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ARTICLES OF INCORPORATION
OF
BEACHWALK HOMEOWNERS ASSOCIATION

ENDORSED
FILED

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

MAR 7 - 1972

EDMUND S. BROWN Jr., Secretary of State
By JAMES E. HARRIS
Deputy

ARTICLE I

The name of the corporation (hereinafter referred to as the "Association") is Beachwalk Homeowners Association.

ARTICLE II

The Association is organized pursuant to the General Non-Profit Corporation Law of the State of California and does not contemplate pecuniary gain or profit to the members thereof and it is organized for non-profit purposes.

ARTICLE III

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

ARTICLE IV

The purposes for which this corporation is formed are:

(a) The specific purpose is to provide for management, maintenance, preservation, replacement and control of certain real property (hereinafter referred to as common areas) owned by the Association for the benefit and common use of the owners of the separately owned residential units within that certain Planned Residential Development (PRD) located in the City of Huntington Beach, County of Orange, State of California, and known as Huntington Seacliff Townhomes, and to promote the health, safety and welfare of the residents within said PRD and any additions thereto as may hereafter be brought within the jurisdiction of this Association.

(b) The general purposes and powers are:

(1) To exercise all of the powers and privileges and to perform all of the duties and obligations

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of the Association as set forth in that certain Declaration of Covenants, Conditions and Restrictions, hereinafter called the "Declaration", applicable to the PRD and any real property that may subsequently be annexed thereto, and executed by Mansion-Hall Company, a partnership, as Declarant, and recorded or to be recorded in the Office of the Orange County Recorder.

(2) To provide for the improvement and maintenance of all common areas of any kind dedicated to community use and other open spaces within the PRD which now exists or may hereafter be installed, erected, or constructed thereon.

(3) To make and perform contracts of every kind for any lawful purpose without limit as to amount with any person, firm, association, corporation, municipality, state, government, or municipal or political subdivision.

(4) To acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Association.

(5) To fix, levy, collect and enforce payment by any lawful means, all charges or assessments pursuant to the provisions of the Declaration; to pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the Association, including all licenses, taxes or governmental charges levied or imposed against the real property of the Association.

(6) To borrow money, and with the assent of two-thirds (2/3) of each class of members, mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred.

(7) To dedicate, sell, or transfer all or any part of the common area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument has been signed by two-thirds (2/3) of each class of members, agreeing to such dedication, sale or transfer.

(8) To participate in mergers and consolidations with other non-profit corporations for the same purposes or annex additional residential property in common area, provided that any such merger, consolidation or annexation shall have the assent of two-thirds (2/3) of each class of members.

(9) To carry on any activity, either as principal, agent or partner, which this Association may deem proper or convenient in connection with any of the foregoing purposes, or which may be calculated directly or indirectly to promote the interests of the Association.

(10) To have and exercise all of the rights and powers conferred on non-profit corporations under the General Non-Profit Corporation Law of California, as such law is now in effect or may at any time hereafter be amended.

The foregoing statement of purposes shall be construed as

a statement of both purposes and powers, and the purposes and powers stated in each clause shall, except where otherwise expressed, be in no way limited or restricted by any reference or inference from the provisions of any other clause, but shall be regarded as independent purposes and powers.

ARTICLE V

MEMBERSHIP

Every person or entity who is a record owner of a fee or undivided fee interest in any lot which is subject by the Declaration to assessments by the Association, shall be a member of the Association; provided, that persons or entities who hold an interest merely as security for the performance of an obligation shall not qualify for membership in the Association. Membership shall be appurtenant to and may not be separated from ownership of any lot which is subject to assessment by the Association.

ARTICLE VI

VOTING RIGHTS

The Association shall have two classes of voting membership:

Class A. Class A members shall be all owners, with the exception of the Declarant, of the lots within the property described in Article IV above. Each Class A member shall be entitled to one vote for each lot owned. When more than one person holds an interest in any lot, all such persons shall be members. However, the vote for such lot shall be exercised as they among themselves determine, and in no event shall more than one vote be cast with respect to any lot.

Class B. The Class B member shall be the Declarant, who 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 either of the following events, whichever occurs earlier:

(a) When the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership; or

(b) On January 1, 1975.

ARTICLE VII

BOARD OF DIRECTORS

The number of directors of this Association shall be seven (7). The number of directors may be changed by amendment of the By-Laws of the Association. The individuals who serve on the first Board of Directors need not be members of the Association, but thereafter all directors shall be members of the Association, and reside within the PRD. The names and addresses of the persons who are to act in the capacity of directors until the election of their successors are:

<u>NAME</u>	<u>ADDRESS</u>
Thomas L. Hill	5468 Caminito San Lucas La Jolla, California 92037
Mathew Loonin	4951 College Garden Court San Diego, California 92115
Herbert L. Witty	4611 Collwood Lane San Diego, California
Orlando P. Miera	3653 Jennifer Drive San Diego, California 92117
Karen M. Crabtree	5507 Baja Drive San Diego, California 92115
Olen W. Crabtree	5507 Baja Drive San Diego, California 92115
Robert A. Bailey	5060 San Joaquin Drive San Diego, California 92109

The directors shall serve without compensation and no director shall receive any pecuniary benefit from the Association

(c) The Association shall not retain any excess business holdings as defined in Section 4943(c) of the Internal Revenue Code of 1954, or corresponding provisions of any subsequent federal tax laws.

(d) The Association shall not make any investments in such manner as to subject it to tax under Section 4944 of the Internal Revenue Code of 1954, or corresponding provisions of any subsequent federal tax laws.

(e) The Association shall not make any taxable expenditures as defined in Section 4945(d) of the Internal Revenue Code of 1954, or corresponding provisions of any subsequent federal tax laws.

ARTICLE X

DURATION

The Association shall exist perpetually.

ARTICLE XI

AMENDMENTS

Amendment of these Articles shall require the assent ^(by vote or written consent) of seventy-five percent (75%) of the entire membership.

The undersigned, all of whom are residents of California and all of whom are of full age, have this day voluntarily associated in order to form a non-profit corporation, and constituting the incorporators of this Association, have executed these Articles of Incorporation on the date set forth below.

Dated: March 2, 1972.

Thomas L. Hill
THOMAS L. HILL
Matthew Loonin
MATHEW LOONIN