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ENDORSED
FILED

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

ARTICLES OF INCORPORATION
OF
FOUNTAINGROVE II
OPEN SPACE MAINTENANCE ASSOCIATION

OCT 08 1996

Bill Jones
BILL JONES, Secretary of State

ARTICLE 1
NAME

The name of this corporation is FOUNTAINGROVE II OPEN SPACE MAINTENANCE ASSOCIATION ("Corporation").

ARTICLE 2
NONPROFIT MUTUAL BENEFIT CORPORATION

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

ARTICLE 3
SPECIFIC PURPOSES OF THE CORPORATION

The specific purpose for which this Corporation is formed under the Davis-Sterling Common Interest Development Act is to be a management association organized and operated to provide for the administration, maintenance and preservation of certain open space, buffer and landscape areas within that certain real property situated in the City of Santa Rosa, County of Sonoma, State of California (the "Project") and more particularly described in the Fountaingrove II East, Fountaingrove II West and The Summit Open Space Maintenance Declaration, (the "Declaration") which has been recorded in the Office of the County Recorder of Sonoma County.

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.

ARTICLE 4
SERVICE OF PROCESS

The name and address, in the State of California, of this Corporation's initial agent for service of process is: David Brown, c/o Fountaingrove Development Company LLC, 11111 Santa Monica Boulevard, Suite 1500, Los Angeles, California 90025.

ARTICLE 5
PRINCIPAL OFFICE

The principal office for the transaction of business of the Corporation is Sonoma Title Guaranty Company, Santa Rosa Main Office, 490 Mendocino Ave., Santa Rosa, California 95401, Attn: David Brown. The site of the common interest development is 2500

Fountaingrove Parkway (Nearest cross street - Rincon Ridge Drive),
Santa Rosa, California 95403.

ARTICLE 6
MEMBERS

Every person or entity who is a record owner of a Lot (as defined in the Declaration) which is subject by covenants of record to assessment by the Corporation shall be a Member of the Corporation. 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 which is subject to assessment by the Corporation.

ARTICLE 7
**DECLARATION OF ESTABLISHMENT OF CONDITIONS,
COVENANTS AND RESTRICTIONS**

The Corporation shall be bound by the terms and conditions of the Declaration.

ARTICLE 8
LIABILITY

The monetary liability of the volunteer directors and volunteer executive officers of the Corporation for debts, liabilities or obligations relating to the Corporation shall be eliminated to the extent provided in Sections 7231 and 7231.5 of the California Corporations Code.

ARTICLE 9
CLASSES OF MEMBERSHIP

The Corporation shall have three classes of voting membership:

Class A. Class A members shall be all Owners (as defined in the Declaration) of Lots within the Project with the exception of Declarant (as defined in the Declaration) or Merchant Builders (as defined in the Declaration) and shall be entitled to one (1) vote for each Lot owned and subject to assessment. When more than one person holds an interest in any Lot, all such persons shall be Members, and the vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one (1) vote be cast with respect to any Lot.

Class B. The Class B member shall be the Declarant and shall be entitled to three (3) votes for each Lot owned by Declarant and the Merchant Builders and subject to assessment. The Class B membership shall cease and be irreversibly converted to Class A membership on the happening of any of the following events, whichever occurs earlier:

(1) Four (4) years from the date of the first conveyance of a Lot in the most recent phase of the overall Project; or

(2) Ten (10) years from the date of the first conveyance of a Lot in the first phase of the overall Project if Declarant has sold seventy-five percent (75%) of the five hundred ninety-three (593) Lots at such time or, if not, the twelfth (12th) anniversary of the first conveyance of a Lot in the first phase of the overall Project.

Class C. The Class C Owner shall be Fountaingrove Development Company LLC, a Delaware limited liability company, its successors or assigns as Declarant as set forth in the Declaration who shall be entitled to vote as a Class C Owner as long as Declarant or any Merchant Builder owns any Lots in the Development. Upon annexation of any or all of the property owned by Fountaingrove View Partners L.P., a California limited partnership, which is described in Exhibit A to the Declaration, Fountaingrove View Partners L.P., a California limited partnership, and Fountaingrove Development Company LLC, a Delaware limited liability company, shall each be Class C Owners with equal rights hereunder. The Class C Owner(s) shall be entitled to elect a majority of the Members of the Board of Directors. With the exception of the election of directors hereunder, the Class C membership shall not be considered part of the voting power of the Association. The Class C membership shall terminate upon the last to occur of the following events:

(a) Four (4) years from the date of the first conveyance of a Lot in the most recent phase of the overall Project;

(b) Six (6) years from the date of the first conveyance of a Lot in the first phase of the overall Project if Declarant has sold seventy-five percent (75%) of the five hundred ninety-three (593) Lots at such time or, if not, then eight (8) years from the date of the first conveyance of a Lot in the first phase of the overall Project.

ARTICLE 10 AMENDMENT

So long as the Class A and Class B voting structure provided for in the Declaration shall remain in effect, these Articles may be amended only by the vote or written assent of fifty-one percent (51%) of the voting power of each class of Members. At such time as the Class B membership shall cease and be converted to Class A membership as set forth in the Declaration, amendments to these Articles shall be enacted by requiring the vote or written assent of:

(a) At least fifty-one percent (51%) of the Members of the Corporation; and

(b) At least fifty-one percent (51%) of the votes of Members other than Declarant.

In either event, any and all amendments to the Articles of Incorporation shall require the approval of a majority of the Board of Directors.

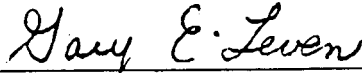
Notwithstanding the foregoing, the percentage of a quorum of the Members or the Members other than the Declarant necessary to amend a specific provision in these Articles shall not be less than the prescribed percentage of affirmative votes required for action to be taken under said provision.

ARTICLE 11
CORPORATION 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. This Corporation is one which 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 winding up and dissolution of this Corporation, after paying or adequately providing for the debts and obligations of the Corporation, the remaining assets may be distributed to the Members as provided in the Bylaws. Notwithstanding the foregoing, without the approval of one hundred percent (100%) of the Members, so long as there is any Association Property (as defined in the Declaration) for which this Corporation is obligated to provide management, maintenance, preservation or control the Corporation or any person or entity acting on its behalf shall not:

- (1) Transfer all or substantially all of its assets;
and/or
- (2) File a Certificate of Dissolution; and

IN WITNESS WHEREOF, for the purposes of forming the Corporation under the laws of the State of California, the undersigned, constituting the sole incorporator of this Corporation, has executed these Articles of Incorporation this 7th day of October, 1996.



Gary E. Leven
Incorporator