

ARTICLES OF INCORPORATION
OF
RAINBOW BEND HOMEOWNERS ASSOCIATION

In compliance with the requirements of Nevada Revised Statutes 81.410-540 inclusive, the undersigned, all of whom are residents of Nevada and all of whom are of full age, have this date voluntarily associated themselves together for the purpose of forming a corporation not for profit and do hereby certify:

ARTICLE I

The name of the corporation is Rainbow Bend Homeowners Association, hereinafter called the "Association".

ARTICLE II

The principal office of the Association is located at 232 Court Street, Reno, Nevada 89501. The term of existence of the corporation will be fifty (50) years.

ARTICLE III

David R. Hoy, whose address is 232 Court Street, Reno, Nevada 89501, is hereby appointed the initial resident agent of this Association.

ARTICLE IV

Purpose and Powers of The Association

This Association does not contemplate pecuniary gain or profit to the members thereof, and the specific purposes for which it is formed are to provide for maintenance, preservation, use and control of the Common Facilities within that certain tract of property described as:

All of the numbered residential Lots and Common Areas and Lots C and D as shown on the Official Map of Rainbow Bend Subdivision, a Planned Unit Development, recorded as Document No. .70473, Official Records of Storey County, Nevada.

and to promote the health, safety and welfare of the residents within the above-described property and any additions thereto as may be brought within the jurisdiction of this

Association for this purpose to:

a. exercise all of the powers and privileges and 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 "Declaration", applicable to the property and recorded or to be recorded in the office of the County Recorder of Storey County, Nevada on December 17, 1992, and as the same may be amended from time to time as therein provided, said Declaration being incorporated herein as if set forth at length;

b. fix, levy, collect and enforce payment by any lawful means, all charges or assessments pursuant to the terms of the Declaration; to pay all expenses in connection therewith and all office and other expenses incident 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;

c. 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;

d. borrow money, and with the assent of two-thirds (2/3) of the 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;

e. dedicate, sell or transfer all or any part of the Common Area 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 the members, agreeing to such dedication, sale or transfer;

f. 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 such merger, consolidation or annexation shall have the assent of two-thirds (2/3) of the members;

g. have and to exercise any and all powers, rights and privileges which a corporation organized under the Non-Profit Corporation Law of the State of Nevada by law may now or hereafter have or exercise.

ARTICLE V

Every person or entity who is a record owner of a fee or undivided fee interest in any Lot which is subject by covenants, conditions and restrictions of record to assessment by the Association and every lessee as defined in the Declaration, 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 or leasehold which is subject to assessment by the Association.

ARTICLE VI

There shall be one vote for each Lot owned or leased. The Association may not vote or cast any vote otherwise allocated to it for any Lot it may own, nor may any vote allocated to a Lot owned by the Association be cast or voted by anyone else.

When more than one person holds an interest in any Lot or Living Unit, the vote for such Lot or Living Unit shall be exercised as they among themselves determine.

ARTICLE VII

The affairs of this Association shall be managed by a Board of five (5) Directors who, except as provided by the Declaration, need not be members of the Association. The number of directors may be changed by amendment to the Bylaws 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:

David R. Hoy
1545 Meadowview Lane
Reno, Nevada 89509

Sally Ann Hoy
1545 Meadowview Lane
Reno, Nevada 89509

Richard E. Hoy
400 Canyon Way
Sparks, Nevada 89434

Linda N. Terry
400 Canyon Way
Sparks, Nevada 89434

Donna Keeth
52 Bleu de Clair
Sparks, Nevada 89434

The Board of Directors and all officers shall be appointed or removed by the Declarants, subject to the provisions hereafter, until the earlier of the following events:

(a) Sixty (60) days after conveyance of seventy-five percent (75%) of the Lots to Owners other than Declarant (herein "Purchasers");

(b) Two (2) years after Declarant has ceased to offer for sale in the ordinary course of business any Lots within the Property, or any annexed Property;

(c) Two (2) years after Declarant last exercises its rights to record a Supplemental Declaration wherein Annexed Property is added to the Project;

(d) In the event and at such time as Declarant waives by written instrument the rights reserved by Declarant under this Article VII, and such written waiver is recorded in the Official Records of the County Recorder of Storey County, Nevada;

(e) Declarant shall have the right to designate a person or persons who are entitled to exercise rights reserved to Declarant under this Article VII. The date on which the rights reserved by Declarant under this Article VII terminate is hereby called "the Declarant's Control Termination Date". From and after the Declarant's Control Termination Date, the Board of Directors and the officers of the Association shall be elected and appointed as provided in the Articles and Bylaws.

Notwithstanding anything to the contrary set forth herein, not later than sixty (60) days after Declarant's conveyance of Lots equal to twenty-five percent (25%) of the total number of Lots within the Property to Owners other than Declarant, at least one member and not less than twenty-five percent (25%) of the members of the Board shall be elected by Owners other than the Declarant. Not later than sixty (60) days after conveyance of fifty percent (50%) of the Lots within the Property to Owners other than Declarant, not less than thirty-three and one-third percent (33-1/3%) of the members of the Board shall be elected by Owners other than the Declarant. Not later than on the Declarant's Control Termination Date, the Owners shall elect a Board of at least three (3) members, at least a majority of whom must be Owners.

ARTICLE VIII

The Association may be dissolved with the assent given in writing and signed by not less than seventy-five percent (75%) of the members. Upon dissolution of the Association, other than incident to a merger or consolidation, the assets of the Association shall be dedicated to an appropriate public agency or a non-profit association to be used for purposes similar to those for which this Association was created. In the event that such dedication is refused acceptance, such assets shall be granted or assigned to any nonprofit corporation, association, trust or other organization to be devoted to such similar purposes.

ARTICLE IX

Amendment of these Articles shall require the assent of seventy-five percent (75%) of the entire membership.

ARTICLE XI

As long as there is a Class C membership, the following actions will require the prior approval of the Federal Housing Administration or the Veteran's Administration; mergers and consolidations, mortgaging of Common Area, dedication of Common Area, dissolution and amendment of these Articles.

ARTICLE XII

All persons serving, or who have served, as officers or directors of this corporation, shall be indemnified by this corporation against expenses actually and necessarily incurred by them in connection with the defense of any action, suit, or proceeding which they, or any of them, are made a part or a party, by reason of having been or being directors or officers or a director or an officer of this corporation, except in relation to matters as to which any such director or officer or former director or officer or person shall be adjudged in such action, suit or proceeding to be liable for negligence or misconduct in the performance of duty. Such indemnification shall not be deemed exclusive of any other rights to which those indemnified may be entitled, under any bylaws, agreement, vote of stockholders or otherwise.

IN WITNESS, 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 23rd day of December, 1992.

David R. Hoy
David R. Hoy

Sally Ann Hoy
Sally Ann Hoy

Richard E. Hoy
Richard E. Hoy

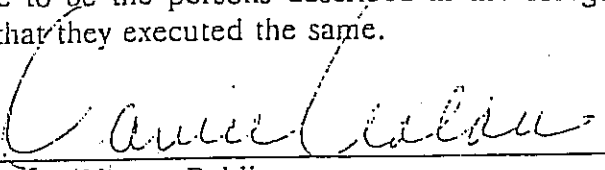
Linda N. Terry
Linda N. Terry

Donna Keeth
Donna Keeth

STATE OF NEVADA)
) ss.
COUNTY OF WASHOE)

On this 23rd day of December, 1992, personally appeared before me, a Notary Public, David R. Hoy, Sally Ann Hoy, Richard E. Hoy, Linda N. Terry and Donna

Keeth, personally known or proved to me to be the persons described in the foregoing instrument and who acknowledged to me that they executed the same.



Notary Public

