

**CERTIFICATE OF AMENDMENT  
OF ASSOCIATION BYLAWS**

**MARINA HILLS PLANNED COMMUNITY ASSOCIATION**

Thomas Parsekian and Mary Ann Malamut certify that:

1. They are the President and Secretary, respectively, of Marina Hills Planned Community Association, a California nonprofit mutual benefit corporation.

2. Article III shall be amended to change the title to read as follows:

"DELEGATE ELECTION AND DELEGATE MEETINGS"

3. The Association Bylaws are amended to add the following new Article IIIA.

"ARTICLE IIIA

MEETINGS OF MEMBERS AND VOTING

Section 3A.01. Place of Meetings of Members: Meetings of the Members shall be held on the Property, or such other suitable place as proximate thereto as practicable, in Orange County, convenient to the Owners, as may be designated by the Board of Directors.

Section 3A.02. Annual Meetings of Members: The First Annual Meeting of Members will be held on or about August 27, 1997. Thereafter, the Annual Meetings of the Members shall be held on or about the anniversary date of the First Annual Meeting. At each Annual Meeting there shall be elected, by ballot of the Members, a Board of Directors of the Association, in accordance with the requirements of Article IV of these Bylaws. The Members may also transact such other business of the Association as may properly come before them. Each first Mortgagee of a Condominium in the Project may designate a representative to attend all Annual Meetings of the Members.

Section 3A.03. Special Meetings of Members: It shall be the duty of the Board to call a Special Meeting of the Members, as directed by resolution of a majority of a quorum of the Board of Directors, or upon receipt by the Secretary of a petition signed by Members representing at least five percent (5%) of the total voting power of the Association. The notice of any Special Meeting shall be given within twenty (20) days after adoption of such resolution or receipt of such petition and shall state the time and place of such meeting and the purpose thereof. The Special Meeting shall be held not less than thirty five (35) days nor more than ninety (90) days after adoption of such resolution or receipt of such petition. No business shall be transacted at a Special Meeting except as stated in the notice. Each first Mortgagee of a Condominium in the Project may designate a representative to attend all Special Meetings of the Members.

Section 3A.04. Notice of Meetings to Members: It shall be the duty of the Secretary to send a notice of each Annual or Special Meeting by first-class mail, at least ten (10) but not more than ninety (90) days prior to such meeting, stating the purpose thereof, as well as the day, hour and place where it is to be held, to each Member of record, and to each first Mortgagee of a Condominium, which Mortgagee has filed a written request for notice with the Secretary. The notice may set forth time limits for speakers and nominating procedures for the meeting. The notice of any meeting at which Directors are to be elected shall include the names of all those who are nominees at the time the notice is given to the Members. The mailing of a notice, postage prepaid, in the manner provided in this Section, shall be considered notice served, forty eight (48) hours after said notice has been deposited in a regular depository of the United States mail. Such notice shall be posted in a conspicuous place on the Common Property, and such notice shall be deemed served upon a Member upon posting if no address for such Member has been then furnished the Secretary. The Board of Directors may fix a date in the future as a record date for the, determination of the Members entitled to notice of any meeting of Members. The record date so fixed shall be not less than ten (10) nor more than sixty (60) days prior to the date of the meeting. Only Members who on the record date for notice of the meeting are entitled to vote thereat, shall be entitled to notice of the meeting, notwithstanding any transfer of or issuance of Membership certificates on the books of the Association after the record date.

Section 3A.05. Quorum: The presence at the meeting of Members or proxies or any combination thereof entitled to cast a majority of the voting power of the Association shall constitute a quorum for any action except as otherwise provided in the Association's Management Documents. The Members present at a duly called or held meeting at which a quorum is present may continue to transact business until adjournment, notwithstanding the withdrawal of enough Members to leave less than a quorum, if any action not taken (other than adjournment) is approved by at least a majority of the voting power required to constitute a quorum.

Section 3A.06. Adjourned Meetings: If any meeting of Members can not be organized because a quorum is not present, a majority of the Members who are present, either in person or by proxy, may adjourn the meeting to a time not less than five (5) days nor more than forty-five (45) days from the time the original meeting was called, at which meeting the quorum requirement shall be the presence in person or by proxy of the Members holding at least twenty five percent (25%) of the voting power of the Association. Such an adjourned meeting may be held without notice thereof as provided in this Article IIIA, provided that notice is given by announcement at the meeting at which such adjournment is taken. If, however, such an adjourned meeting is actually attended, in person or by proxy, by Members having less than one third (1/3rd) of the voting power of the Association, notwithstanding the presence of a quorum, no matter may be voted upon except such matters notice of the general nature of which was given pursuant to

Section 3A.04 hereof.

Section 3A.07. Order of Business: The order of business at all meetings of the Members shall be as follows: (a) roll call to determine the voting power represented at the meeting; (b) proof of notice of meeting or waiver of notice; (c) reading of Minutes of preceding meeting; (d) reports of officers; (e) reports of Committees; (f) election of Inspector of Elections at Annual Meetings or Special Meetings held for such purpose; (g) election of Directors at Annual Meetings or Special Meetings held for such purpose; (h) unfinished business; and (i) new business.

Section 3A.08. Action Without A Meeting: Any action, which may be taken at a meeting of the Members (except for the election of Directors) may be taken without a meeting by written ballot of the Members. Ballots shall be solicited in the same manner as provided in Section 3A.04 for the giving of notice of meetings of Members. Such solicitations shall specify (a) the number of responses needed to meet the quorum requirements, (b) the percentage of approvals necessary to approve the action, and (c) the time by which ballots must be received in order to be counted. The form of written ballot shall afford an opportunity to specify a choice between approval and disapproval of each matter and shall provide that, where the Members specifies a choice, the vote shall be cast in accordance therewith. Receipt within the time period specified in the solicitation of a number of ballots which equals or exceeds the quorum which would be required if the action were taken at a meeting and a number of approvals which equals or exceeds the number of votes which would be required for approval if the action were taken at a meeting at which the total number of votes cast was the same as the total number of ballots cast shall constitute approval by written ballot.

Section 3A.09. Proxy: (a) Every Member entitled to vote or execute consent shall have the right to do so either in person, or by an agent or agents authorized by a written proxy executed by such Member or his duly authorized agent and filed with the Secretary of the Association; provided that no such proxy shall be valid after the expiration of eleven (11) months from the date of its execution unless otherwise provided in the proxy, except that a maximum term of any proxy shall be three (3) years from the date of execution. All proxies must satisfy the requirements of Section 7613 of the California Corporations Code. (b) Any revocable proxy concerning certain matters which require a vote of the Members is not valid as to such matters unless it sets forth the general nature of the matter to be voted on. These certain matters are the election and filling of any Board vacancy, and/or other matter which may be specifically set forth in these Bylaws.

Section 3A.10. Consent of Absentees: The transactions of any meeting of Members, either Annual or Special, however called and noticed, shall be as valid as though had at a meeting duly held after regular call and notice, if a quorum be present either in person or by proxy, and if, either before or after the meeting, each of the Members not present in person or by proxy, signs a

written waiver of notice, or a consent to the holding of such meeting, or an approval of the Minutes thereof. All such waivers, consents or approvals shall be filed with the corporate records or made a part of the Minutes of the meeting.

Section 3A.11. Minutes, Presumption of Notice: Minutes or a similar record of the proceedings of meetings of Members, when signed by the President or Secretary, shall be presumed truthfully to evidence the matters set forth therein. A recitation in the Minutes of any such meeting that notice of the meeting was properly given shall be prima facie evidence that such notice was given."

4. Amend Bylaw Article IV, ELECTION OF BOARD OF DIRECTORS, as follows:

a. The fourth sentence of Section 4.2 is amended to read as follows:

"The Nominating Committee shall be appointed by the Board of Directors ninety (90) days prior to each Annual Meeting of the Members, to serve until the close of such Annual Meeting."

b. Section 4.3 is amended to read as follows:

"Election: Term of Office: At the Annual Meeting, the Members shall elect Directors for a term of two (2) years to succeed those Directors whose terms have expired. If any 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 successor has been elected, or until his death, resignation, removal or judicial adjudication of mental incompetence. The term of office of each Director elected to fill a vacancy created by the resignation, death or removal of his predecessor shall be the balance of the unserved term of his predecessor. Cumulative voting shall be used in the election of Directors for any election in which more than two (2) Directors are to be selected, subject only to the procedural requirements to cumulative voting in the following sentence. A Member may cumulate his votes for any candidate for the Board if the candidate's name has been placed in nomination prior to the voting, and if such Member, or any other Member, has given notice at the meeting, prior to the voting of such Member's intention to cumulate votes. If a Member cumulates his votes, such Member may cast a number of votes equal to the Member's share of the voting power as set forth in the Declaration, multiplied by the number of Directors to be elected."

c. Section 4.4 is modified to read as follows:

"Removal: The entire Board of Directors may be removed,

with or without cause, by a majority vote of the Members. Unless the entire Board is removed from office, as above, an individual Director shall not be removed prior the expiration of his term of office if the number of votes cast against his removal would be sufficient to elect the Director if voted cumulatively at an election at which the same total number of votes were cast and the entire Board of Directors authorized at the time of the most recent election of the Director to be removed were then being elected. In the event of the death, resignation, removal or judicial adjudication of mental incompetence of a Director, his successor shall be selected by a majority of the remaining Members of the Board, and shall serve for the unexpired term of his predecessor."

d. Section 4.5 is modified to read as follows:

"Vacancies: Vacancies in the Board may be filled by a majority of the remaining Directors, though less than a quorum, and each Director so elected shall hold office for the unexpired term of his predecessor and until his successor is elected at an Annual Meeting of Members, or at a Special Meeting called for that purpose.

A vacancy or vacancies shall be deemed to exist in case of the death or resignation of any Director, or if the Members shall increase the authorized number of Directors but shall fail at the meeting at which such increase is authorized or at an adjournment thereof, to elect the additional Directors so provided for, or in the case Members fail at any time to elect the full number of authorized Directors.

The Members may, at any time, elect Directors to fill any vacancy not filled by the Directors, and may elect the additional Directors at the meeting at which an amendment of the Bylaws is voted, authorizing an increase in the number of Directors.

If any Director tenders his resignation to the Board, the Board shall have the power to elect a successor to take office at such time as the resignation shall become effective."

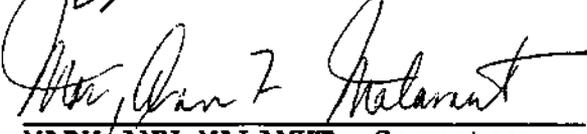
5. The foregoing amendments of the Bylaws have been duly approved by the required vote of the voting power of the Master Association and votes of the members of the Master Association other than Declarant.

We declare under penalty of perjury under the laws of the State of California that the matters set forth in this Certificate of Amendment are true and correct to our knowledge.

Dated: JUNE 24, 1997

  
THOMAS PARSEKIAN, President

Dated: JUNE 25, 1997

  
MARY ANN MALAMUT, Secretary

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