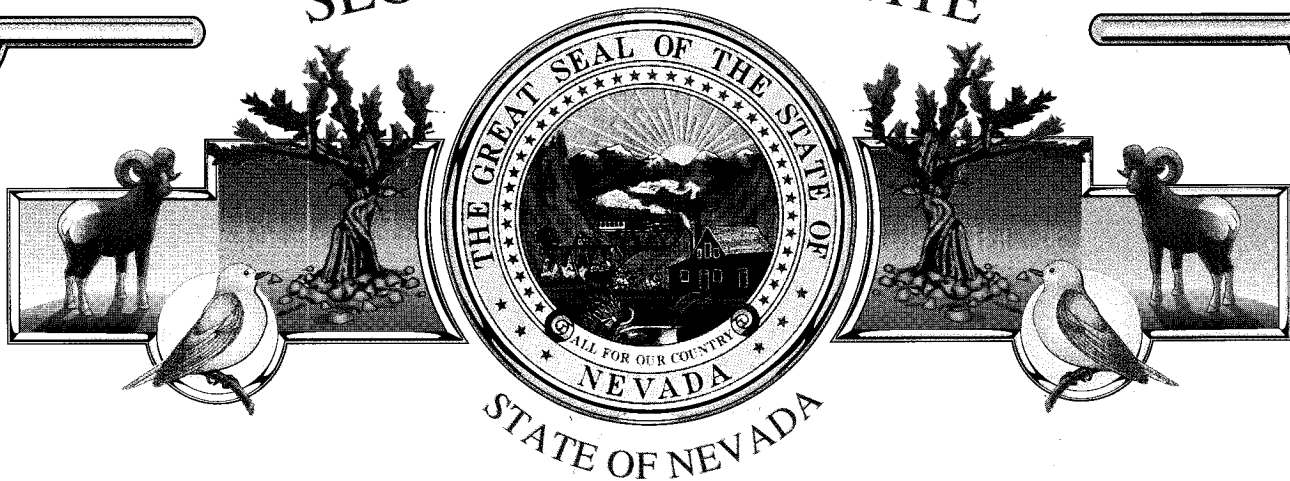


SECRETARY OF STATE



CORPORATE CHARTER

I, DEAN HELLER, the duly elected and qualified Nevada Secretary of State, do hereby certify that **MONTECITO HOMEOWNERS ASSOCIATION** did on **September 28, 2000** file in this office the original Articles of Incorporation; that said Articles are now on file and of record in the office of the Secretary of State of the State of Nevada, and further, that said Articles contain all the provisions required by the law of said State of Nevada.



IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Great Seal of State, at my office, in Carson City, Nevada, on **September 28, 2000**.

Dean Heller

Secretary of State

By

Denise A. Baber

Certification Clerk

FILED # C26087-00

ARTICLES OF INCORPORATION

SEP 28 2000

OF

IN THE OFFICE OF
Dean Heller
DEAN HELLER SECRETARY OF STATE

MONTECITO HOMEOWNERS ASSOCIATION

The undersigned, being residents of the State of Nevada, do hereby associate themselves together for the purpose of forming a non-profit corporation, pursuant to the provisions of Sections 81.410 through 81.540, inclusive, of the Nevada Revised Statutes, and we do hereby make, subscribe, acknowledge, certify and adopt the following Articles of Incorporation:

ARTICLE I

The name of the corporation (hereinafter called the "Association") is: MONTECITO HOMEOWNERS ASSOCIATION.

ARTICLE II

The Association does not contemplate monetary gain or profit to the Members hereof, and the specific primary purposes for which it is formed are to administer and enforce the conditions, covenants and restrictions, and collect and disburse the assessments and charges, provided for in that Declaration of Covenants, Conditions and Restrictions and Reservation of Easements for MONTECITO (hereinafter called the "Declaration") as recorded in the Official Records, Clark County, Nevada. In furtherance of and incidental and supplemental to said purposes, this Association shall have power to do the following:

(a) perform the duties and obligations and exercise the rights of the Association as set forth in the Declaration, including, without limitation, the promulgation and enforcement of rules and regulations relating to the general appearance of the area, and the levy, collection and enforcement of assessments pursuant to the Declaration;

(b) carry on any other lawful activity or do anything whatsoever which the Association may deem proper or convenient or capable of being carried on, or which may be calculated directly or indirectly to promote the interests of the Association or of the property over which it has jurisdiction, so long as said activity is incidental to and in furtherance of said stated purposes; provided that the commencement, prosecution, and/or maintenance of, and/or intervention in, any Proceeding in connection with any Non-Operational Controversy (as said terms are defined in the Declaration), without having fully and completely followed, or in violation of, the mandatory requirements and procedures set forth in the Declaration, shall be ultra vires; and

(c) to have, enjoy and exercise in furtherance of said stated purposes, all of the rights, powers and privileges which are now or which may hereafter be conferred upon non-profit corporations by the laws of Nevada, including the right to any and all of the things hereinbefore set forth, as principal and as agent, to the same extent as natural persons might or could do.

ARTICLE III

The name and address of the initial resident agent of the Corporation are RMI, LLC, 4435 S. Eastern Avenue, Las Vegas, Nevada 89119.

ARTICLE IV

WILLIAM LYON HOMES, INC., a California corporation, fka PRESLEY HOMES, and its successors and assigns ("Declarant"), and every person or entity who is a record owner ("Owner") of a fee interest in all or any portion of a residential unit ("Unit") which is located within that real property subject to the Declaration ("Properties"), including installment land sale contract vendees, shall be a member of the Association. There shall be one (1) vote per Unit owned, and, based on the foregoing, the voting power and Association property rights and interests of each Member shall be equal. 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 within the Properties, nor may membership be resigned by any individual who continues as record owner of a fee interest in all or any portion of a Unit within the Properties.

ARTICLE V

The term for which this corporation is to exist shall be perpetual.

ARTICLE VI

The affairs of this Association shall initially be managed by a Board of three (3) Directors, all of whom (other than Directors appointed by Declarant) must be members ("Members") of the Association (including an officer, employee, agent or director of a corporate Member; a partner of a Member which is a partnership; a trustee or designated beneficiary of a Member which is a trust; or a fiduciary of a Member which is an estate). The number of Directors may be increased to five (5) or seven (7), at any time by Declarant during the Declarant Control Period, as set forth in detail in the Declaration and/or Bylaws, and otherwise may be changed by amendment of the Bylaws, provided that there shall be

neither more than any maximum nor less than any minimum number of Directors from time to time required by applicable Nevada law. The names and addresses of the persons who are to act in the capacity of Directors until the election of their successors are as follows:

1. Linda Kemper 500 Pilot Road, Suite G
Las Vegas, Nevada 89119
2. Greg Huff 500 Pilot Road, Suite G
Las Vegas, Nevada 89119
3. Leticia Gonzales 500 Pilot Road, Suite G
Las Vegas, Nevada 89119

The above-referenced individuals are also the incorporators.

ARTICLE VII


Upon dissolution of the Association, the assets of the Association shall be distributed in compliance with applicable Nevada law.


ARTICLE VIII

Amendment of these Articles shall require: (a) the assent (by vote or by written consent) of Members representing seventy-five percent (75%) or more of the total voting power of the Association; and (b) the written consent of a majority of the total voting power of the Board; and (c) the written consent of at least sixty-seven percent (67%) of the holders of mortgages with first priority over other mortgages or deeds of trust on Units within the Properties, if such amendment will adversely affect the rights of any such first mortgagees.

IN WITNESS WHEREOF, for the purpose of forming this corporation under the laws of the State of Nevada, we, the undersigned, constituting the Incorporators of this Association, have executed these Articles of Incorporation this 13 ^{September} day of August, 2000.


Linda Kemper


Greg Huff


Leticia Gonzales

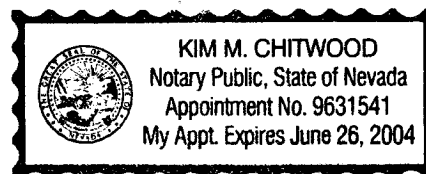
STATE OF NEVADA)
)
COUNTY OF CLARK)

This instrument was acknowledged before me on this 13 ^{September} day of August, 2000, by Linda Kemper, Greg Huff, and Leticia Gonzales, as incorporators of MONTECITO HOMEOWNERS ASSOCIATION.


NOTARY PUBLIC
(seal)

My Commission Expires:

6-26-04



(wmr\1436.43\2.articles.01rev.wpd)

**CERTIFICATE OF ACCEPTANCE
OF
APPOINTMENT AS RESIDENT AGENT**

FILED # C26087-00

SEP 28 2000

IN THE OFFICE OF
Dean Heller
DEAN HELLER SECRETARY OF STATE

In the matter of: **MONTECITO HOMEOWNERS ASSOCIATION.**

RMI, LLC, a Nevada limited liability company, hereby certifies that on this date it has accepted appointment as Resident Agent of the above-entitled non-profit corporation in accordance with Nevada Revised Statutes §§ 82.081 and 82.141.

RMI, LLC, a Nevada limited liability company, further certifies that the registered office in this state of said corporation is located at 4435 S. Eastern Avenue, Las Vegas, Nevada 89119.

Dated: ^{SEPTEMBER} ~~July~~ 13, 2000.

RMI, LLC

By: *Kevin Wallace*
Its Manager