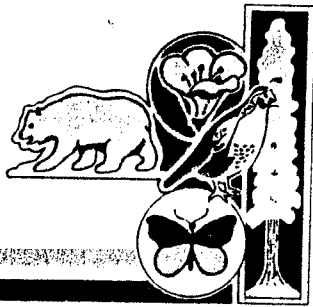


A417522



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

APR 30 1992



March Fong Eu

Secretary of State

A417522

ENDORSED
FILED
in the Office of the Secretary of State
of the State of California

CERTIFICATE OF AMENDMENT
OF ARTICLES OF INCORPORATION OF
LAZY H LAND OWNERS, INC.

APR 23 1992

James Estes and Bernadine Meggas certify that: ~~MARCH 1992~~ Secretary of State

1. They are the president and secretary, respectively, of Lazy H Land Owners, Inc., a California Corporation.
2. The Second Article of the articles of incorporation of this corporation is amended to read as follows:

This corporation is a nonprofit mutual benefit corporation ("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 specific purpose of this Corporation is to operate a homeowners association ("Association"), within the meaning of Section 23701t of the California Revenue & Taxation Code and Section 528 of the Internal Revenue Code. The Corporation acts in a fiduciary capacity to the members of the Association so long as the Corporation owns the common area property ("Property"). In the event that said Property is sold, this Corporation shall dissolve and cease to exist.

The 620 outstanding shares of the corporation stock are herein converted, at a rate of 20 shares per membership, to 31 memberships in accordance with Corporations Code Section 911(b).

3. The Fourth Article is deleted in its entirety.
4. The Fifth Article is deleted in its entirety.
5. The Sixth Article is amended to read as follows:

The total number of directors of the corporation is five (5).

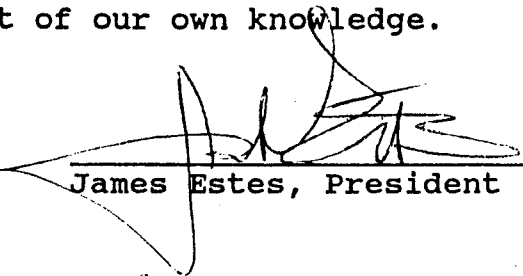
6. The Sixth Article is renumbered as the Third Article.

The foregoing amendments of the articles of incorporation have been duly approved by the board of directors.

The foregoing amendments of the articles of incorporation have been duly approved by required vote of shareholders in accordance with Section 902 of the Corporations Code. The total number of outstanding share of the Corporation is six hundred and twenty (620). The percentage number of shares voting in favor of the amendment equaled 100%.


We further declare under penalty of perjury under the laws of the State of California that the matters set forth in this certificate are true and correct of our own knowledge.

DATE: 20 APRIL 1992



A handwritten signature in black ink, appearing to read 'James Estes', is written over a horizontal line. The signature is stylized and somewhat cursive.

James Estes, President



A handwritten signature in black ink, appearing to read 'Bernadine Meggas', is written over a horizontal line. The signature is cursive and somewhat stylized.

Bernadine Meggas, Secretary

**AMENDED BYLAWS
OF
LAZY H LAND OWNERS, INC.,
A CALIFORNIA NONPROFIT MUTUAL
BENEFIT CORPORATION**

ARTICLE I. APPLICABILITY AND MEMBERSHIP

1.1 Name. The name of the corporation is Lazy H Land Owners, Inc. ("Corporation").

1.2 Principal Office. The principal office of the Corporation is located at 31942 Runway Drive, Pauma Valley, California, 92061. The Board of Directors is hereby granted full power and authority to change the principal office of the Corporation from one location to another in the County of San Diego, California. Any such change shall be noted by the Secretary in these Bylaws, but shall not be considered an amendment of these Bylaws.

1.3 Application. These Bylaws shall apply to lots 1 through 31 of Lazy H Homes Tract in San Diego County, California, according to Map thereof No. 3291 filed in the office of the County Recorder on August 25, 1955, and the golf course property owned by the Corporation, adjacent to said lots 1-31 (referred to collectively herein as the "Property"), located on Highway 76 in Pauma Valley in San Diego County, California. These Bylaws are also applicable to all Members of the Corporation and all tenants, employees, and other persons who use the facilities of the Property in any manner. These Bylaws amend and supersede the Bylaws of the Corporation adopted on January 7, 1961.

1.4 Membership. Each owner of lots 1 through 31, referenced above, and any other persons approved by the Directors of the Corporation, previously as shareholders, or at any time as members, shall be a member of the Corporation. Each such membership shall be appurtenant to such lot or lots, and transfer of title to such lots shall automatically transfer the membership appurtenant to such lot to the transferee or transferees. Each such owners is obligated promptly, fully and faithfully to comply with and conform to the Bylaws of the Corporation and to the rules and regulations from time to time described thereunder by the Board of Directors of the Corporation or its officers, and to promptly pay in full all fees and assessments levied by the Corporation on its members, whether such fees or assessments were levied prior to subsequent to the date of acquisition of title, except that the purchaser of any lot at a trustee's sale or sheriff's sale on foreclosure, or a lender who acquires title by deed in lieu of foreclosure, shall not be liable for any fees or assessments levied prior to such sale or acquisition of title.

ARTICLE II. MEETINGS OF MEMBERS

2.1 Place of Meetings. All meetings of the Members shall be held at a place designated by the Board. This meeting place shall be within the Property or as close to it as possible. If no meeting place is designated, the meetings shall be held at the principal office of the Corporation. No meeting of the Members shall, unless unusual conditions exist, be held outside of San Diego County, California.

2.2 Annual Meetings. The annual meeting of members shall be held on the first Saturday of March of each year at 3:00 p.m. of said day; provided, however, that should said day fall upon a legal holiday then any such annual meeting of members shall be held at the same time and place on the next day thereafter ensuing which is not a legal holiday.

Written notice of each such annual meeting shall be given to each member entitled to vote, either personally or by sending a copy of the notice through the mail or by telegraph, charges prepaid, to his address appearing on the books of the corporation or supplied by him to the corporation for the purpose of notice. If a member supplies no address, notice shall be deemed to have been given him if mailed to the place where the principal office of the corporation is situated, or published at least once in some newspaper of general circulation in the county of said principal office. All such notices shall be sent to each member entitled thereto not less than three (3) days before each annual meeting, and shall specify the place, the day and the hour of such meeting.

2.3 Special Meetings. Special meetings of members, for any purpose or purposes whatsoever, may be called at any time by the president or by the Board of Directors, or by any two or more members thereof, or by one or more members holding not less than one-tenth (1/10th) of the voting power of the corporation. Except in special cases where other express provisions is made by statute, notice of such special meetings shall be given in the same manner as for annual meetings of members. Notices of any special meeting shall specify in addition to the place, day and hour of such meeting, the general nature of the business to be transacted.

2.4 Adjourned Meetings and Notice Thereof. Any members' meeting, annual or special, whether or not a quorum is present, may be adjourned from time to time by the vote of a majority of the members of which are either present in person or represented by proxy thereat, but in the absence of a quorum no other business may be transacted at any such meeting.

When any members' meeting, either annual or special, is adjourned for thirty (30) days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at any adjourned meeting, other than by an announcement at the meeting at which such adjournment is taken.

2.5 Entry of Notice. Whenever any member entitled to vote has been absent from any meeting of members, whether annual or special, any entry in the minutes to the effect that notice has been duly given shall be conclusive and incontrovertible evidence that due notice of such meeting was given to such member, as required by law and the Bylaws of the corporation.

2.6 Voting Rights. At all meetings of members, every member entitled to vote shall have the right to one (1) vote, in person or by proxy. Provided, however, that in all cases of joint ownership of a lot, or a joint membership, only one (1) vote may be cast for each such membership. Such vote may be viva voce or by ballot; provided, however, that all elections for directors must be by ballot upon demand made by a member at any election and before the voting begins. Every member entitled to vote at any election for directors shall have the right to cumulate his votes and give one candidate a number of votes equal to the number of directors to be elected, or to distribute his votes on the same principal among as many candidates as he shall think fit. The candidates receiving the highest number of votes up to the number of directors to be elected shall be elected.

2.7 Record Date of Membership. The Board shall fix, in advance, a record date or dates for the purpose of determining the Members entitled to notice of and to vote at any meeting of Members. The record date for notice of a meeting shall not be more than 90 nor less than 10 days before the date of the meeting. The record date for voting shall not be more than 60 days before the date of the meeting or before the date on which the first written ballot is mailed or solicited. The Board may also fix, in advance, a record date for the purpose of determining the Members entitled to exercise any rights in connection with any other action. Any such date shall not be more than 60 days prior to the action.

2.8 Quorum. The presence in person or by proxy of a majority of the members entitled to vote at any meeting shall constitute a quorum for the transaction of business. The members present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough members to leave less than a quorum.

2.9 Parliamentary Procedure. All meetings of the Members shall be conducted in accordance with (1) a recognized system of parliamentary procedure, or (2) any parliamentary procedures adopted by the Corporation.

2.10 Proxies. At any meeting of Members, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary of the Corporation. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of his or her Lot, or upon receipt of notice by the Secretary of the death or judicially declared incompetence of the Member. No proxy shall be valid after 11 months from the date of its execution unless otherwise specifically provided in the proxy. The maximum term of any proxy shall be three years from the date of its execution.

2.11 Action Taken Without a Meeting. Any action, which under the provisions of the California Corporations Code may be taken at a meeting of the Members, may be taken without a meeting if authorized by a writing signed by all the members who would be entitled to vote at a meeting for such purpose, and filed with the secretary of the corporation.

2.12 Approval by Members Required by Statute. Any approval by the Members of the following proposals, other than unanimous approval by those entitled to vote, shall be valid only if the general nature of the approved proposal was stated in the notice of meeting or any waiver of notice of meeting:

(a) Removing a director without cause pursuant to Section 7222 of the California Corporations Code;

(b) Filling vacancies on the Board pursuant to Section 7224 of the California Corporations Code;

(c) Entering into or approving a contract or transaction between the Corporation and one or more of the Directors, or between the Corporation and any entity in which one or more of the Directors has a material financial interest, pursuant to Section 7233 of the California Corporations Code;

(d) Amending the Articles pursuant to Section 7812 of the California Corporations Code;

(e) Electing to dissolve the Corporation pursuant to Section 8610 of the California Corporations Code; or

(f) Approving a plan of distribution in connection with the dissolution of the Corporation pursuant to Section 8719 of the California Corporations Code.

ARTICLE III. BOARD OF DIRECTORS

3.1 Number. The affairs of this Corporation shall be managed and its duties and obligations performed by an elected Board of Directors, consisting of five (5) persons, who need not be Members of the Corporation.

3.2 Nomination. Nominations for election to the Board of Directors may be made by any of the following:

(a) A nominating committee appointed by the Board at least 90 days prior to an annual meeting of Members, provided the Board receives the committee's nomination or nominations at least 30 days prior to the annual meeting of Members.

(b) A written petition signed within 11 months preceding the annual meeting by Members representing ten percent (10%) of the "voting power" of the Corporation as that term is defined in the Nonprofit Mutual Benefit Corporation Law of the State of California. The petition shall identify the nominee, contain that person's written consent to serve as a Director, and be delivered to the Secretary of the Corporation at least 30 days prior to the annual meeting.

(c) Any Member who is present in person, or by the proxy of any Member who is present by proxy, at the annual meeting of Members at which the Director is to be elected.

3.3 Election and Term of Office. The directors shall be elected at each annual meeting of members but if any such annual meeting is not held, or the directors are not elected thereat,, the directors may be elected at any special meeting of members held for that purpose. All directors shall hold office until their successors are elected.

3.6 Removal of Directors. Directors may be removed as follows:

(a) The Board may declare vacant the office of a Director on the occurrence of any of the following events:

- (1) The Director has been declared of unsound mind by a final order of court;
- (2) The Director has been convicted of a felony;

(b) One or more Directors may be removed prior to the expiration of their terms, without cause, at any annual or special meeting of the Members. Any removal without cause shall be approved by a vote of the members.

3.7 Vacancies. Any vacancy on the Board caused by the death or resignation of a Director shall be filled by the remaining Directors. The successor shall serve for the unexpired term of his or her predecessor. The Board shall not fill a vacancy on the Board created by the removal of a Director, except with the vote or written assent of a majority of the Members.

3.8 Compensation. A Director shall not receive any compensation for any service he or she may render to the Corporation; provided, however, that a Director may be reimbursed for actual out-of-pocket expenses reasonably incurred by the Director in the performance of his or her duties.

3.9 Powers and Duties. The Board's powers and duties shall include, but shall not be limited to, the following:

(a) Enforcement of the applicable provisions of the Declaration, the Articles, Bylaws, and any other instruments governing the ownership, management, and control of the Property ("Governing Instruments").

- (b) Payment of taxes and assessments that are, or could become, a lien on all or a portion of any common areas of the Property.
- (c) Contracting for casualty, liability, and other insurance on behalf of the Corporation.
- (d) Contracting for goods and services for the common areas of the Property, facilities, and interests of the Corporation, subject to the limitations set forth in Section 3.10(a) of these Bylaws.
- (e) Delegation of its powers to any committees, Officers or employees of the Corporation expressly authorized by the Governing Instruments.
- (f) Preparation of budgets and financial statement for the Corporation as prescribed in the Governing Instruments.
- (g) Formulating Rules and Regulations for the use and operation of the common areas of the Property and facilities owned or controlled by the Corporation.
- (h) Initiating and executing of disciplinary proceedings against Members for violations of provisions of the Governing Instruments in accordance with procedures set forth in the Governing Instruments.
- (i) Entering any Lot or improvement on a Lot to perform necessary construction, maintenance, or emergency repair work for the benefit of the common areas of the Property or the Members in the aggregate.
- (j) Electing the Officers of the Corporation.
- (k) Filling vacancies on the Board of Directors, except for a vacancy created by the removal of a Director.
- (l) Reviewing the following on at least a quarterly basis:
 - (1) A current reconciliation of the operating accounts of the Corporation.
 - (2) A current reconciliation of the reserve accounts of the Corporation.
 - (3) The actual reserve revenues and expenses for the current year compared with the budget for the current year.
 - (4) The most current account statements of the financial institution where the Corporation has its operating and reserve accounts.

- (5) An income and expense statement for the operating and reserve accounts of the Corporation.
- (m) Withdrawing moneys from the Corporation's reserve accounts.
- (n) Causing studies of the reserve account requirements of the Property to be conducted, when necessary, and reviewing those studies.

3.10 Limitations on Powers. Notwithstanding the provisions of Section 3.9, the Board shall be prohibited from taking any of the following actions, except with the approval of a majority of the total voting power of the Corporation:

- (a) Entering into a contract with a third person under which the third person will furnish goods or services for the common areas of the Property or the Corporation for a term longer than on year.
- (b) Incurring aggregate expenditures for capital improvements to the common areas of the Property in any fiscal year in excess of five (5) percent of the budgeted gross expenses of the Corporation for that fiscal year.
- (c) Selling during any fiscal year property of the Corporation having an aggregate fair market value in excess of five (5) percent of the budgeted gross expenses of the Corporation for that fiscal year.
- (d) Paying compensation to Directors or to Officers of the Corporation for services rendered in the conduct of the Corporation's business; provided, however, that the Board may reimburse a Director or Officer for reasonable, actual expenses incurred in carrying on the business of the Corporation.
- (e) Filling a vacancy on the Board of Directors created by the removal of a Director.

ARTICLE IV. MEETINGS OF DIRECTORS

4.1 Regular Meetings. Other regular meetings of the Board of Directors shall be held as noticed by the Secretary, or designee, on three days' notice.

4.2 Special Meetings. Special meetings of the Board of Directors for any purpose or purposes shall be called at any time by the president or, if he is absent or unable or refuses to act, by any vice-president or by any two directors.

Written notice of the time and place of special meetings shall be delivered personally to the directors or sent to each director by mail, charges prepaid, addressed to him or her at his or her address as it is shown upon the records of the corporation, or if it is not so shown on such records or is not readily ascertainable, at the place in which the meetings of the directors are regularly held.

In case such notice is mailed, it shall be deposited in the United States Mail in the place in which the principal office of the corporation is located at least forty-eight (48) hours prior to the time of the holding of the meeting. In case such notice is delivered as above provided, it shall be so delivered at least twenty-four (24) hours prior to the time of the holding of the meeting. Such mailing or delivery as above provided shall be due, legal and personal notice to such director.

4.3 Notice of Adjournment. Notice of adjournment of any directors' meeting, either regular or special, need not be given to absent directors, if the time and place are fixed at the meeting adjourned.

4.4 Entry of Notice. Whenever any director has been absent from any special meeting of the Board of Directors, any entry in the minutes to the effect that notice has been duly given shall be conclusive and incontrovertible evidence that due notice of such special meeting was given to such director, as required by law and the Bylaws of the corporation.

4.5 Waiver of Notice. The transactions of any meeting of the Board of Directors, however called and noticed or wherever held, shall be as valid as though had at a meeting duly held after regular call and notice, if a quorum be present, and if, either before or after the meeting, each of the directors not present signs a written waiver of notice or a consent to holding such meeting or an approval of the minutes thereof. All such waivers, consents and approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

4.6 Quorum. A majority of the directors shall be necessary to constitute a quorum for the transaction of business, except to adjourn as hereinafter provided. Every act or decision done or made by a majority of the directors present at a meeting duly held at which a quorum is present shall be regarded as the act of the Board of Directors.

4.7 Adjournment. A quorum of the directors may adjourn any directors' meeting to meet again at a stated day and hour; provided, however, that in the absence of a quorum a majority of the directors present at the directors' meeting, either regular or special, may adjourn from time to time until the time fixed for the next regular meeting of the board.

4.8 Adjournment. A majority of the Directors present, whether or not a quorum is present, may adjourn any meeting to another time and place. If the meeting is adjourned for more than 24 hours, notice of the adjournment shall be given, prior to the time of the adjourned meeting, to the Directors who were not present at the time of the adjournment.

4.9 Fees and Compensation. Directors shall not receive any stated salary for their services as directors, but by resolution of the board a fixed fee with or without expenses of attendance may be allowed for attendance at a meeting. Nothing herein contained shall be construed to preclude any director from serving the corporation in any

other capacity as an officer, agent, employee or otherwise, and receiving compensation therefor.

4.10 Executive Session. The Board may, with the approval of a majority of the Directors present at a meeting at which a quorum for the transaction of business has been established, adjourn a meeting and reconvene in executive session to discuss and vote upon (1) litigation in which the Corporation is or may become involved, (2) matters that relate to the formation of contracts with third parties, (3) personnel matters, and (4) orders of business of a similar nature. In any matter relating to the disciplining of a Member, the Board shall meet in executive session if requested to do so by that Member, and the Members all be entitled to attend the executive session. In all other cases, Members who are not on the Board may not attend an executive session. The nature of any business to be considered in executive session shall first be announced in open session. Further, any matter discussed in executive session shall be generally noted in the minutes of the Board.

4.11 Minutes. Written minutes shall be kept of all meetings of the Board. The minutes, minutes proposed for adoption that are marked to indicate draft status, or a summary of the minutes, of any meeting of the Board, other than an executive session, shall be made available to Members within thirty (30) days of the meeting. Further, the minutes, proposed minutes, or summary minutes shall be distributed to any Member upon request. Any Member making such a request shall reimburse the Corporation for its costs in making that distribution. Members shall be notified in writing at the time that any pro forma budget required by Civil Code Section 1365 is distributed, or at the time of any general mailing to the entire membership of the Corporation, of their right to have copies of the minutes of meetings of the Board and of how and where those minutes may be obtained.

ARTICLE V. OFFICERS

5.1 Officers. The officers of the corporation shall be a president, a vice-president, a secretary and a treasurer. One person may hold two or more offices, except those of president and secretary.

5.2 Appointment and Term. The Officers of this Corporation except those Officers appointed in accordance with Article X of these Bylaws, shall be elected annually by the Board. Any vacancies shall be filled by the Board at any time, not necessarily on an annual basis, that it deems proper. Each Officer shall hold his or her office at the pleasure of the Board.

5.3 Resignation and Removal. The Board may remove any Officer from office either with or without cause by a majority vote. Any Officer may resign at any time by giving written notice to the Board, the President, or the Secretary. The resignation shall take effect at the date of receipt of the notice or at any later time specified in the notice. Unless otherwise specified in the notice, acceptance of the resignation by the Board shall be necessary to make it effective.

5.4 Compensation. An Officer shall not receive any compensation for any service he or she may render to the Corporation; provided, however, that an Officer may be reimbursed for actual out-of-pocket expenses reasonably incurred by the Officer in the performance of his or her duties.

ARTICLE VI. PRESIDENT

6.1 Election. The Board shall elect one of its Members to act as President.

6.2 Duties. The President shall:

- (a) Preside over all meetings of the Members and of the Board.
- (b) Sign as President all deeds, contracts, and other written instruments that have been approved by the Board, unless the Board, by duly adopted resolution, authorizes the signature of a lesser Officer.
- (c) Call meetings of the Board whenever he or she deems it necessary, in accordance with any rules and notice requirements imposed by the Board and the Governing Instruments. The notice period shall not be less than three (3) days except in the case of emergencies.
- (d) Have, subject to the advice of the Board, general supervision, direction, and control of the affairs of the Corporation.
- (e) Discharge any other duties required of him or her by the Board.

ARTICLE VII. VICE-PRESIDENT

7.1 Election. The Board shall elect one of its Members to act as Vice-President.

7.2 Duties. The Vice-President shall:

- (a) Act in the place and in the stead of the President in the event of his or her absence, inability, or refusal to act; and
- (b) Exercise and discharge any other duties required of him or her by the Board. In connection with any such additional duties, the Vice-President shall be responsible to the President.

ARTICLE VIII. SECRETARY

8.1 Election. The Board shall elect one of its Member to act as Secretary.

8.2 Duties. The Secretary shall:

- (a) Keep a record of all meetings and proceedings of the Board and of the Members;
- (b) Keep the seal of the Corporation, if any, and affix it on all papers requiring the seal;
- (c) Serve all required notices of meetings of the Board and the Members;
- (d) Keep current records showing the names and addresses of all Members; and
- (e) Sign as Secretary all deeds, contracts, and other written instruments, that have been approved by the Board, if the instruments require a second Corporation signature and the Board has not passed a resolution authorizing another Officer to sign in the place and stead of the Secretary.

ARTICLE IX. CHIEF FINANCIAL OFFICER (OR TREASURER)

9.1 Election. The Board shall elect one of its Members to act Chief Financial Officer (or Treasurer).

9.2 Duties. The Chief Financial Officer shall:

- (a) Receive and deposit all of the funds of the Corporation in any bank or banks selected by the Board;
- (b) Be responsible for and supervise the maintenance of books and records to account for Corporation funds and other Corporation assets;
- (c) Disburse and withdraw Corporation funds in the manner specified by the Board; and
- (d) Prepare and distribute the financial statements for the Corporation required by the Declaration.

ARTICLE X. SUBORDINATE OFFICERS

10.1 Appointment. The Board may appoint, at any time, any subordinate Officers that the Corporation may require.

10.2 The Board shall prescribe the term of office, authority, and duties of subordinate Officers. These duties may include the right to act in the place and stead of any Officer other than the President.

ARTICLE XI. BOOKS AND RECORDS

11.1 Required Books and Records. The Corporation shall maintain at its principal office:

- (a) Copies of the Governing Instruments as last amended;
- (b) Adequate and correct books and records of account;
- (c) Written minutes of the proceedings of its Members, of its Board, and of committees of its Board; and
- (d) A Membership Register containing the following information about each Member: name, mailing address, telephone number, and class of membership.

11.2 Inspection Rights. The books and records referred to in Section 11.1 shall be made available for inspection as follows:

(a) Any Member shall have the right to inspect the above books and records and copy them at any reasonable time during office hours and for a purpose reasonably related to his or her interest as a Member. This right is subject to the power of the Board to set reasonable times for inspection, notice requirements, and fees to cover the cost of making copies of the documents requested by a Member.

(b) Every Director shall have the absolute right to inspect all books, records, and documents of the Corporation and the physical properties owned or controlled by the Corporation at any reasonable time. The right of inspection by a Director includes the right to make extracts and copies of documents.

ARTICLE XII. NONLIABILITY AND INDEMNIFICATION

12.1 Definition of Agent. For purposes of this Article, "Agent" means any present or former Director or Officer or any other employee or agent of the Corporation.

12.2 Nonliability. Except as provided by law, no right, power, or responsibility conferred on the Board or the Architectural Committee by the Governing Instruments shall be construed as a duty, obligation, or disability charged upon any Agent. No Agent shall be liable to any party (other than the Corporation or a party claiming in the name of the Corporation) for injuries or damage resulting from the Agent's acts or omissions within what the Agent reasonably believed to be the scope of his or her Corporation duties ("Official Acts"), the Agent's willful or malicious misconduct. No Agent shall be liable to the Corporation (or to any party claiming in the name of the Corporation) for injuries or damage resulting from the Agent's Official Acts, except to the extent that the injuries or damage result from the Agent's negligence or willful or malicious misconduct.

12.3 Indemnification. The Corporation shall pay all expenses actually and reasonably incurred by, and satisfy any judgment or fine levied against, any Agent as a result of any action or threatened action against the Agent to impose liability on the Agent for his or her Official Acts, provided that:

(a) The Board determines that the Agent acted in good faith and in a manner the Agent reasonably believed to be in the best interests of the Corporation;

(b) In the case of a criminal proceeding, the Board determines that the Agent had no reasonable cause to believe his or her conduct was unlawful; and

(c) In the case of an action or threatened action by or in the right of the Corporation, the Board determines that the Agent acted with the care (including reasonable inquiry) that an ordinarily prudent person in a like position would use under similar circumstances.

12.4 Approval by Board. Any determination of the Board required under this Article must be approved by a majority vote of a quorum consisting of Directors who are not parties to the action or threatened action giving rise to the indemnification. If the Board fails or refuses to make any such determination, the determination may be made by the vote or written consent of a majority of a quorum of the Members, provided that the Agent to be indemnified shall not be entitled to vote.

12.5 Payments. Payments made pursuant to this Article shall include amounts paid and expenses incurred in settling the action or threatened action. This Article shall be construed to authorize payments and indemnification to the fullest extent now or hereafter permitted by applicable law.

12.6 Insurance. The Corporation may purchase and maintain insurance on behalf of its Agents to the extent and under the circumstances provided in the Declaration.

ARTICLE XIII. AMENDMENTS

13.1 Amendment of Bylaws. These Bylaws may be amended or repealed by the vote or written consent of two-thirds (2/3) of the voting power of the Corporation, or by the written assent of such Members.

ARTICLE XIV. TAX-EXEMPT STATUS

14.1 Tax-Exempt Status. The Board and Members of the Corporation shall conduct the business of the Corporation in such a manner that the Corporation shall qualify and be considered an organization exempt from federal and state income taxes pursuant to Internal Revenue Code Section 528 and California Revenue and Taxation Code Section 23701t, as amended.

14.2 Filing. The Board shall file or have filed any annual election for tax-exempt status that is required under federal or state law, and shall cause the Corporation to comply with the federal and state statutes, rules and regulations pertaining to those exemptions.

CERTIFICATE OF SECRETARY

OF
LAZY H LAND OWNERS, INC.,
A California Nonprofit
Mutual Benefit Corporation

I hereby certify that I am the duly elected and acting Secretary of the above Corporation and that the foregoing Bylaws, comprising of fourteen (14) pages, constitute the Bylaws of the Corporation as duly adopted at a meeting of the Members of the Corporation held on Nov. 23, 19 96.

Dated: 12-27, 19 96

Bernadine Miggas
Secretary