



State
of
California
OFFICE OF THE SECRETARY OF STATE

I, *MARCH FONG EU*, Secretary of State of the State of California, hereby certify:

That the annexed transcript has been compared with the record on file in this office, of which it purports to be a copy, and that same is full, true and correct.

IN WITNESS WHEREOF, I execute this certificate and affix the Great Seal of the State of California this

MAY 16 1985



March Fong Eu

Secretary of State

1339844

ENDORSED
FILED

In the office of the Secretary of State
of the State of California

MAY 16 1985

MARCH FONG EU, Secretary of State
Sharon K. Hawkins
Deputy

ARTICLES OF INCORPORATION

OF

RANCHO MONSERATE COUNTRY CLUB
HOMEOWNERS ASSOCIATION INC.

I

The name of this corporation is RANCHO MONSERATE COUNTRY CLUB
HOMEOWNERS ASSOCIATION INC.

II

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 for which a corporation may be organized under such a law.

The specific purpose of this corporation is to provide for maintenance, preservation and architectural control of a condominium project.

III

The name and address in the State of California of this corporation's initial agent for service of process is: BROOKS M. LONDON, ESQUIRE, 1875 Century Park East, Suite 1200, Los Angeles, California 90067.

IV

Notwithstanding any of the above statements of purpose 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.

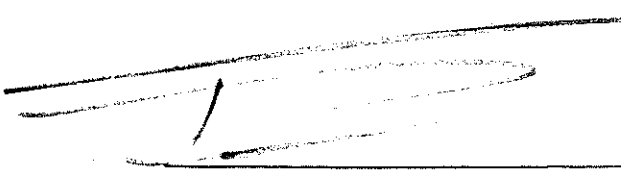
Dated: May 16, 1985



Signature of Incorporator

BROOKS M. LONDON
Typed name of Incorporator

I hereby declare that I am the person who executed the foregoing Articles of Incorporation, which execution is my act and deed.



Signature of Incorporator

RESCISSON RIGHTS FOR SUBDIVISIONS WHEREBY A SHORT-FORM PRELIMINARY PUBLIC REPORT HAS BEEN ISSUED (NOT TO BE USED FOR LAND PROJECT SUBDIVISIONS)

RE Form 603-G (3/31/80)

IF YOU ENTER INTO AN AGREEMENT TO PURCHASE OR LEASE AN INTEREST IN THE SUBDIVISION COVERED BY THE PUBLIC REPORT TO WHICH THIS NOTICE IS ATTACHED, YOU HAVE A LEGAL RIGHT TO RESCIND (CANCEL) THE AGREEMENT AND TO THE RETURN OF ANY MONEY OR OTHER CONSIDERATION THAT YOU HAVE GIVEN TOWARD THE PURCHASE OR LEASE UNTIL MIDNIGHT OF THE 5th CALENDAR DAY FOLLOWING THE DAY YOU SIGN THE CONTRACT TO PURCHASE OR LEASE.

YOU MAY EXERCISE THIS RIGHT WITHOUT GIVING ANY REASON FOR YOUR ACTION AND WITHOUT INCURRING ANY PENALTY OR OBLIGATION BY NOTIFYING _____

AMERICAN PARK HOMES

(Name of Developer)

AT 4650 Dulin Road Fallbrook, California 92028

(Address of Developer's Place of Business)

OF SUCH CANCELLATION BY TELEGRAM, MAIL OR OTHER WRITTEN NOTICE SENT (IN THE CASE OF A TELEGRAM OR MAIL) OR DELIVERED (IN THE CASE OF OTHER WRITTEN NOTICE) NOT LATER THAN MIDNIGHT OF (date) _____

YOU MAY USE THIS NOTICE FOR THE PURPOSE OF CANCELING THE AGREEMENT TO PURCHASE OR LEASE BY COMPLETING THE BLANKS AND BY DATING AND SIGNING BELOW. THE USE OF REGISTERED OR CERTIFIED MAIL WITH RETURN RECEIPT REQUESTED IS RECOMMENDED FOR TRANSMITTAL OF THIS NOTICE OF CANCELLATION.

I HEREBY RESCIND MY AGREEMENT TO PURCHASE LOT (PARCEL) NO. _____ IN _____

(Name or Identifying Number of Subdivision)

THIS _____ DAY OF _____, 19____

(Signature of Purchaser)

DEPARTMENT OF REAL ESTATE
OF THE
STATE OF CALIFORNIA

CONDOMINIUM CONVERSION
FINAL SUBDIVISION
PUBLIC REPORT

In the matter of the application of
AMERICAN PARK HOMES,
a Joint Venture

for a final Subdivision Public Report on
COUNTY OF SAN DIEGO TRACT 4509
"RANCHO MONSERATE"
SAN DIEGO COUNTY, CALIFORNIA

FILE NO.: 057392LA F00
ISSUED: JULY 12, 1985
EXPIRES: JULY 11, 1990

THIS REPORT IS NOT A RECOMMENDATION OR ENDORSEMENT OF THE
SUBDIVISION BUT IS INFORMATIVE ONLY.

BUYER OR LESSEE MUST SIGN THAT HE HAS RECEIVED AND READ THIS REPORT

A copy of this subdivision public report along with a statement advising that a copy of the public report may be obtained from the owner, subdivider, or agent at any time, upon oral or written request, must be posted in a conspicuous place at any office where sales or leases or offers to sell or lease lots within the subdivision are regularly made.
[Reference B&P Code Section 11018.1(b)]

This Report Expires on Date Shown Above. If There Has Been a Material Change in the Offering, an Amended Public Report Must be Obtained and Used in Lieu of This Report.

Section 35700 of the California Health and Safety Code provides that the practice of discrimination because of race, color, religion, sex, marital status, national origin or ancestry in housing accommodations is against public policy.

Under Section 125.6 of the California Business and Professions Code, California real estate licensees are subject to disciplinary action by the Real Estate Commissioner if they make any discrimination, distinction or restriction in negotiating sale or lease of real property because of the race, color, sex, religion, ancestry or national origin of the prospective buyer. If any prospective buyer or lessee believes that a licensee is guilty of such conduct, he or she should contact the Department of Real Estate.

Read the entire report on the following pages before contracting to purchase a lot in this subdivision.

COMMON INTEREST SUBDIVISION GENERAL INFORMATION

The project described in the attached Subdivision Public Report is known as a common-interest subdivision. Read the Public Report carefully for more information about the type of subdivision. The subdivision includes common areas and facilities which will be owned and/or operated by an owners' association. Purchase of a lot or unit automatically entitles and obligates you as a member of the association and, in most cases, includes a beneficial interest in the areas and facilities. Since membership in the association is mandatory, you should be aware of the following information before you purchase:

Your ownership in this development and your rights and remedies as a member of its association will be controlled by governing instruments which generally include a Declaration of Restrictions (also known as CC&R's), Articles of Incorporation (or association) and Bylaws. The provisions of these documents are intended to be, and in most cases are, enforceable in a court of law. Study these documents carefully before entering into a contract to purchase a subdivision interest.

In order to provide funds for operation and maintenance of the common facilities, the association will levy assessments against your lot/unit. If you are delinquent in the payment of assessments, the association may enforce payment through court proceedings or your lot/unit may be liened and sold through the exercise of a power of sale. The anticipated income and expenses of the association, including the amount that you may expect to pay through assessments, are outlined in the proposed budget. Ask to see a copy of the budget if the subdivider has not already made it available for your examination.

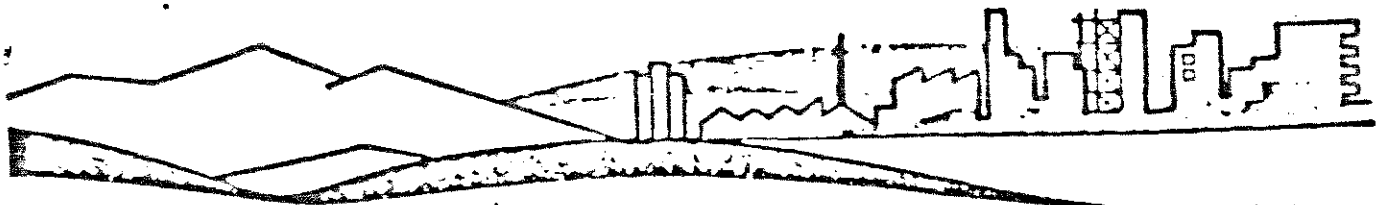
A homeowner association provides a vehicle for the ownership and use of recreational and other common facilities which were designed to attract you to buy in this subdivision. The association also provides a means to accomplish architectural control and to provide a base for homeowner interaction on a variety of issues. The purchaser of an interest in a common-interest subdivision should contemplate active participation in the affairs of the association. He or she should be willing to serve on the board of directors or on committees created by the

board. In short, "they" in a common-interest subdivision is "you". Unless you serve as a member of the governing board or on a committee appointed by the board, your control of the operation of the common areas and facilities is limited to your vote as a member of the association. There are actions that can be taken by the governing body without a vote of the members of the association which can have a significant impact upon the quality of life for association members.

Until there is a sufficient number of purchasers of lots or units in a common-interest subdivision to elect a majority of the governing body, it is likely that the subdivider will effectively control the affairs of the association. It is frequently necessary and equitable that the subdivider do so during the early stages of development. It is vitally important to the owners of individual subdivision interests that the transition from subdivider to resident-owner control be accomplished in an orderly manner and in a spirit of cooperation.

When contemplating the purchase of a dwelling in a common-interest subdivision, you should consider factors beyond the attractiveness of the dwelling units themselves. Study the governing instruments and give careful thought to whether you will be able to exist happily in an atmosphere of cooperative living where the interests of the group must be taken into account as well as the interests of the individual. Remember that managing a common-interest subdivision is very much like governing a small community... the management can serve you well, but you will have to work for its success.

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SPECIAL NOTES

1. IF YOU HAVE RECEIVED A PRELIMINARY PUBLIC REPORT FOR THIS SUBDIVISION, YOU ARE ADVISED TO CAREFULLY READ THIS FINAL PUBLIC REPORT SINCE IT CONTAINS INFORMATION THAT IS MORE CURRENT AND PROBABLY DIFFERENT THAN THAT INCLUDED IN THE PRELIMINARY REPORT.
2. IF YOU ENTER INTO AN AGREEMENT TO PURCHASE OR LEASE AN INTEREST IN THE PROPERTY COVERED BY THIS PUBLIC REPORT, YOU HAVE A RIGHT TO RESCIND (CANCEL) THE AGREEMENT AND TO THE RETURN OF ANY MONEY OR OTHER CONSIDERATION THAT YOU HAVE GIVEN TOWARD THE PURCHASE OR LEASE UNTIL MIDNIGHT OF THE FIFTH CALENDAR DAY FOLLOWING THE DAY YOU EXECUTE THE CONTRACT TO PURCHASE OR LEASE. YOU MAY EXERCISE THIS RIGHT WITHOUT INCURRING ANY PENALTY OR OBLIGATION BY NOTIFYING THE DEVELOPER (OR THE DEVELOPER'S AUTHORIZED REPRESENTATIVE) OF SUCH CANCELLATION BY TELEGRAM, MAIL OR OTHER WRITTEN NOTICE SENT OR DELIVERED NOT LATER THAN MIDNIGHT OF THE FIFTH CALENDAR DAY FOLLOWING THE DATE THE CONTRACT WAS SIGNED. THE NOTIFICATION SHOULD BE SENT TO:

AMERICAN PARK HOMES
4650 DULIN ROAD
FALLBROOK, CA 92028

3. GEOLOGIC CONDITIONS: THE UNIFORM BUILDING CODE, CHAPTER 70, PROVIDES FOR LOCAL BUILDING OFFICIALS TO EXERCISE PREVENTIVE MEASURES DURING GRADING TO ELIMINATE OR MINIMIZE DAMAGE FROM GEOLOGIC HAZARDS SUCH AS LANDSLIDES, FAULT MOVEMENTS, EARTHQUAKE SHAKING, RAPID EROSION OR SUBSIDENCE. THIS SUBDIVISION IS LOCATED IN AN AREA WHERE SOME OF THESE HAZARDS MAY EXIST. SOME CALIFORNIA COUNTIES AND CITIES HAVE ADOPTED ORDINANCES THAT MAY OR MAY NOT BE AS EFFECTIVE IN THE CONTROL OF GRADING AND SITE PREPARATION.

PURCHASERS MAY DISCUSS WITH THE DEVELOPER, THE DEVELOPER'S ENGINEER, THE ENGINEERING GEOLOGIST AND THE LOCAL BUILDING OFFICIALS TO DETERMINE IF THE ABOVE-MENTIONED HAZARDS HAVE BEEN CONSIDERED AND IF THERE HAS BEEN ADEQUATE COMPLIANCE WITH CHAPTER 70 OR AN EQUIVALENT OR MORE STRINGENT GRADING ORDINANCE DURING THE CONSTRUCTION OF THIS SUBDIVISION.

4. THIS PROJECT IS A COMMON-INTEREST SUBDIVISION OF THE TYPE REFERRED TO AS A "CONDOMINIUM". IT WILL BE OPERATED BY AN INCORPORATED OWNERS ASSOCIATION.
5. THE ASSOCIATION HAS THE RIGHT TO LEVY ASSESSMENTS AGAINST YOU FOR MAINTENANCE OF THE COMMON AREAS AND OTHER PURPOSES. YOUR CONTROL OF OPERATIONS AND EXPENSES IS LIMITED TO THE RIGHT OF YOUR ELECTED REPRESENTATIVES TO VOTE ON CERTAIN PROVISIONS AT MEETINGS.

SPECIAL NOTES (Continued)

6. SINCE THE COMMON PROPERTY AND FACILITIES WILL BE MAINTAINED BY AN ASSOCIATION OF HOMEOWNERS, IT IS ESSENTIAL THAT THIS ASSOCIATION BE FORMED EARLY AND PROPERLY. THE HOMEOWNER ASSOCIATION MUST HOLD THE FIRST ELECTION OF THE ASSOCIATION'S GOVERNING BODY WITHIN 45 DAYS AFTER 51% SELL OUT OF THE INTERESTS AUTHORIZED FOR SALE UNDER THE FIRST PUBLIC REPORT FOR THE SUBDIVISION; OR, IN ANY EVENT, NO LATER THAN SIX MONTHS AFTER CLOSING THE FIRST SALE (REGULATIONS 2792.17 AND 2792.19); AND PREPARE AND DISTRIBUTE TO ALL HOMEOWNERS A BALANCE SHEET AND INCOME STATEMENT (REGULATION 2792.22).
7. THE SUBDIVIDER MUST PAY ALL THE MONTHLY ASSESSMENTS WHICH HE OWES TO THE HOMEOWNERS ASSOCIATION FOR UNSOLD UNITS -- THE PAYMENTS MUST COMMENCE ON THE FIRST DAY OF THE MONTH AFTER SUBDIVIDER CLOSES FIRST SALE. (REGULATIONS 2792.9 AND 2792.16.)
8. THE SUBDIVIDER HAS STATED THAT HE WILL PROVIDE YOU WITH A COPY OF THE ARTICLES OF INCORPORATION, RESTRICTIONS, AND BYLAWS, BY POSTING THEM IN A PROMINENT LOCATION IN THE SALES OFFICE AND FURNISHING YOU COPIES PRIOR TO CLOSE OF ESCROW. THESE DOCUMENTS CONTAIN NUMEROUS MATERIAL PROVISIONS THAT SUBSTANTIALLY AFFECT AND CONTROL YOUR RIGHTS, PRIVILEGES, USE, OBLIGATIONS, AND COSTS OF MAINTENANCE AND OPERATION. YOU SHOULD READ AND UNDERSTAND THESE DOCUMENTS BEFORE YOU OBLIGATE YOURSELF TO PURCHASE A UNIT.
9. THE SUBDIVIDER STATED HE WILL FURNISH THE CURRENT BOARD OF OFFICERS OF THE HOMEOWNERS ASSOCIATION THE BUILDING PLANS OF THE AREAS OF THE ASSOCIATION'S RESPONSIBILITY TO INCLUDE DIAGRAMS OF LOCATION OF MAJOR COMPONENTS, UTILITIES, AND RELATED DATA. THESE ITEMS WILL BE IMPORTANT TO THE BOARD OF OFFICERS OR THOSE WHO WILL MANAGE OR REPAIR COMMON FACILITIES IN THIS SUBDIVISION.
10. THE SUBDIVIDER OF THIS PROJECT HAS INDICATED THAT HE INTENDS TO SELL ALL OF THE UNITS IN THIS PROJECT; HOWEVER, ANY OWNER, INCLUDING THE SUBDIVIDER, HAS A LEGAL RIGHT TO LEASE THE UNITS. PROSPECTIVE PURCHASERS SHOULD CONSIDER POSSIBLE EFFECTS ON THE DEVELOPMENT IF A SUBSTANTIAL PORTION OF THE UNITS BECOME RENTAL PROPERTIES.
11. IF YOU PURCHASE FIVE OR MORE SUBDIVISION INTERESTS (LOTS/UNITS OR MEMBERSHIPS) FROM THE SUBDIVIDER, HE/SHE IS REQUIRED TO NOTIFY THE REAL ESTATE COMMISSIONER OF THE SALE. IF YOU INTEND TO SELL YOUR INTERESTS OR LEASE THEM FOR MORE THAN ONE YEAR, YOU ARE REQUIRED TO OBTAIN AN AMENDED SUBDIVISION PUBLIC REPORT BEFORE YOU CAN OFFER THEM FOR SALE OR LEASE.
12. WARNING: WHEN YOU SELL YOUR CONDOMINIUM UNIT TO SOMEONE ELSE, YOU MUST GIVE THAT PERSON A COPY OF THE DECLARATION OF RESTRICTIONS, ARTICLES OF INCORPORATION, THE BYLAWS AND A TRUE STATEMENT CONCERNING ANY DELINQUENT ASSESSMENTS, PENALTIES,

SPECIAL NOTES (Continued)

ATTORNEYS' FEES OR OTHER CHARGES, PROVIDED BY THE CC&R'S OR OTHER MANAGEMENT DOCUMENTS ON THE LOT OR UNIT AS OF THE DATE THE STATEMENT WAS ISSUED.

NOTE: IF YOU FORGET TO DO THIS, IT MAY COST YOU A PENALTY OF \$500.00 -- PLUS ATTORNEY'S FEES AND DAMAGES (SEE CIVIL CODE SECTION 1360).

THIS CIVIL CODE SECTION 1360 ALSO PROVIDES THAT SUBDIVIDERS MUST FURNISH A TRUE STATEMENT CONCERNING ANY DELINQUENT ASSESSMENT PENALTIES, ATTORNEYS' FEES, OR OTHER CHARGES PROVIDED BY THE CC&R'S OR OTHER MANAGEMENT DOCUMENTS ON THE LOT OR UNIT AS OF THE DATE THE STATEMENT WAS ISSUED.

INTERESTS TO BE CONVEYED: You will receive fee title to a specified unit, together with an undivided fractional fee interest as a tenant in common in the common area, together with a membership in the "Rancho Monserate Country Club Homeowners Association" and rights to use the common area.

LOCATION AND SIZE: This subdivision is located in San Diego County at Old Highway 395 and Dulin Road approximately 7 miles from the town of Fallbrook.

This is a single phase project which consists of approximately 95 acres containing 232 units. Common facilities consisting of pool, spa, 2 tennis courts, golf course, recreation center, golf clubhouse, chapel, parking for guests and recreational vehicles, landscaping, streets and drives, have been constructed on Lots 1 and 2.

MANAGEMENT AND OPERATION: The Rancho Monserate Country Club Homeowners Association, which you must join, manages and operates the common areas in accordance with the Restrictions, Articles of Incorporation, and the Bylaws.

MAINTENANCE AND OPERATIONAL EXPENSES: The subdivider has submitted a budget for the maintenance and operation of the common areas and for long-term reserves. This budget was reviewed by the Department of Real Estate in July, 1985. You should obtain a copy of this budget from the subdivider. Under this budget, the monthly assessment against each subdivision unit is \$94.09 of which \$14.28 is a monthly contribution to long-term reserves and is not to pay for current operating expenses.

IF THE BUDGET FURNISHED TO YOU BY THE DEVELOPER SHOWS A MONTHLY ASSESSMENT FIGURE WHICH IS AT LEAST 20% MORE OR AT LEAST 10% LESS THAN THE ASSESSMENT AMOUNT SHOWN IN THIS PUBLIC REPORT, YOU SHOULD CONTACT THE DEPARTMENT OF REAL ESTATE BEFORE ENTERING INTO AN AGREEMENT TO PURCHASE.

MAINTENANCE AND OPERATIONAL EXPENSES: (Continued)

The association may increase or decrease assessments at any time in accordance with the procedure prescribed in the CC&R's or Bylaws. In considering the advisability of a decrease (or a smaller increase) in assessments, care should be taken not to eliminate amounts attributable to reserves for replacement or major maintenance.

THE BUDGET INFORMATION INCLUDED IN THIS PUBLIC REPORT IS APPLICABLE AS OF THE DATE OF BUDGET REVIEW AS SHOWN ABOVE. EXPENSES OF OPERATION ARE DIFFICULT TO PREDICT ACCURATELY AND EVEN IF ACCURATELY ESTIMATED INITIALLY, MOST EXPENSES INCREASE WITH THE AGE OF FACILITIES AND WITH INCREASES IN THE COST OF LIVING.

Monthly assessments will commence on all units on the first day of the month following the closing of the first sale of a unit.

The remedies available to the association against owners who are delinquent in the payment of assessments are set forth in the CC&R's. These remedies are available against the subdivider as well as against other owners.

The subdivider has posted a bond as partial security for his obligation to pay these assessments. The governing body of the association should assure itself that the subdivider has satisfied his obligations to the association with respect to the payment of assessments before agreeing to a release or exoneration of the security.

This development is a conversion of an existing mobile home park to condominium use. The subdivision was completed in 1973.

The subdivider will provide you with a written statement listing all substantial defects or malfunctions in the major systems in your unit and common areas or a written statement disclaiming knowledge of any such substantial defects or malfunctions. Such statement or disclaimer is required by Civil Code Section Number 1134.

TITLE: Title is vested in American Park Homes, a joint venture composed of Park-Homes, Inc., a California corporation and Elmerick Taylor Financial, Inc., a California corporation.

DOCUMENTS RECORDED: The subdivision map for this subdivision was recorded in the Office of the County Recorder on July 10, 1985 as Map No. 11281, and the condominium plan recorded on July 10, 1985 as File No. 85-246501.

EASEMENTS: Easements for utilities, water, drainage, pipelines, communication structures, roads and incidental purposes are shown on the Title Report and Subdivision Map recorded in the Office of the San Diego County Recorder as Map No. 11281, on July 10, 1985.

RESTRICTIONS: This subdivision is subject to Restrictions recorded in the Office of the San Diego County Recorder on July 10, 1985 as File No. 85-246502, which include among other provisions, the following:

RESTRICTIONS: (Continued)

No person under the age of fifty-five (55) shall reside in this project.

No person under the age of fifty-five (55) shall stay as a guest or visitor with any owner of any living unit for more than ninety (90) days in any twelve month period of time. Any exception must be approved by a majority of the Board.

FOR INFORMATION AS TO YOUR OBLIGATIONS AND RIGHTS,
YOU SHOULD READ THE RESTRICTIONS. THE SUBDIVIDER
SHOULD MAKE THEM AVAILABLE TO YOU.

TAXES: The maximum amount of any tax on real property that can be collected annually by counties is 1% of the full cash value of the property. With the addition of interest and redemption charges on any indebtedness, approved by voters prior to July 1, 1978, the total property tax rate in most counties is approximately 1.25% of the full cash value. In some counties, the total tax rate could be well above 1.25% of the full cash value. For example, an issue of general obligation bonds previously approved by the voters and sold by a county water district, a sanitation district or other such district could increase the total tax.

For the purchaser of a lot or unit in this subdivision, the "full cash value" of the lot or unit will be the valuation, as reflected on the tax roll, determined by the county assessor as of the date of purchase of the lot or unit or as of the date of completion of an improvement on the lot if that occurs after the date of purchase.

CONDITIONS OF SALE: If your purchase involves financing, a form of deed of trust and note will be used. The provisions of these documents may vary depending upon the lender selected.

BEFORE SIGNING, YOU SHOULD READ AND THOROUGHLY UNDER-
STAND ALL LOAN DOCUMENTS.

PURCHASE MONEY HANDLING: The subdivider must impound all funds received from you in an escrow depository until legal title is delivered to you. (Refer to Sections 11013 and 11013.2(a) of the Business and Professions Code.)

If the escrow has not closed on your unit within one (1) year of the date of your deposit receipt, you may request return of your deposit.

NOTE: Section 2995 of the Civil Code provides that: "No real estate developer shall require as a condition precedent to the transfer of real property containing a single family residential dwelling that escrow services effectuating such transfer shall be provided by an escrow entity in which the developer . . . (owns or controls) 5% or more of the escrow entity".

PURCHASE MONEY HANDLING: (Continued)

The subdivider has no such interest in the escrow company which is to be used in connection with the sale or lease of units in this subdivision.

FIRE PROTECTION: The Fallbrook Fire Protection advises as follows: location of the nearest station is approximately 1 1/2 miles from the project and the response time is 3 minutes. There are 2 personnel available 24 hours with 1 engine at this station.

STREETS AND ROADS: The private streets within this project will be maintained by the homeowner association. The costs of repair and maintenance of these private streets are included in the budget and are a part of your regular assessment.

For further information in regard to this subdivision, you may call or examine the documents at the Department of Real Estate Office located at 107 South Broadway, Suite 7111, Los Angeles, CA 90012 (213) 620-2700.