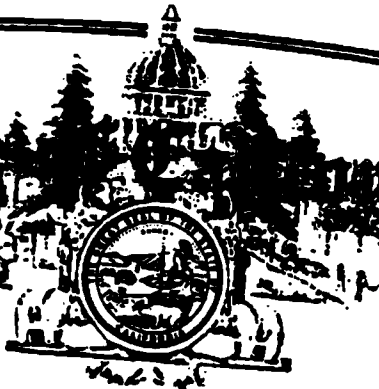
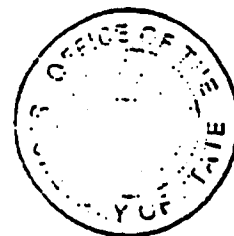


# State of California



SECRETARY OF STATE



I, *BILL JONES*, Secretary of State of the State of California, hereby certify:

That the attached transcript of \_\_\_\_\_ page(s) was prepared by and in this office from the record on file, of which it purports to be a copy, and that it is full, true and correct.

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

\_\_\_\_\_



*Bill Jones*

Secretary of State

89-1250

FILED

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

ARTICLES OF INCORPORATION

OF

NEWPORT SHORES COMMUNITY ASSOCIATION

APR 7 - 1960

FRANCIS A. ANDERSON, Secretary of State  
By Ally S. [Signature]  
Deputy

KNOW ALL MEN BY THESE PRESENTS: That the under-  
signed have this day voluntarily associated themselves  
together for the purpose of forming a corporation under  
Division I, Part IV, Title XII of the Civil Code of the  
State of California for purposes other than pecuniary  
profit, and

DO HEREBY CERTIFY:

FIRST: That the name of this corporation shall be:  
NEWPORT SHORES COMMUNITY ASSOCIATION.

SECOND: That the specific and primary purpose for  
which this corporation is formed is to provide athletic,  
recreational and club facilities for the use of the residents  
of Tract 772, County of Orange, State of California, and  
their guests.

THIRD: That the general purpose and objects of  
this corporation are as follows:

(a) To lease, purchase, hold, use and take  
possession of and enjoy in fee simple or otherwise any  
personal or real property necessary for the uses and pur-  
poses of the corporation, and to sell, lease, deed in trust,  
alien or dispose of the same at the pleasure of the corpora-  
tion, and for the uses and purposes for which said corpora-  
tion is formed; and to buy and sell real or personal

Restriction of right  
to amend articles  
Yes

property and to apply the proceeds of sale, including any and all income, to the uses and purposes of the corporation.

(b) To pay all taxes and assessments, if any, which may be levied, by any public authority upon any property, owned or controlled by, or held in trust for the benefit of, the corporation, or its members, or any ornamental features, fixtures, tennis courts, playgrounds, swimming pools or club houses established therein or thereon, whether taxed or assessed as a part thereof or separately.

(c) To fix, establish or levy, and collect from its members, dues, fees, charges and assessments, and to enforce any lien which may be provided to secure the payment thereof.

(d) To borrow money, contract debts, issue bonds, notes and debentures, and to secure the same.

(e) To do any and all other acts and things that a nonprofit corporation is empowered to do, or that a natural person might do which may be necessary, convenient or desirable in the administration of the affairs and for the full attainment of the general purposes of this corporation.

The foregoing statement of purposes shall be construed as a statement of both purposes and powers, and the purposes and powers stated in each clause shall not, except where otherwise expressed, be construed as a limitation upon the general purposes for which this corporation

is formed, but shall be regarded as independent purposes and powers. Notwithstanding any contrary provision herein, no part of the activities of this corporation shall consist in carrying on propaganda or otherwise attempting to influence legislation, and the carrying on by this corporation at a profit of any business hereinabove recited as a purpose of this corporation shall be merely incidental to and in furtherance of the general community betterment and recreational purposes for which this corporation is formed.

FOURTH: That this corporation is organized pursuant to the general Nonprofit Corporation Law of the State of California. The corporation does not contemplate pecuniary gain or profit to the members thereof, nor shall any net earnings, income, gain, profits or funds of this corporation in whatsoever manner acquired by it at any time inure or be distributed to or for the benefit of any private member, director or other individual, but the same shall be devoted solely to the purposes for which this corporation is formed. -

FIFTH: That the county in this state where the principal office for the transaction of the business of this corporation is to be located is the County of Orange.

SIXTH: That the names and addresses of the persons who are to act in the capacity of directors until the selection of their successors and who shall be known as directors are:

Donald B. Ayres	Los Angeles, California
Donald B. Ayres, Jr.	Los Angeles, California
Roger A. DeYoung	Los Angeles, California

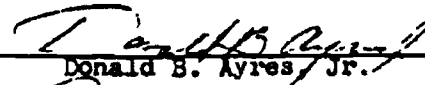
The number of persons above named, to wit: three (3) shall constitute the authorized number of directors of this corporation until that number shall be changed by an amendment to the bylaws of this corporation increasing or decreasing the number of directors as may be desired.

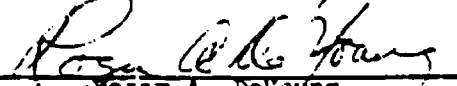
SEVENTH: That the authorized number and qualifications of members of this corporation, the different classes of membership, if any, the property, voting and other rights and privileges of each class of membership, and the liabilities of each or all classes to dues and assessments, and the method of collection thereof, shall be set forth in the bylaws of this corporation.

EIGHTH: That the bylaws of this corporation shall be adopted by the directors named in the Articles of Incorporation and may thereafter be amended or repealed by any means provided in the bylaws.

IN WITNESS WHEREOF, the persons who are set to act in the capacity of first directors have hereunto set their hands this 25<sup>th</sup> day of March, 1960.

  
\_\_\_\_\_  
Donald B. Ayres

  
\_\_\_\_\_  
Donald B. Ayres, Jr.

  
\_\_\_\_\_  
Roger A. DeYoung

STATE OF CALIFORNIA }  
COUNTY OF LOS ANGELES } ss.

On this 15<sup>th</sup> day of March, 1960, before me, the undersigned, a Notary Public in and for said County and State, duly commissioned and sworn, personally appeared DONALD B. AYRES, DONALD R. AYRES, JR., and ROGER A. DEYOUNG, known to me to be the individuals whose names are subscribed to the foregoing instrument, and acknowledged to me that they signed the same.

WITNESS my hand and official seal.

*Richard D. Esterson*  
Notary Public in and for the  
County of Los Angeles, State  
of California

My Commission Expires April 21, 1961

(SEAL)

ALAN CRANSTON, CHAIRMAN  
STATE CONTROLLER  
JOHN E. CARR, VICE CHAIRMAN  
PROPERTY OF FINANCE  
JOHN W. LYNCH  
LEGISLATIVE BOARD OF EDUCATION



1907-1960  
JOHN J. CAMPBELL,  
1960-1961  
1022 F STREET  
SACRAMENTO 14

State of California  
Franchise Tax Board

April 5, 1960

Newport Shores Community Association  
c/o Musick, Peeler & Garrett  
621 South Hope Street  
Los Angeles 17, California



Gentlemen:

Re: Exemption from Franchise Tax

It is the opinion of this office, based upon the evidence presented, that you are exempt from State franchise tax under the provisions of Section 23701g of the Revenue and Taxation Code, as it is shown that you are organized and operated exclusively as a social club.

Accordingly, you will not be required to file franchise tax returns unless you change the character of your organization, the purposes for which you were organized, or your method of operation. You are required to report any such changes immediately to this office in order that their effect upon your exempt status may be determined.

If in any year your gross income exceeds \$25,000, you are required to file an information return on Form 199 on or before the 15th day of the 5th month following the close of your fiscal year. These forms will be mailed to you if you provide us with your current postal address.

If the organization is not yet incorporated or has not yet qualified to do business in California, this approval will expire unless incorporation or qualification is completed within thirty days.

Very truly yours,

FRANCHISE TAX BOARD  
John J. Campbell  
Executive Officer

CMG:mm  
cc: Secretary of State

(c, f, g, i, j, l, n)

By *C. M. Gray*  
C. M. Gray  
Associate Tax Counsel