

ARTICLES OF ASSOCIATION
OF
CYPRESS TOWNHOUSES HOMEOWNERS ASSOCIATION
An Unincorporated Association

I

NAME

The name of the Association is CYPRESS TOWNHOUSES HOMEOWNERS ASSOCIATION hereinafter referred to as the "Association."

II

PURPOSES

The purposes for which the Association is formed are:

A. Specifically and primarily to provide for the maintenance, preservation, and architectural control of the following described real property located in the County of Los Angeles, State of California, and all structures and improvements thereon:

Lot 1, Tract 42596, as per map recorded in Book 1004, Pages 48 and 49 of Maps, Official Records of the Office of the County Recorder of said County.

B. Generally:

1. To promote the health, safety and welfare of the residents in the above-described project;

2. To exercise all of the powers and privileges and to perform all of the duties and obligations of the Association arising from any covenants, conditions and restrictions applicable to the above-named property;

3. To fix, levy, collect, and enforce payment by any lawful means all charges or assessments pursuant to the terms of the Declaration of Covenants, Conditions and 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, 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, 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 have and to exercise any and all powers, rights, and privileges which an Association organized under the laws of the State of California may now or hereafter have or exercise; and

7. To act in the capacity of principal, agent joint venturer, partner, or otherwise.

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.

III

LOCATION

The county in this state where the principal office for the transaction of the business of the Association is located is the County of Los Angeles.

IV

BY-LAWS

The authorized number and qualifications of members of the Association, the different classes of membership, if any, the property, voting, and other rights and privileges of the members, and their liability for dues and assessments and the method of collection thereof, shall be set forth in the By-Laws.

V

INITIAL DIRECTORS

The names and addresses of the persons who are to act in the capacity of directors until the selection of their successors are:

NAME	ADDRESS
JOHN E. PLOUNT	217 West Las Tunas, Suite G San Gabriel, CA 91775
JOHN POXON	217 West Las Tunas, Suite G San Gabriel, CA 91775
MARK M. O'BRIEN	248 East Main Street, Suite 202 Alhambra, CA 91801

IV

LIMITATION ON ACTIVITIES

None of the activities of the Association shall consist of the carrying on of propaganda, or otherwise attempting to influence legislation, nor shall the Association participate in, or intervene in (including the publishing or distributing of statements), any political campaign on behalf of any candidate of public office.

VII

DISTRIBUTION OF INCOME AND PROHIBITED ACTIVITIES

Notwithstanding any other provision in these Articles of Association, 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 holding as defined in Section 4043(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 Association shall not make any taxable expenditures as defined in Section 4945(d) of the Internal Revenue Code of 1954.

VIII

AMENDMENTS

Amendment of these Articles shall require the vote or written assent of members representing (1) a majority of the entire voting power of the Association, (2) a majority of the voting power of the Association residing in members other than the subdivider, CYPRESS TOWNHOUSES, a Limited Partnership., and (3) a majority of the Board of Directors.

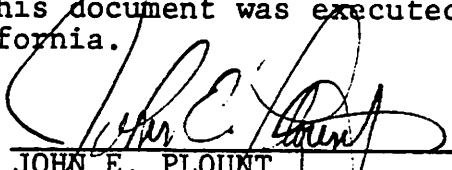
IX

GAINS, PROFITS, DISTRIBUTIONS

No part of the net earnings of this organization shall inure to the benefit of any private individual, except as expressly provided in the By-Laws of this organization with respect to the acquisition, construction, or provision for management, maintenance, and care of the Association property, and other than by a rebate of excess membership dues, fees, or assessments. In the event of the dissolution, liquidation, or winding up of the Association, upon or after termination of the project in accordance with provisions of the Declaration of Covenants, Conditions, and Restrictions, its assets remaining after payment or provision for payment, of all debts and liabilities of the Association, shall be divided among and be distributed to the members in accordance with their respective rights therein.

IN WITNESS WHEREOF, the undersigned, constituting the authorized agents and initial directors of this Association, have executed these Articles of Association on August 31, 1982.

We declare under penalty of perjury that the foregoing is true and correct and that this document was executed on August 31, 1982, at Alhambra, California.



JOHN E. PLOUNT



JOHN PAXON



MARK M. O'BRIEN