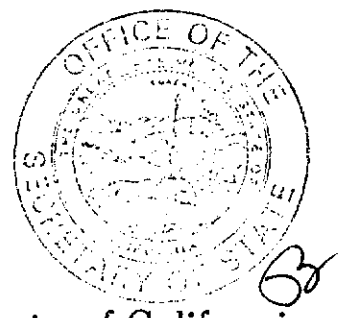




SECRETARY OF STATE



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

That the attached transcript of 2 page(s) has been compared with the record on file in this office, 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 day of

OCT 0 1979



Bill Jones

Secretary of State

OCT 05 1999

BILL JONES, Secretary of State

ARTICLES OF INCORPORATION
OF
HERITAGE GROVE AT LOS GATOS
HOMEOWNERS ASSOCIATION

ARTICLE 1

The name of this corporation is Heritage Grove at Los Gatos Homeowners Association.

ARTICLE 2

- A. 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.
- B. The specific and primary purpose of this corporation is to be a residential real estate management association organized and operated to provide for the acquisition, construction, management, maintenance and care of property owned by this corporation, property commonly owned by the members of this corporation, and property owned by the members of this corporation (collectively, the "Association Property").
- C. No part of the net earnings of this corporation shall inure to the benefit of any private member other than by acquiring, constructing, or providing management, maintenance and care of Association Property and other than by a rebate of excess membership dues, fees or assessments.
- D. This corporation is an association formed to manage a common interest development under the Davis-Stirling Common Interest Development Act.
- E. The business office of the Association is located at 777 California Avenue, Palo Alto, California. The office is not on the site of the common interest development. The front street and the nearest cross street of the physical location of the development are Blossom Hill Road and Regent Drive, respectively; and the zip code for the development is 95032-0000.
- F. This corporation does not have a managing agent.

ARTICLE 3

The name and address in the State of California of this corporation's initial agent for service of process is:

Michele Ganey
SummerHill Homes
777 California Avenue
Palo Alto, CA 94304

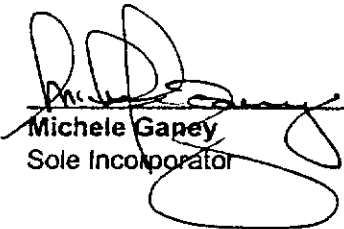
ARTICLE 4

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 5

These Articles may be amended pursuant to the procedures described in the Bylaws of this corporation.

Dated: September 29, 1999


Michele Ganey
Sole Incorporator



Exemption Application

Any organization filing an application for exemption from California corporation franchise or income tax must furnish the information and data specified and the required \$25 application fee. If the organization fails to comply with these requirements, the application will be denied. California Revenue and Taxation Code (R&TC) Section 19565 provides that this application, together with any supporting documents, shall be open to public inspection if the information is not granted. Upon the organization's request, public disclosure of such documents may be withheld if the disclosure would adversely affect the organization's national defense.

Name of organization as shown in your organization's articles or declaration of trust
Heritage Grove of Los Gatos Homeowners Association

Address (number and street)
777 California Avenue

Town, or Post Office
Palo Alto

Name of representative to be contacted regarding additional requirements or information
Michele Ganey

Representative's mailing address
777 California Avenue

Town, or Post Office
Palo Alto

Federal employer identification number (FEIN)
77-0524479

Daytime telephone number
650-842-2243

State
CA

ZIP Code
94304

Daytime telephone number
650-842-2243

State
CA

ZIP Code
94304

Applicants must complete item 1 through item 6 and furnish the information requested on Sides 2 through 6 as applicable. 23701t

- 1 a Enter the California R&TC Section under which exemption is claimed. See General Information C 23701t
- b Primary activity of organization: homeowners association
- 2 a What is the form of the organization? Incorporated Currently being incorporated Unincorporated association Trust
Date organized 10/5/99
- b If incorporated, furnish the following information:
(1) Date incorporated 10/5/99 (3) Date qualified in California _____
(2) If incorporated in another state, identify the state _____ (4) California corporation number 2178322
- 3 a Has this organization or its predecessor(s) previously applied for exemption? Yes No
- b If "yes," check the appropriate box(es) below and enter either "Granted" or "Denied." Also enter the date the exemption was "Granted" or "Denied" after the box(es) checked:
 California _____ Date _____ Federal _____ Date _____ Other State _____ Date _____
- c Enter the number under which the organization previously filed with the Franchise Tax Board (FTB) _____
Furnish copies of any determination letters received.
- 4 a Has the organization filed federal income tax returns? Yes No
- b If "yes," state type of returns and years filed. _____ 12/31
- 5 Annual accounting period (must end on last day of the month). _____ 12/31
- 6 a Is this a new organization? If "no," attach a statement indicating the name of the predecessor(s), the period during which it was in existence, the reasons for its termination and the number under which it previously filed with the FTB _____
- b Is this a membership organization? If "yes," attach a statement that fully explains the qualifications for members, the different classes of membership, the number of members in each class and the voting rights and privileges accorded each class. _____
- c Has the organization made, or are there plans to make, any distribution of its property or surplus to officers or members? If "yes," attach a detailed statement _____
- d Will any of the incorporators share any facilities with the organization? If "yes," attach a detailed explanation _____
- e Will any property be rented, purchased or transferred in any way from any of the incorporators? If "yes," attach a detailed explanation _____
- f Will any promoter, incorporator, founder or member be employed by the organization? If "yes," furnish complete details, including duties, responsibilities, qualifications and compensation _____
- g Will any member of the board of directors be compensated for services other than services performed as a board member, e.g., officer, and/or employee? If "yes," furnish the name(s) of the director(s), and the amount(s) of compensation for each. Also list the names of the other directors, indicating their blood or marriage relationship, if any, to the compensated director(s). _____

	Yes	No
6 a	X	
6 b	X	
6 c		X
6 d		X
6 e		X
6 f		X
6 g		X

Be sure to include the \$25 application fee. Make the check or money order payable to the Franchise Tax Board. Do not send cash. Allow 90 calendar days for processing.

Under penalties of perjury, I declare that I have examined this application, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct and complete.

10/8/99 DATE

[Signature] SIGNATURE OF OFFICER OR REPRESENTATIVE

Secretary TITLE

350098102