

This is an electronic version of the Articles of Incorporation of the *Casa del Rey HOA* that has been created from the text of the original document. While intended to be an accurate transcription and to accurately reflect the officially recorded Articles of Incorporation, in case of any differences the officially recorded copy of the Articles of Incorporation is the definitive version.

ARTICLES OF INCORPORATION OF
CASA DEL REY HOMEOWNERS ASSOCIATION

ARTICLE I

Name

The name of the corporation (hereinafter called the "Association") is CASA DEL REY HOMEOWNERS ASSOCIATION.

ARTICLE II

Principal Office

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

ARTICLE III

Organization

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

ARTICLE IV

Purposes And Powers Of The Association

The purpose (sic) for which the Association is formed are:

- (a) The specific and primary purposes for which it is formed are to provide for maintenance, preservation, and architectural control of a Townhouse housing complex, consisting of the Common Areas and Common Facilities of the Townhouse Project on certain real property located in the City of Santa Clara, County of Santa Clara, State of California.
- (b) The general purposes are:
 - 1. 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;
 - 2. 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 "Restrictions") applicable to the property and recorded or to be recorded in the Office of the Recorder of Santa Clara County, State of California;
 - 3. To fix, levy, collect, and enforce payment by any lawful means, of all charges or assessments pursuant to the terms of the Restrictions; to pay all expenses in connection therewith and all office and other expenses incidental 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;
 - 4. To 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;
 - 5. To borrow money, and only with the assent (by vote or written consent) of two-thirds (2/3) 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;
6. To dedicate, sell, or transfer all or any part of the Common Areas or Common Facilities 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 (2/3) of each class of members, agreeing to such dedication, sale, or transfer;
 7. To participate in mergers and consolidations with other nonprofit corporations organized for the same purposes or annex additional residential property and Common Area, provided that any merger, consolidation, or such annexation shall have the assent by vote of two-thirds (2/3) of each class of members or by the written consent of all of the members;
 8. To 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.
- (c) Notwithstanding any of the above statements of purposes and powers, the Association shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the primary purposes of the Association.

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 (or designated agents of Owners) with the exception of Declarant (as defined in the Restrictions) and shall be entitled to one (1) 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 among themselves determine, but in no event shall more than one vote be cast with respect to any Lot.

CLASS B. The class B members shall be the Declarant (or designated agents of Declarant) and shall be entitled to three (3) votes for each Lot owned. The Class B membership shall cease and shall be converted to Class A membership on the happening of any of the following events, whichever occurs earliest:

- (a) When the total votes outstanding in Class A membership equal the Total votes outstanding in the Class B membership;
- (b) Two (2) years from the date of the issuance of the original public report for the overall development; or
- (c) On April 1, 1978.

ARTICLE VII
Board Of Directors

The affairs of this Association shall be managed by a Board of three (3) Directors, who need not be members of the Association. 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 selection of their successors are:

1. S. A. STEINDORF, JR.
250 So. Mathilda Avenue
Sunnyvale, CA 94086
2. GORDON T. STEINDORF
250 So. Mathilda Avenue
Sunnyvale, CA 94086
3. TONY JELINCICH
574 Weddell Drive, Suite 4
Sunnyvale, CA 94086

ARTICLE VIII
Limitation On Corporate Activities

None of the activities of this Association shall consist of the carrying on of propaganda, 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.

ARTICLE IX
Distribution Of Income And Prohibited Activities

Notwithstanding any other provision in these Articles of Incorporation, 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.
- (e) The corporation shall not make any taxable expenditures as defined in Section 4945 (d) of the Internal Revenue Code of 1954.

ARTICLE X
Dissolution Or Winding Up

Upon the dissolution or winding up of the Association, its assets remaining after payment or provision for payment of all its debts and liabilities, shall be distributed among the members of the Association in accordance with their respective rights therein.

ARTICLE XI
Amendment

Amendment of these Articles shall require the vote or written consent of members of the Association representing a majority of each class of members for so long as there are two classes of membership, and thereafter shall require the vote or written consent of a majority of the voting members other than the Declarant; provided, however, that the percentage of the voting power necessary to amend a specific clause or provision of these Articles shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause.

IN WITNESS WHEREOF, for the purpose of forming this Association under the laws of the State of California, we, the undersigned, constituting the incorporators of this Association, have executed these Articles of Incorporation this 15th day of July, 1977.

S. A. STEINDORF, Jr.
GORDON T. STEINDORF
TONY JELINCICH

Filed in the office of the Secretary of State of the State of California Aug. 8, 1977
[825391]

Filed Sep. 19, 1977, John Kazubowski, Clerk [@37444]