2518421

State of California

SECRETARY OF STATE

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

That the attached transcript of 4 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

JUN 24 2003

Kevin Shelley

Secretary of State

Sec/State Form CE-107 (rev. 1/03)

OSP 03 74699

2518421

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

JUN 23 2003

KEVIN SHELLEY
Secretary of State

ARTICLES OF INCORPORATION
OF
HIDDEN MEADOWS RANCH HOMEOWNERS' ASSOCIATION

ARTICLE 1
NAME

The name of this corporation is HIDDEN MEADOWS RANCH HOMEOWNERS' 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 ("Homesites") and Common Area within that certain real property situated in the unincorporated area of the County of San Diego, State of California ("Community") and more particularly described in the Declaration of Establishment of Conditions, Covenants, and Restrictions for Hidden Meadows Ranch (the "Declaration") which has been, or will be, recorded in the Office of the County Recorder of San Diego 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: Mr. Peter Goedert, Greystone Homes, 5780 Fleet St., Ste. 300, Carlsbad, CA 92008.

ARTICLE 5
PRINCIPAL OFFICE

The corporation has no business or corporate office. The nine-digit zip code of the common interest development is 92036-0000. The front street and the nearest cross street to the common interest development are Mountain Meadow Road and Hidden Meadows Road.

ARTICLE 6
MANAGING AGENT

The name and address of the corporation's "managing agent" (as defined in Civil Code Section 1363.1), is Merit Property Management, Inc., 6256 Greenwich Drive, Ste. 520, San Diego, CA 92122, which is certified pursuant to Section 11502 of the Business and Professions Code.

ARTICLE 7
MEMBERS

Every person or entity who is a record owner of a Homesite 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 Homesite 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 fullest extent permissible under California law.

ARTICLE 10
CLASSES OF MEMBERSHIP

The Corporation shall have two classes of voting membership:

Class A. Class A members shall be all Owners of Homesites within the Community with the exception of Declarant (as defined in the Declaration) and shall be entitled to one (1) vote for each Homesite owned. When more than one person holds an interest in any Homesite, all such persons shall be Members, and the vote for such Homesite shall be exercised as they among themselves determine, but in no event shall more than one (1) vote be cast with respect to any Homesite.

Class B. The Class B member shall be the Declarant and shall be entitled to three (3) votes for each Homesite owned 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) Two (2) years from the date of the first conveyance of a subdivision interest in the most recent phase of the overall Community; or

(2) Five (5) years from the date of the first conveyance of a subdivision interest in the first phase of the overall Community.

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 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) At least seventy-five percent (75%) of the Members of the Corporation; and

(c) 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 authorized number, if any, and qualifications of Members of the Corporation, the different classes of membership, if any, 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 18th day of June, 2003.

Jorgen L. Nielsen, Incorporator

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6-18-03