

ARTICLES OF INCORPORATION
OF
THE ORCHARD AT CARNEROS ASSOCIATION

ARTICLE I.
NAME

The name of this corporation is The Orchard at Carneros Association (the “Corporation”).

ARTICLE II.
NONPROFIT MUTUAL BENEFIT CORPORATION

This Corporation is a nonprofit mutual benefit corporation organized under the California Nonprofit Mutual Benefit Corporation Law. The purpose of this Corporation is to engage in any lawful act or activity, other than credit union business, for which a corporation may be organized under such law.

ARTICLE III.
SPECIFIC PURPOSE OF CORPORATION

The specific purpose for which the Corporation is formed is to provide for the administration and maintenance of the fractional project located in County of Napa, State of California, and more particularly described in the Declaration of Covenants, Conditions and Restrictions for The Orchard at Carneros (hereinafter the “Declaration”), which will be recorded in the Office of the County Recorder of Napa County.

ARTICLE IV.
MEMBERSHIP

This Corporation shall have no capital stock and shares therein shall not be issued. This Corporation shall have two classes of Members; the qualifications for each of which shall be those prescribed in this Corporation’s Bylaws. The interest of each Member may be evidenced by a certificate or other written documentation issued by this Corporation under terms to be fixed by its Bylaws. Failure to issue such certificate or other written documentation shall in no event affect the rights, privileges or liabilities of membership.

ARTICLE V.
CORPORATE QUALIFICATION

This Corporation is intended to qualify as a homeowners’ association under the applicable provisions of the Internal Revenue Code, and of the Revenue and Taxation Code of

California. Furthermore, this Corporation is one that does not contemplate pecuniary gain or profit to the Members thereof and is organized solely for nonprofit purposes. In no event shall the net earnings, income or assets of this Corporation be distributed to, or inure to the benefit of, any Member, Director or Officer of this Corporation or other private individual, either directly or indirectly, except upon winding up and dissolution. Upon the winding up and dissolution of this Corporation, after paying or adequately providing for the debts and obligations of this Corporation, the remaining assets may be distributed to the Members of this Corporation in accordance with such Member's relative interests in the project as provided in the Declaration or by law. Notwithstanding the foregoing, without the approval of 100% of the Members, so long as there is any common area for which this Corporation is obligated to provide management, maintenance, preservation or control:

- (a) This Corporation or any person acting on its behalf shall not:
 - (1) Transfer all or substantially all of its assets; or
 - (2) File a certificate of dissolution; and
- (b) No court shall enter an order declaring this Corporation duly wound up and dissolved.

ARTICLE VI.
INITIAL AGENT

The name of this Corporation's initial agent for service of process is:

Nick Monroe
4048 Sonoma Highway
Napa, California, 94559

ARTICLE VII.
LOCATION

The Orchard at Carneros Project is located 4280 Old Sonoma Highway, in the County of Napa, State of California. The current nine-digit zip code for said project is 94559-9709.

ARTICLE VIII.
CORPORATE OFFICE AND MANAGING AGENT

The business and corporate office of the Corporation will be in care of the managing agent. As of the date of filing these Articles, no managing agent is engaged for said project.

ARTICLE IX.
AMENDMENT

Subject to the limitations of the Nonprofit Mutual Benefit Corporation Law of the State of California, an amendment to these Articles may be adopted by complying with the provisions of this paragraph. So long as there is a Class A and a Class B membership, any amendment to these Articles shall require the vote or written assent of (1) a majority of the Board of Directors, (2) the Declarant (as defined in the Declaration), and (3) Members holding fifty-one percent (51%) of the votes held by Members of this Corporation other than Declarant. At such time as the Class A membership and Class B membership shall merge as provided in the Declaration, any amendment to these Articles shall require the vote or written assent of (1) a majority of the Board of Directors and (2) Members holding fifty-one percent (51%) of the votes in this Corporation including Members holding fifty-one percent (51%) of the votes held by Members other than Declarant.

ARTICLE X
LIMITATION OF POWERS

The authorized number, if any, and qualifications of Members of the Corporation, if any, the property, voting and other rights and privileges of membership and the liability of Members for dues and assessments and the method of collection thereof, shall be set forth in the Declaration and/or Bylaws of the Corporation. Notwithstanding any of the above statements of purposes 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.

Date: April 16, 2007

Pamela K. Knudsen, Incorporator