

ARTICLES OF ASSOCIATION

OF

EVERGREEN ESTATES PROPERTY OWNERS' ASSOCIATION

AN UNINCORPORATED ASSOCIATION

Name

FIRST: The name of this Association is EVERGREEN ESTATES PROPERTY OWNERS' Association.

Purposes and Powers

SECOND: The purposes for which this Association is formed are:

(a) The specific and primary purpose is to hold title to and provide for maintenance, preservation and use of the common areas and recreational vehicle area, and for architectural control of the property located within Evergreen Estates Tract No. 731, Santa Cruz County.

(b) The general purposes and powers are:

- (1) To sue and be sued in its own name.
- (2) To enter into and perform contracts in its own name, provided, however, that no member of this Association shall be individually or personally liable for the debts or liabilities contracted or incurred by the Association in the acquisition of lands or leases or the purchase, leasing, designing, planning, architectural supervision, erection, construction, repair, or furnishing of buildings or other structures, to be used for the purposes of the Association, unless such member in a writing signed by him or by his agent assumes such debt or liability, and provided further, there is no presumption or inference that any member of this Association has consented or agreed to the incurring of any obligation by the Association from the mere fact of joining or being a member hereof, or signing its Bylaws.
- (3) To purchase, receive, own, hold, lease, mortgage, pledge, or encumber by deed of trust or otherwise, manage, and sell all such real estate and other property of every kind, nature, and description, as may be necessary for the business purposes and objects of the Association, and to design, plan, erect, construct, repair, and furnish buildings or other structures to be used for the purposes of the Association, subject to the provisions of Subparagraph (2)

or this Paragraph (b).

- (4) To receive gifts of real or personal property, in trust or otherwise, and to take and receive by will real or personal property necessary for its business purposes and objects, subject to the laws regulating the transfer of property by will, and to take and receive by will or deed all real or personal property not necessary for its business purposes and objects and hold it, provided, however, that it dispose of such property within a period of ten (10) years from the acquisition thereof.
- (5) To adopt, alter, or cancel an insignia and to register such insignia, alteration, or cancellation thereof in the office of the Secretary of State.
- (6) To adopt, use, and at will alter, an Association seal, but failure to affix the seal shall not affect the validity of any instrument.
- (7) To adopt, amend, or repeal Bylaws in such manner as may be provided therein, provided, however, that the initial Bylaws of this Association may be adopted by the unanimous written consent of the Directors named in this Constitution or by the vote or written consent of a majority of the voting members of this Association.
- (8) Generally to have and exercise all other rights and powers now conferred, or which may hereafter be conferred, on such associations by law, or which do not contravene the law or public policy of the State of California or of the United States.

The foregoing statement of purposes shall be construed as a statement of both purposes and powers, and the purposes and powers in each paragraph shall, except where otherwise expressed, not be limited or restricted by reference to or inference from the terms or provisions of any other paragraph, but shall be regarded as independent purposes and powers.

(c) Notwithstanding any of the foregoing provisions, this Association shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the primary nonprofit purposes of this Association as set forth in Paragraph (a) of this Article Second.

Principal Office

THIRD: The principal office of the Association for the transaction

of its business is located in Santa Cruz County, California.

Governing Body

FOURTH: (a) The powers of the Association shall be exercised, its property controlled, and its affairs conducted by a Board of five (5) Directors.

(b) The names and addresses of the first Directors of this Association are:

Name	Address
LLOYD MANSON	111 Centennial, Santa Cruz, CA 95060
ROBIN HILLIARD	636 Swanton Road, Davenport, CA
JUDY MANSON	111 Centennial, Santa Cruz, CA 95060

(c) The qualifications, the time and manner of electing, the terms of office, the duties and compensation, if any, and the manner of removing Directors and filling vacancies shall be as set forth in the Bylaws of this Association.

Members

FIFTH: (a) The qualifications of members of the Association, the different classes of membership, if any, the voting and other rights and privileges of members, and their liability for dues and assessments and the method of collection, and the termination and transfer of membership shall be as stated in the Bylaws.

(b) If the voting or other rights or interests, or any of them, be unequal, the Bylaws shall set forth the rule or rules by which the voting or other rights or interests of each member of class of members are fixed and determined.

(c) The interest of any member of this Association is the personal property of that member, and no member shall have any interest in property held by the Association, regardless of the time or manner in which said property is acquired, except as provided in Article Seventh or in any provision of the Bylaws respecting termination of a member's interest.

Dissolution

SIXTH: This Association shall be dissolved and its affairs wound up by the vote or written consent of seventy-five percent (75%) or more of its voting members and not otherwise.

Distribution of Assets

SEVENTH: On the dissolution or winding up of this Association, its assets remaining after payment of, or provision for payment of, all of its debts and liabilities, shall be distributed as follows: All assets shall be distributed among all members share and share alike.

Limitation on Political Activities

EIGHTH: No substantial part of the activities of this Association shall consist of the carrying on of propoganda, or otherwise attempting to influence legislation, nor shall this Association participate in, or intervene in (including the publishing or distributing of statements), any political campaign on behalf of any candidate for public office.

Net Proceeds From Public Events

NINTH: If this Association holds any event(s) to which members of the general public are invited to observe or participate in for a fee, the income from the general public, less a proportional share of the expense which will not benefit members, will be paid over to an organization which is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code on an annual basis.

Distribution of Income and Prohibited Activities

TENTH: Notwithstanding any other provision in this Constitution, this 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, or corresponding provisions of any subsequent Federal tax laws. } *

(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, or corresponding provisions of any subsequent Federal tax laws.

(c) The Association shall not retain any excess business holdings as defined in Section 4943(c) of the Internal Revenue Code of 1954, or corresponding provisions of any subsequent Federal tax laws.

(d) The association shall not make any investment in such manner as to subject it to tax under Section 4944 of the Internal Revenue Code of 1954, or corresponding provisions of any subsequent Federal tax laws. } *

(e) The Association shall not make any taxable expenditures as defined in Section 4945(d) of the Internal Revenue Code of 1954, or corresponding provisions of any subsequent Federal tax laws.

Constitution

ELEVENTH: (a) The original, or a copy, of this Constitution as amended to date shall be kept at the principal office of the Association, and shall be open to inspection by all members of their agents at any reasonable time.

(b) This Constitution shall be amended only by resolution duly adopted by a majority of the Directors and by the vote or written consent of eighty percent (80%) or more of the voting members of the Association and not otherwise.

Amendment

TWELFTH: The Articles of Association may be amended from time to time, by a vote of not less than sixty percent (60%) of the voting power of the Association, approving the amendment and at least a majority of the votes of members other than the subdivider.

Dated: December 9 , 1980

EVERGREEN ESTATES LIMITED PARTNERSHIP
By *Robert M. Mason*
Manson Bros., Inc., General Partner-
Organizer