

ENDORSED
FILED

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

AUG 11 1981

MARCH FONG EU, Secretary of State

By BILL HOLDEN
Deputy

CERTIFICATE OF AMENDMENT

OF

ARTICLES OF INCORPORATION

OF

THE COMMUNITY ASSOCIATION OF BERNARDO HEIGHTS

WILLIAM O. WOOD and FRANK D. PANKRATZ hereby
certify that:

1. They are President and Secretary, respectively,
of THE COMMUNITY ASSOCIATION OF BERNARDO HEIGHTS, a California
nonprofit mutual benefit corporation (hereafter "Association").
2. The Board of Directors of the Association has
voted to approve the Amendment to the Articles of Incorporation
of the Association set forth in Paragraph 4 below.
3. A majority of all members of the Association
and a majority of all members of the Association other than
Declarant have voted to approve to the Amendment to said
Articles of Incorporation set forth in Paragraph 4 below.
4. The following Article VII is hereby adopted
and added to said Articles of Incorporation:

ARTICLE VII
LIMITATION ON POWERS

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.

IN WITNESS WHEREOF, the undersigned have executed
this Certificate of Amendment this 29th day of July, 1981,
in the City of San Diego, State of California.



William O. Wood

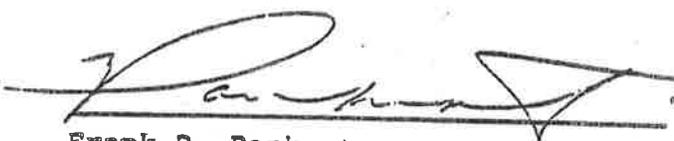


Frank D. Pankratz

Each of the undersigned declares under penalty of
perjury that the matters set forth in the foregoing Certificate
are true and correct to his own knowledge, dated this 29th day
of July, 1981, in the City of San Diego, State of California.



William O. Wood



Frank D. Pankratz

THE COMMUNITY ASSOCIATION OF BERNARDO HEIGHTS

Unanimous Written Consent of Directors

Pursuant to Section 7211(b) of the California Corporations Code, the undersigned, being all of the directors of the board of directors of The Community Association of Bernardo Heights, a California nonprofit mutual benefit corporation (the "Association") do hereby unanimously consent to the adoption of the following resolutions:

RESOLVED that the Articles of Incorporation of the Association shall be amended by the addition of the following Article VII:

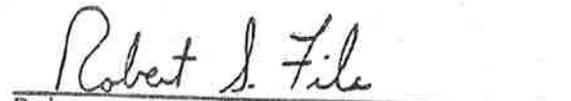
ARTICLE VII

LIMITATION ON POWERS

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.

IN WITNESS WHEREOF, the undersigned have executed this Unanimous Written Consent of Directors as of the 29th day of July, 1981.


Neal D. Gascon


Robert S. Fila


William O. Wood


Gary S. Kashing


Frank D. Pankratz

THE COMMUNITY ASSOCIATION OF BERNARDO HEIGHTS

Special Meeting of Members

July 29, 1981

A special meeting of The Community Association of Bernardo Heights (the "Association") was held at 9404 Genesee Avenue, Suite 340, La Jolla, California, on July 29, 1981. The meeting was called to order at 2:00 p.m. by the President of the Association, William O. Wood, who presided as Chairman. Frank D. Pankratz acted as Secretary. The Secretary declared that a quorum was present and thus declared that the meeting was duly convened and open for business.

The Chairman presented to the meeting correspondence addressed to James Henry Fox from the State of California Franchise Tax Board. Said correspondence indicated that prior to granting nonprofit corporation status under the California Revenue and Taxation Code, the Articles of Incorporation of the Association (the "Articles"), must be amended by the addition of a limitation on powers clause as set forth in Franchise Tax Board form 3500, paragraph IV of Sample Articles B. The Chairman then proposed that such limitation on powers clause be added to the Articles and, after full discussion and upon motion duly made and seconded, it was unanimously:

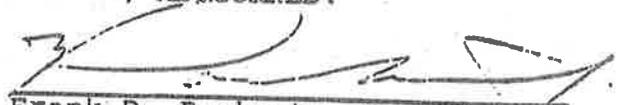
RESOLVED that the Articles of Incorporation of the Association shall be amended by the addition of the following Article VII:

ARTICLE VII

LIMITATION ON POWERS

Notwithstanding any of the above statements of purpose 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.

There being no further business to come before the meeting, it was, upon motion duly made and seconded, ADJOURNED.


Frank D. Pankratz, Secretary

Reviewed and Approved:

GENSTAR DEVELOPMENT, INC.,
a New York corporation
(Genstar Penasquitos Division)

By Wil O. Wood

VILLA LADERA HOMEOWNERS' ASSOCI-
ATION, a California nonprofit
mutual benefit corporation

By Maria A. Zimmerman
10

LOMAS BERNARDO HOMEOWNERS ASSOCI-
ATION, a California nonprofit
mutual benefit corporation

By Al Luma

BERNARDO HEIGHTS II RECREATIONAL
ASSOCIATION, a California non-
profit mutual benefit corporation

By Frank Pankratz

**ENDORSED
FILED**

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

FEB 13 1981

MARCI LUNA ELL, Secretary of State

Phyllis E. Blagg
Deputy

**ARTICLES OF INCORPORATION
OF
THE COMMUNITY ASSOCIATION OF BERNARDO HEIGHTS**

ARTICLE I

Name

The name of the corporation (hereinafter called the "Association") is THE COMMUNITY ASSOCIATION OF BERNARDO HEIGHTS.

ARTICLE II

Purposes of the Association

This corporation is a nonprofit mutual benefit 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 Association does not contemplate pecuniary gain or profit to the members thereof, and the specific and primary purposes for which it is formed are to provide for management, administration, maintenance, preservation and architectural control of the residential units and common area within that certain real property situated in the City of San Diego, County of San Diego, State of California, known as the Community of Bernardo Heights, a planned community, and to promote the health, safety and welfare of all the residents within the above-described property and any additions thereto as may hereafter be brought within the jurisdiction of the Association for these purposes, all according to that certain Declaration of Covenants, Conditions and Restrictions (hereinafter called the "Declaration") recorded or to be recorded with respect to said property in the Office of the Recorder of San Diego County.

ARTICLE III

Dissolution

The Association is intended to qualify as a Homeowners' Association under the applicable provisions of the United States Internal Revenue Code and the Revenue and Taxation Code of California. No part of the net earnings of the Association shall inure (other than by acquiring, constructing or providing management, maintenance and care of the Association property, and

other than by a rebate of excess membership dues, fees or assessments) to the benefit of any private member or individual. In the event of the dissolution, liquidation or winding up of the Association, upon or after termination of the project, in accordance with provisions of the Declaration, its assets remaining after payment, or provision for payment, of all debts and liabilities of the Association shall be divided among and distributed to its members in accordance with their respective rights therein.

ARTICLE IV

Governance

The rights of members, number of members of and manner of election of directors to the Board of Directors and all other matters concerning the operation and governance of the Association shall be as set forth in the Bylaws of the Association.

ARTICLE V

Agent for Service of Process

The name and address of the Association's initial agent for service of process is:

Frank D. Pankratz
9404 Genesee Avenue, Suite 340
La Jolla, California 92037

ARTICLE VI

Amendments

Amendments to these Articles shall require the affirmative vote or written assent of a majority of the directors of the Association and the affirmative vote or written assent of the members of the Association as follows:

A. 1. At least a bare majority of the votes of all members of the Association; and

2. At least a bare majority of the votes of members other than the Declarant (as defined in Exhibit D to the Declaration); or

B. 1. Where the two class voting structure is in effect (as provided in Section 3.4 of the Declaration), a majority of each class of members.

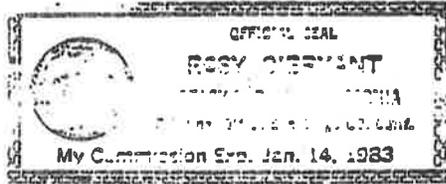
IN WITNESS WHEREOF, for the purposes of forming this corporation under the laws of the State of California, the undersigned incorporator has executed these Articles of Incorporation this 3rd day of February, 1980/1981.

Neil D. Gascon
Neil D. Gascon

STATE OF CALIFORNIA)
) SS
COUNTY OF SAN DIEGO)
 February 3, 1981

On ~~November~~ February 1980, before me, the undersigned, a Notary Public in and for said County and State, personally appeared NEIL D. GASCON, known to me to be the person whose name is subscribed to the within instrument and acknowledged that he executed the same.

WITNESS my hand and official seal.



Rosy O'Bryant
Notary Public in and for said County and State
Rosy O'Bryant

