



SECRETARY OF STATE



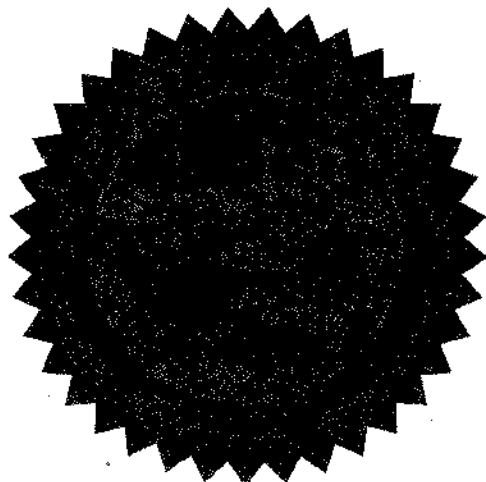
2 page

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

That the attached transcript 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

MAR 26 1998



Bill Jones

Secretary of State

2083488

ENDORSED - FILED
IN THE OFFICE OF THE
SECRETARY OF STATE
OF THE STATE OF CALIFORNIA

MAR 25 1998

DILL JONES, SECRETARY OF STATE

ARTICLES OF INCORPORATION
OF
LOS PASEOS MAINTENANCE CORPORATION

ARTICLE I

NAME

The name of this corporation is Los Paseos Maintenance Corporation.

ARTICLE II

PURPOSES

(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. The corporation is an association formed to manage a common interest development under the Davis-Stirling Common Interest Development Act.

(b) The specific and primary purpose for which this corporation is formed is to provide for the acquisition, construction, management, maintenance, and care of real and personal property held by this corporation, or commonly held by the members of this corporation, or within this corporation privately held by such members, all as described in a declaration of covenants, conditions and restrictions (the "Declaration") which defines this corporation as the "Association" in the Article thereof entitled "Definitions" and has been or will be recorded in the County of Orange by Baywood Homes-Rancho Santa Margarita, LLC.

(c) The business or corporate office of the corporation is located at 160 Newport Center Drive, Suite 155, Newport Beach, CA 92660. The common interest development is located within zip code 92688-0000, its front street is La Centrada and its nearest cross street is El Portal.

ARTICLE III

INITIAL AGENT

(a) The name and address of the initial agent of the corporation for service of process is Neal Pedersen c/o Baywood Development Group, Inc, 160 Newport Center Drive, Suite 155, Newport Beach, California 92660.

(b) The name and address of the corporation's managing agent, as such term is defined in California Civil Code Section 1363.1, is Merit Property Management, Inc., 25910 Acero Street, Second Floor, Mission Viejo, CA 92691.

ARTICLE IV

AMENDMENT OF ARTICLES

The amendment, alteration or repeal of any provision contained in these Articles of Incorporation shall require both a resolution of the Board of Directors and the vote or written assent of not less than a majority of the

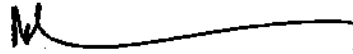
voting power of the corporation, and all rights and powers conferred herein on members, directors and officers are subject to this reserved power. In addition to the foregoing, as long as there is a Class B membership as provided in the Declaration, any amendment of these Articles of Incorporation must also be approved by the vote or written assent of not less than a majority of the voting power of each of the Class A and Class B memberships. Once the Class B membership has been converted to Class A membership, any amendment of these Articles of Incorporation must also be approved by the vote or written assent of not less than a majority of the voting power of the Association residing in members other than the Declarant, as such term is defined in the Declaration.

ARTICLE V

ACTIVITIES AND POWERS

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 purposes of this corporation.

DATED: March 20, 1998



Signature of Incorporator

Neal Pedersen
Name of Incorporator

I hereby declare that I am the person who executed the foregoing Articles of Incorporation, which execution is my act and deed.



Signature of Incorporator

