

ARTICLES OF INCORPORATION
OF
FRONT STREET BUNGALOWS AT KILEY RANCH

The undersigned does hereby establish a nonprofit corporation, pursuant to Chapter 82 of the Nevada Revised Statutes, and certifies as follows:

ARTICLE ONE
NAME

The name of the corporation shall be: "Front Street Bungalows at Kiley Ranch Homeowners' Association" (the "Association").

ARTICLE TWO
DEFINITIONS

1. "Declaration" means the Declaration of Covenants, Conditions, and Restrictions for Front Street Bungalows at Kiley Ranch, recorded on September 26, 2005, as Document No. 3282384 Official Records, County of Washoe, Nevada, as amended from time to time.
2. Other capitalized terms used and not defined herein shall have the same meanings as set forth in the Declaration for such terms.

ARTICLE THREE
NONPROFIT CORPORATION

The Association is a nonprofit corporation.

ARTICLE FOUR
PURPOSES

The purpose for which the Association is formed is to provide for the care and maintenance of Association Property and for these purposes to:

1. Exercise all of the powers and privileges and to perform all duties and obligations of the Association arising from the Declaration, and any other covenants, conditions and restrictions applicable to the Property, and any amendments thereto;
2. Subject to such limitations as are set forth in these Articles, the Bylaws and the Declaration, to have and exercise all rights, powers and privileges which a non-profit corporation

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organized under Chapter 82 of the Nevada Revised Statutes may now or hereafter have or exercise and all powers provided for in Section 116.3102 of the Nevada Revised Statutes.

ARTICLE FIVE
PRINCIPAL PLACE OF BUSINESS
AND REGISTERED AGENT

The principal place where the business of the Association shall be transacted and carried on, will be at 850 E. Patriot Blvd., Suite G, Reno, Nevada 89511. The initial resident agent of the Association is Jones, Jones, Close & Brown, Chartered, dba Jones Vargas, and the address of the registered agent where service of process may be served and the address of the registered office of the Association shall be at 100 W. Liberty St., 12th Floor, Reno, Nevada 89501.

ARTICLE SIX
TERM

The term for which the Association shall exist shall be perpetual.

ARTICLE SEVEN
MEMBERSHIP

The Association is not authorized to have and shall not issue any capital stock. The Members of the Association shall be the Owners of the Lots. The Owner(s) of each Lot shall have one (1) membership in the Association. The number of memberships in the Association shall be equal to the number of Lots within the Property.

ARTICLE EIGHT
BOARD OF DIRECTORS

The Association shall have not less than three (3) nor more than five (5) directors, all of whom must be at least eighteen (18) years of age. Except as otherwise provided in Article Nine hereof, the exact number of directors may be set by the Members of the Association at any annual or special meeting. Except for the members of the Board appointed by Declarant in accordance with these Articles, the Declaration and the Bylaws and the first Board named in these Articles of Incorporation, all members of the Board shall be Members of the Association. The following described persons may serve on the Board as representatives of Members which are not natural persons: one officer or director of a corporation which is a Member, one general partner of a partnership which is a Member, one trustee or beneficiary of a trust which is a Member, one manager or member of a limited liability company which is a Member, and one personal representative of an estate which is a Member. In all events where the person serving or offering to serve as an officer of the Association or member of the Board is not the record Owner, such person shall file proof in the records of the Association that:

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(a) He is associated with the corporate, trust, partnership, limited liability company, or estate Owner as required by this Article; and

(b) Identifies the Lot or Lots owned by the corporate, trust, partnership, limited liability company, or estate Owner.

ARTICLE NINE
FIRST BOARD OF DIRECTORS

The first Board of the Association shall consist of three (3) directors, named herein, who shall serve until the first annual meeting of the Members of the Association is called for the purpose of electing their successors. The first annual meeting of the Members of the Association shall be held not later than the earlier of (a) forty-five (45) days after the closing of the sale of the Lot which represents the fifty-first percentile interest in the total number of Lots in the Project, or (b) one (1) year after the date of the filing of these Articles of Incorporation with the Secretary of State of the State of Nevada. Such meeting shall be called, noticed and conducted in accordance with the Declaration, these Articles and the Bylaws of the Association. Notwithstanding any other provision of these Articles of Incorporation to the contrary, the Declarant shall have the right to appoint and remove the Board in the manner and to the extent provided for in Section 10.2 hereof. The names and addresses of those selected to act as directors of the Association until the first annual meeting of the Members of the Association or until their successors shall have been elected and have accepted office are:

D. Fred Altmann
850 E. Patriot Blvd., Suite G
Reno, Nevada 89511

Daniel McGill
850 E. Patriot Blvd., Suite G
Reno, Nevada 89511

Daniel Ott
850 E. Patriot Blvd., Suite G
Reno, Nevada 89511

ARTICLE TEN
PROPERTY RIGHTS AND INTERESTS AND VOTING RIGHTS

10.1. Property Rights of Members. The property rights and interests of the Members of the Association shall be equal.

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10.2. Voting.

(a) General. Except as otherwise provided in subsections (b) and (c) of this Section 10.2, each Member shall be entitled to one vote for each Lot owned by such Member; provided, however, that no vote allocated to a Lot owned by the Association may be cast.

(b) Appointment and Removal of Members of Board and Officers of Association. Subject to the provisions of subsection (c) of this Section 10.2, Declarant has reserved the right and shall have the right to appoint and remove all of the members of the Board and all of the officers of the Association until the earlier of the following events:

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

(ii) Five (5) years after Declarant has ceased to offer for sale in the ordinary course of business any Lots within the Subject Property; or

(iii) In the event and at such time as Declarant waives by written instrument the rights reserved by Declarant under this subparagraph (b), and such written waiver is recorded in the official records of the County Recorder of the County of Washoe, Nevada. Declarant shall have the right to designate a person or persons who are entitled to exercise the rights reserved to Declarant under this subparagraph (b). The date on which the rights reserved by Declarant under this subparagraph (b) terminate is herein 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 these Articles and Bylaws.

(c) Composition of Board of Directors. Notwithstanding anything to the contrary set forth herein, not later than sixty (60) days after conveyance of twenty-five percent (25%) of the Lots which may be created 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 which may be created within the Subject Property and within any property which may become Annexed 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. The Owners shall elect a Board of at least three (3) Members, at least a majority of whom must be Owners, which election shall occur not later than sixty (60) days following the Declarant's Control Termination Date.

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ARTICLE ELEVEN
RIGHTS AND OBLIGATIONS OF MEMBERS

Other property rights, voting rights, to include the manner in which votes shall be cast, 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 Bylaws and the Declaration.

ARTICLE TWELVE
AMENDMENT OF ARTICLES OF INCORPORATION

These Articles of Incorporation may be amended only by the vote or written consent of members entitled to exercise at least two-thirds (2/3rds) of the voting power of the Association.

ARTICLE THIRTEEN
NAMES AND ADDRESSES OF INCORPORATOR

The name and address of the incorporator of the Association whose signature appears below is as follows:

William C. Davis, Jr.
Jones Vargas
100 W. Liberty St., 12th Floor
Reno, Nevada 89501

ARTICLE FOURTEEN
SPECIAL RIGHTS OF VA.

So long as Declarant retains Special Declarant's Rights pursuant to NRS 116.3103(4), and if the Project is qualified with the VA, then the following shall require the prior approval of VA: (i) annexation of additional real property to the Community, (ii) de-Annexation, (iii) mergers and consolidations, and (iv) all special assessments and amendments to the Declaration. A draft of any amendment to the Declaration should be submitted to the VA for its approval prior to its approval by the Association.

ARTICLE FIFTEEN
SAVINGS CLAUSE

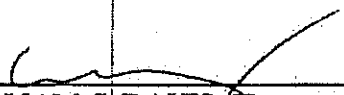
To the extent of the non-allowable inconsistency between any term or provision of these Articles and the requirements or prohibitions of applicable federal, state or local laws, ordinances, rules, regulations or directives ("Applicable Law") at any given time, the Applicable Law shall control over such inconsistent term or provision; and such term or provision, and these Articles, shall be deemed amended automatically to the extent, but only to the extent, necessary to comply fully

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with such Applicable Law; and in each such instance the Board shall prepare, execute and file an actual amendment to these Articles in a manner reasonably appropriate to reflect and evidence such amendment, notice of which shall be sent to all Owners within the time and in the manner required by the Act for amendments to articles of incorporation; provided, however, that the Board shall be responsible for the foregoing only upon being actually informed in writing of the subject inconsistency between these Articles and Applicable Law.

IN WITNESS WHEREOF, we have hereunto set our hands this 14th day of November, 2005.



WILLIAM C. DAVIS, (B.

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