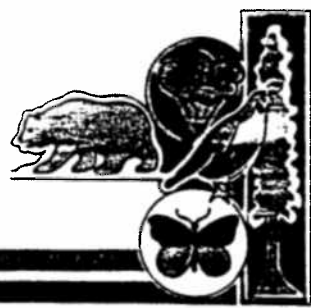


Articles of Incorporation

1647788



State of California
OFFICE OF THE SECRETARY OF STATE

CORPORATION DIVISION

I, *MARCH FONG EU*, Secretary of State of the State of California, hereby certify:

That the annexed transcript has been compared with the corporate record on file in this office, of which it purports to be a copy, and that same is full, true and correct.

IN WITNESS WHEREOF, I execute this certificate and affix the Great Seal of the State of California this

AUG 31 1989



March Fong Eu
Secretary of State



**ENDORSED
FILED**
In the office of the Secretary of State
of the State of California

AUG 31 1989

MARCH FONG EU, Secretary of State

ARTICLES OF INCORPORATION
OF
CORNICHE SUR MER HOMEOWNERS ASSOCIATION

ARTICLE I

The name of this corporation (hereinafter called the "Association") is CORNICHE SUR MER HOMEOWNERS ASSOCIATION.

ARTICLE II

The principal office for the transaction of business of the Association is located in Orange County, State of California.

ARTICLE III

The Association is a Nonprofit Mutual Benefit Corporation organized pursuant to the Nonprofit Mutual Benefit Corporation Law. The purpose of the Association is to engage in any lawful act or activity for which a corporation may be organized under such Law. More specifically, the Association will provide for the management, administration, maintenance, preservation and architectural control of a planned residential development project within the real property located in the City of Dana Point, County of Orange, California, described as:

Lots 1 through 13, inclusive, and Lot A of TRACT NO. 13105 as shown on the Map thereof filed in Book 638, Pages 15 through 17 of Miscellaneous Maps in the Office of the County Recorder of Orange County, California, on August 15, 1989; and

Lots 1 through 72, inclusive, and Lots B, C, D, E and F of TRACT NO. 13503 as shown on the Map thereof filed in Book 615, Pages 43 through 50 of Miscellaneous Maps in the Office of the County Recorder of Orange County, California, on October 28, 1988; and

Lots 1 through 39, inclusive, and Lot B of TRACT NO. 13504 as shown on the Map thereof filed in Book 616, Pages 1 through 4 of Miscellaneous Maps in the Office of the County Recorder of Orange County, California, on October 31, 1988; and

Lots 1 through 31, inclusive, and Lot B of TRACT NO. 13505 as shown on the Map thereof filed in Book 638, Pages 12 through 14 of Miscellaneous Maps in the Office of the County Recorder of Orange County, California, on August 11, 1989; and

Lots 1 through 35, inclusive, and Lots B and C of TRACT NO. 13506 as shown on the Map thereof filed in Book 637, Pages 47 through 50 of Miscellaneous Maps in the Office of the County Recorder of Orange County, California, on August 15, 1989.

The Association will fix, levy, collect and enforce payment of all charges and assessments of the Association pursuant to the Declaration (hereinafter defined) and will promote the health, safety and welfare of all of its members.

ARTICLE IV

The Association shall have the power to perform all of the duties and obligations of the Association set forth in the Declaration of Covenants, Conditions and Restrictions ("Declaration") applicable to the property, the owners of which are required by the Declaration to be members of the Association, and recorded or to be recorded in the Office of the County Recorder of Orange County, California. The Association shall have and exercise all the powers granted to a nonprofit mutual benefit corporation as set forth in California Corporations Code §7140. In addition, the Association may exercise the powers granted to an association by California Code of Civil Procedure §374 and the Davis-Stirling Common Interest Development Act (California Civil Code §§1350-1372, inclusive).

Notwithstanding any of the above statements of purposes and powers, the Association shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the primary purposes of the Association.

ARTICLE V

The name and address in this state of the Association's initial agent for service of process is WILLIAM J. FAIR, 3 Monarch Bay Plaza, Suite 109, Laguna Niguel, California 92677.

ARTICLE VI

Every person or entity who is a record owner of a fee or undivided fee interest in any Lot which is subject by covenants of record to assessment by the Association, shall be a member of the Association. 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 appurte-

nant to and may not be separated from ownership of any Lot which is subject to assessment by the Association.

ARTICLE VII

The Association shall have two (2) classes of voting membership:

Class A. Class A members shall be all owners of a Lot with the exception of Declarant (as defined in the Declaration) and shall be entitled to one (1) vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be members. The vote for the 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 Declarant and shall be entitled to three (3) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership on the happening of the earlier of the following to occur:

(a) two (2) years following the date of original issuance by the California Department of Real Estate of the most recently issued Final Subdivision Public Report covering any portion of the property described in Article III above; or

(b) four (4) years following the date of the original issuance by the California Department of Real Estate of the Final Subdivision Public Report for the first phase of development of the property described in Article III above.

ARTICLE VIII

The affairs of the Association shall be managed by a Board of five (5) directors. At the first annual meeting of members, three (3) directors shall be elected for a term of one year and two (2) directors shall be elected for a term of two years. Thereafter, directors shall be elected at each annual meeting of members to fill the vacancies of those directors whose term then expires, and the term of each such director so elected shall be two years.

ARTICLE IX

Upon dissolution of the Association, other than incident to a merger or consolidation, the net assets of the Association shall be distributed to the members of the Association as their interests may appear.

ARTICLE X

Amendment to these Articles of Incorporation shall require the assent (by vote or written consent) of a bare majority of the Board of Directors of the Association and, (a) so long as there are two classes of membership in the Association, seventy-five percent (75%) or more of the voting power of each class of members of the Association; or (b) when there is only one class of membership in the Association, seventy-five percent (75%) or more of the total voting power of members of the Association, and seventy-five percent (75%) or more of the voting power of members of the Association other than Declarant.

DATED: August 28, 1989.

/s/ Alex C. McDonald /S/
ALEX C. McDONALD, Incorporator

I declare that I am the person who executed the above Articles of Incorporation and that this instrument is my act and deed.

/s/ Alex C. McDonald /S/
ALEX C. McDONALD