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in the office of the Secretary of State  
of the State of California

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*Tony Miller*  
Acting Secretary of State

**ARTICLES OF INCORPORATION**

**OF**

**SEAGATE TERRACE HOMEOWNERS ASSOCIATION**

**ARTICLE I**

The name of this corporation (hereinafter called the "Association") is SEAGATE TERRACE HOMEOWNERS ASSOCIATION.

**ARTICLE II**

The principal office for the transaction of business of the Association is located in San Diego 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 is formed to manage a common interest development under the Davis-Stirling Common Interest Development Act and will provide for the management, administration, maintenance, preservation and architectural control of a common interest development project within the real property located in the City of Oceanside, County of San Diego, California, described as:

Lots 1 through 67, inclusive, and Lots 72, 73 and 74 of LEISURE GLEN according to Map thereof No. 12495 filed in the Office of the County Recorder of San Diego County, California, on November 8, 1989; and

Parcels 1 through 5, inclusive, of PARCEL MAP NO. 17313 filed in the Office of the County Recorder of San Diego County, California, on February 24, 1994.

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 San Diego 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 the 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 GREGG LINHOFF, 12626 High Bluff Drive, Suite 400, San Diego, California 92130. The initial street address of the principal office of the Association is 12626 High Bluff Drive, Suite 400, San Diego, California 92130.

#### 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 appurtenant 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 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 A voting rights shall not commence with respect to a Lot until regular assessments by the Association have commenced as to the Lot.

**Class B.** The Class B member shall be the 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 upon the happening of the earlier of the following to occur:

(a) Two (2) years following the date of the first conveyance of record by Declarant of a Lot pursuant to the most recent original Final Subdivision Public Report issued by the California Department of Real Estate for a phase of development of the real property described in Article III above; or

(b) Four (4) years following the date of the first conveyance of record by Declarant of a Lot pursuant to the original Final Subdivision Public Report issued by the California Department of Real Estate for the first phase of the development of the real property described in Article III above. Class B voting rights shall not commence with respect to a Lot until regular assessments by the Association have commenced as to the Lot.

#### **ARTICLE VIII**

The affairs of the Association shall be managed by a Board of three (3) directors. The terms of directors are set forth in the Bylaws.

#### **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 Class A and Class B memberships in the Association, seventy-five percent (75%) or more of the voting power of the Class A members of the Association and seventy-five percent (75%) or more of the voting power of the Class B members of the Association; or (b) when there is no Class B membership in the Association, seventy-five percent (75%) or more of the total voting power of the Class A members of the Association, and seventy-five percent (75%) or more of the voting power of Class A members of the Association other than Declarant. Notwithstanding the

