

ARTICLES OF INCORPORATION
OF
SOUTH COAST SHORES HOMEOWNERS ASSOCIATION

ARTICLE I: The name of the corporation (hereinafter called the "Association") is SOUTH COAST SHORES HOMEOWNERS ASSOCIATION. This corporation is organized pursuant to the Nonprofit Mutual Benefit Corporation Law.

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

ARTICLE III: PURPOSE AND POWERS OF THE ASSOCIATION:

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

2. The specific and primary purpose for which this corporation is formed is to provide community services and facilities, or contract for the provisions thereof, for the general use, benefit and welfare of the owners of the residential Lots situated within that certain real property in the City of Santa Ana, County of Orange, California, described as Lots 1 through 182, inclusive and Lots A and B of Tract 7711, as per map recorded in Book 316, pages 4 through 9 of miscellaneous maps of Orange County, California. 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 IV: MEMBERSHIP: Every person or entity who is a record owner of a fee interest in any lot which is subject under the declaration to assessment by the Association, including:

1. Contract purchasers whose land sale contract has been recorded in the books and records of the Orange County, California Records Office and who are in possession of the Lot.

2. The beneficiary or trustee of a Trust, whoever is in possession of said Lot, which trust is the record owner as evidenced by recording in the books and records of Orange County, California Records Office.

3. The spouse of a record owner who is in sole or joint possession of said Lot.

Ownership of such Lot as herein described above shall be the sole qualification for membership. Membership shall be appurtenant to and may not be separated from ownership of the Lot which gives rise to such membership. Transfer of the ownership in any Lot shall automatically transfer membership in the association and all rights of the transferor with respect to the common area.

ARTICLE V: VOTING RIGHTS: Each member is entitled to one vote on each matter submitted to a vote of the members. Cumulative voting is required in all elections for the Board of Directors in which more than two positions are to be filled. Members entitled to vote shall be permitted to vote and act by proxy. Voting rights are limited to one vote per Lot.

ARTICLE VI: BOARD OF DIRECTORS: The affairs of this Association shall be managed by a Board of Directors, who shall be members of the Association. The number of Directors may be changed by amendment of the By-Laws of the Association.

Addendum # 17-1-A