

BYLAWS OF
PENTRIDGE COVE ASSOCIATION

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BYLAWS OF
PENTRIDGE COVE ASSOCIATION

ARTICLE 1

NAME AND LOCATION

The name of the homeowners association ("Association"), is PENTRIDGE COVE ASSOCIATION. The principal office of the Association shall be located at 2950 Airway Ave. #D9, Costa Mesa, County of Orange, State of California.

ARTICLE 2

2.1 The definitions contained in the Declaration are incorporated in these Bylaws by reference.

2.2 "Declaration" shall mean and refer to the Declaration of Covenants, Conditions and Restrictions applicable to the Property recorded on June 24, 1980, 1980, in Book 13644, Pages 1483 through 1509, inclusive, in the office of the County Recorder for Orange County, California.

ARTICLE 3

MEETING OF MEMBERS AND VOTING
RIGHTS

3.1 Annual Meetings

Regular annual meetings of Members of the Association shall be held annually on the Project or such other suitable place convenient to the Members as may be designated by the Board. The first meeting of the Association shall be held within forty-five (45) days after the close of escrow for the sale of the Unit which represents the fifty-first (51st) percentile interest authorized for sale under the first public report for the Project, but in no event shall the first meeting be held later than six (6) months after the close of escrow for the sale of the first Units.

3.2 Special Meetings

A special meeting of Members of the Association shall be promptly called by the Board upon the vote for such a meeting by a majority of a quorum of the Board, or upon receipt of a written request therefor signed by Members representing at least five percent (5%) of the total voting power of the Association.

3.2.2 Action Without Meeting

Any action, except election of directors, which may be taken by the vote of members at a regular or special meeting may be taken without a meeting if done in compliance with Corporations Code Section 7513.

3.3 Notice of Meetings

Written notice of regular and special meetings shall be given to Members by the Board by mailing a notice to each Member which shall specify the place, day and hour of the meeting

and in the case of a special meeting, the nature of the business to be undertaken. Except in the case of an emergency, notice shall be mailed to each Member at least ten (10) days and not more than ninety (90) days prior to the meeting, and shall be posted in a conspicuous place on the Common Area.

3.4 Quorum

The presence in person or by proxy of at least fifty percent (50%) of the total voting power of the Association shall constitute a quorum. 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.

3.5 Proxies

At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the secretary before the appointed time of each meeting. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of his Unit, or upon receipt of notice by the secretary of the Board of the death or judicially declared incompetence of such Member.

3.6 Adjournment

In the absence of a quorum at a Members' meeting, a majority of those present in person or by proxy may adjourn the meeting to another time, but may not transact any other business. Any adjournment for lack of a quorum shall be to a date not less than five (5) days and not more than thirty (30) days from the original meeting date. The quorum for such a reconvened meeting shall be twenty-five percent (25%) of the total voting power of the Association.

3.7 Classes of Membership

The Association shall have two (2) classes of voting membership established according to the Declaration.

3.8 Voting Requirements

While there are two (2) outstanding classes of membership, any action by the Association which must have the approval of the Association membership before being undertaken shall require the vote or written assent of the prescribed percentage of each class of membership. The vote of Declarant shall be excluded in such determination only if there has been a conversion of Class B to Class A Memberships and only so long as the Declarant holds or directly controls 25% or more of the voting power of the Association. This provision shall not apply to the enforcement by the Association of the Declarant's obligation to complete Common Area improvements, as provided in the Declaration.

3.9 Commencement of Voting Rights

Voting rights attributable to any Unit shall not vest until an assessment has been levied against that Unit by the Association.

ARTICLE 4

BOARD OF DIRECTORS; SELECTION; TERM OF OFFICE

4.1 Number and Term of Directors

The Board shall consist of three (3) Directors,

each of whom shall be a Unit Owner or agent of Declarant (while Declarant remains a Unit Owner). The Directors shall serve for a term of three (3) years.

4.2 Election of Board of Directors

4.2.1 Nomination

Nominations for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting of the Association. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two (2) or more Members of the Association. The Nominating Committee shall be appointed by the Board of Directors at least ninety (90) days prior to each annual meeting of the Members, to serve until the close of such annual meeting. The Nominating Committee shall make as many nominations for election of the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled.

4.2.2 Cumulative Voting

Elections of Board members shall be by secret written ballot. All elections in which more than two (2) positions on the Board are to be filled shall be conducted by cumulative voting.

4.2.3 Special Provisions

From the first election of the Board and thereafter for so long as a majority of the voting power of the Association resides in the Declarant, or so long as there are two (2) outstanding classes of membership in the Association, the first Director to be elected shall be elected solely by the votes of Owners other than the Declarant, and the remaining Directors shall be elected by the usual cumulative voting procedures.

4.3 Removal

Unless the entire Board is removed from office by the vote of the Association Members, an individual Director shall not be removed prior to 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 number of votes were cast and the entire Board were then being elected. A Director elected pursuant to the special procedure set forth in Subarticle 4.2.3 may be removed prior to the expiration of his term only by a simple majority of the voting power residing in Members other than the Declarant.

4.4 Vacancies

Vacancies in the Board caused by any reason other than the removal of a Director by vote of the Members shall be filled by vote of the majority of the remaining Directors, and each person so elected shall be a Director until a successor is elected at the next annual meeting of the Association, or at a special meeting of the Members called for that purpose.

ARTICLE 5

MEETINGS OF DIRECTORS

5.1 Regular Meetings

Regular meetings of the Board shall be conducted at least monthly at a time and place within or near the Project, as may be fixed by the Board. Notice of the time and place of regular meetings shall be given to each Director, personally or by mail, telephone or telegraph, at least three (3) days prior to the day named for the meeting and shall also be posted at a prominent place or places within the Common Area.

5.2 Special Meetings

A special meeting of the Board may be called by written notice signed by the President of the Association or by any two (2) Directors other than the President. Notice shall be provided to all Directors and posted in the Common Area in the manner prescribed for notice of regular meetings, and shall include a description of the nature of any special business to be considered by the Board.

5.3 Waiver of Notice

Before or at any meeting of the Board, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice to that Director. Attendance by a Director at any meeting of the Board shall be a waiver of notice by him of the time and place of the meeting.

5.4 Quorum

The presence in person of a majority of the Directors at any meeting of the Board shall constitute a quorum.

5.5 Adjournment; Executive Session

The Board may, with the approval of a majority of a quorum of the Directors, adjourn a meeting and reconvene in executive session to discuss and vote upon personnel matters, litigation in which the Association is or may become involved, and orders of business of a similar nature. The nature of any and all business to be considered in executive session shall first be announced in open session.

5.6 Board Meetings Open to Members

Regular and special meetings of the Board shall be open to all Members of the Association; provided, however, that Association Members who are not on the Board may not participate in any deliberation or discussion unless expressly so authorized by the vote of a majority of a quorum of the Board.

ARTICLE 6

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

6.1 Powers and Duties

The Board shall have the powers and duties necessary for the administration of the affairs of the Association. Without limitation on the generality of the foregoing powers and duties, the Board shall be vested with, and responsible for the following powers and duties:

6.1.1 To select, appoint, supervise, and remove all officers, agents, and employees of the Association; to prescribe such powers and duties for them as may be consistent with law, and with the Articles, the Declaration and these Bylaws; and to fix their compensation (if not prohibited under these bylaws) and to require from them security for faithful service when deemed advisable by the Board;

6.1.1.1 To elect the officers of the Board.

6.1.2 To enforce the applicable provisions of the Declaration, these Bylaws and other instruments relating to the ownership, management and control of the Project;

6.1.3 To adopt and publish rules and regulations governing the use of the Common Area and facilities, and the personal conduct of the Members and their guests thereon, and to establish procedures and penalties for the infraction thereof, subject to approval of the membership;

6.1.4 To pay all taxes and assessments which are, or could become a lien on the Common Area or a portion thereof;

6.1.5 To contract for casualty, liability and other insurance on behalf of the Association as provided in the Declaration;

6.1.6 To cause the Common Area to be maintained and to contract for goods and/or services for the Common Area or for the Association, subject to the limitations set forth in this Article;

6.1.7 To delegate its powers to committees, officers or employees of the Association, or to a management company pursuant to a written contract, as expressly authorized by the Declaration and these Bylaws;

6.1.8 To prepare budgets and financial statements for the Association as prescribed in these Bylaws;

6.1.9 To initiate and execute disciplinary proceedings against Members of the Association for violations of the provisions of the Declaration and these Bylaws and such rules that may be promulgated by the Board, in accordance with procedures set forth in these Bylaws;

6.1.10 To enter upon any privately owned Unit as necessary in connection with construction, maintenance or emergency repair for the benefit of the Common Area or the Owners.

6.1.11 To borrow money and incur indebtedness for purposes of the Association, and to cause to be executed and delivered therefor, in the Association's name, promissory notes, bonds debentures, deeds of trust, mortgages, pledges, hypothecations or other evidences of debt and securities therefor;

6.1.12 To fix and collect regular and special assessments according to the Declaration and these Bylaws, and, if necessary, to record a notice of assessment and foreclose the lien against any Unit for which an assessment is not paid within thirty (30) days after the due date, or bring an action at law against the Owner personally obligated to pay such assessment. All reserves for capital expansion, repair and maintenance shall be transferred to and held in a trust fund or funds for such purpose, established by vote of a majority of Members, and shall be expended only in the trust manner prescribed;

6.1.13 To prepare and file annual tax returns with the federal government and the State of California and to make such elections as may be necessary to reduce or eliminate the tax liability of the Association. Without limiting the generality of the foregoing, the Board may, on behalf of the Association, elect to be taxed under Section 528 of the Internal Revenue Code or any successor statute conferring income tax benefits on homeowners associations. In connection therewith the Board shall take such steps as are necessary to assure that the income and expenses of the Association for any taxable year shall meet the following limitations and restrictions:

6.1.13.1 At least eighty percent (80%) of the gross income of the Association for any taxable year shall consist solely of amounts received as membership dues, fees or assessments from Unit Owners;

6.1.13.2 At least ninety percent (90%) or more of the expenditures of the Association for any taxable year shall be for the acquisition, construction, management, maintenance and care of Association property;

6.1.13.3 No part of the net earnings of the Association shall inure (other than by acquiring, constructing or providing management, maintenance and care of Association property and other than by a rebate of excess membership dues, fees or assessments) to the benefit of any private individual.

6.2 Limitation on Board's Power

Except with the vote or written assent of a majority of the voting power of the Association residing in Members other than Declarant, the Board shall be prohibited from taking any of the following actions:

6.2.1 Incurring aggregate expenditures for capital improvements to the Common Area in any fiscal year in excess of five percent (5%) of the budgeted gross expenses of the Association for that fiscal year.

6.2.2 Selling during any fiscal year property of the Association having an aggregate fair market value greater than five percent (5%) of the budgeted gross expenses of the Association for that fiscal year.

6.2.3 Paying compensation to Directors or to Officers of the Association for services performed in the conduct of the Association's business provided, however, that the Board may cause a Director or Officer to be reimbursed for expenses incurred in carrying on the business of the Association.

6.2.4 Entering into a contract with a third person wherein the third person will furnish goods or services for the Common Area or the Association for a term longer than one (1) year with the following exceptions:

6.2.4.1 A management contract, the terms of which have been approved by the Federal Housing Administration or Veterans Administration;

6.2.4.2 A contract with a public utility company if the rates charged for the materials or services are regulated by the Public Utilities Commission; provided, however, that the term of the contract shall not exceed the shortest term for which the supplier will contract at the regulated rate;

6.2.4.3 Prepaid casualty and/or liability insurance policies of not to exceed three (3) years duration provided that the policy permits for short rate cancellation by the insured;

6.2.5 Filling a vacancy on the Board of Directors created by the removal of a Director.

Any agreement for professional management of the Project or any other contract providing for services by Declarant, shall provide for termination by either party without cause or payment of a termination fee on ninety (90) days or less written notice and shall provide for a maximum contract term of three (3) years.

ARTICLE 7

OFFICERS AND DUTIES

7.1 Enumeration and Term

The officers of this Association shall be a president and vice-president, who shall at all times be members of the Board of Directors, a secretary, and a treasurer, and such other officers as the Board may from time to time by resolution create. The officers shall be elected annually by the Board and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

7.2 Election of Officers

The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the Members.

7.3 Resignation and Removal

Any officer may be removed from office by a majority of the Board at any time with or without cause. Any Officer may resign at any time by giving written notice to the Board, the president or the secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

7.4 Vacancies

A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

7.5 Multiple Offices

The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to this Article.

7.6 Duties

The duties of the officers are as follows:

7.6.1 President

The president shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks,

(unless the authority to sign checks in the ordinary course of Association business has been delegated to a management company as provided in these Bylaws) and promissory notes.

7.6.2 Vice-President

The vice-president shall act in the place and stead of the president in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

7.6.3 Secretary

The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; serve notice of meetings of the Board and of the Members; keep appropriate current records showing the Members of the Association together with their addresses, and shall perform such other duties as required by the Board.

7.6.4 Treasurer

The treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall co-sign all checks and promissory notes of the Association; and shall keep proper books of account and prepare or have prepared financial statements as required in these Bylaws. The duty of the treasurer to receive and deposit funds and to sign checks in the ordinary course of Association business may be delegated to a management company as provided in these Bylaws.

ARTICLE 8

MAINTENANCE AND ASSESSMENT

Pursuant to the procedures and guidelines set forth in the Declaration, the Board shall levy, collect and enforce regular and special assessments for the operation of the Association, and for the management, maintenance, and operation of the Common Area. The assessments shall be used exclusively to promote the recreation, health, safety and welfare of all residents in the entire Project and for the improvement and maintenance of the Common Area for the common good of the Project. Regular assessments shall include an adequate reserve fund for maintenance, repairs and replacement of the Common Area.

ARTICLE 9

DISCIPLINE OF MEMBERS; SUSPENSION OF RIGHTS

The Association shall have no power to cause a forfeiture or abridgment of any Owner's right to the full use and enjoyment of his individually owned Unit on account of a failure by the Owner to comply with the provisions of the Declaration, these Bylaws, or of duly enacted rules of operation for the Common Area and facilities, except where the loss or forfeiture is the result of the judgment of a court or a decision arising out of arbitration or on account of a foreclosure or sale under power of sale for failure of the Owner to pay assessments levied by the Association. Notwithstanding the foregoing the Board shall have the power to impose reasonable monetary penalties, temporary suspensions of an Owner's right as a Member of the Association or other appropriate discipline for failure to comply with the Declaration, these Bylaws or duly enacted rules; provided that the accused shall be

given reasonable notice and the opportunity to be heard by the Board with respect to the alleged violation before a decision to impose discipline is reached. In the case in which monetary penalties are to be imposed, such penalties shall be according to a schedule of penalties related to specific offenses, which schedule shall be proposed by the Board and approved by the vote or written assent of a majority of the voting power of each class of membership. Such penalties shall bear a reasonable relationship to the conduct for which the penalty is imposed and may only be imposed prospectively.

ARTICLE 10

BUDGETS, FINANCIAL STATEMENTS, BOOKS AND RECORDS

10.1 Budgets and Financial Statements

Financial statements for the Association shall be regularly prepared and copies shall be distributed to each Member of the Association as follows:

10.1.1 A pro forma operating statement (budget) for each fiscal year shall be distributed not less than sixty (60) days before the beginning of the fiscal year.

10.1.2 A balance sheet (as of an accounting date which is the last day of the month closest in time to six (6) months from the date of close of escrow for the first sale of a Unit in the Project to an individual buyer) and an operating statement for the period from the date of the first closing to the said accounting date, shall be distributed within sixty (60) days after the accounting date. This operating statement shall include a schedule of assessments received and receivable identified by the number of the Unit and the name of the Unit Owner assessed.

10.1.3 A balance sheet as of the last day of the Association's fiscal year and an operating statement for said fiscal year shall be distributed within ninety (90) days after the close of the fiscal year.

10.1.4 An annual report consisting of the following shall be distributed within 120 days after the close of the fiscal year: (1) A balance sheet as of the end of the fiscal year. (2) An operating statement for the fiscal year. (3) A statement of change of financial position for the fiscal year. (4) Any information required by Corporations Code Section 8322.

For any fiscal year in which the gross income of the Association exceeds Seventy-Five Thousand Dollars (\$75,000.00), an external audit by an independent public accountant shall be required for the fiscal year financial statements (other than budgets).

10.2 Fiscal Year

The fiscal year of the Association shall be designated by resolution of the Board. In the absence of such a resolution, the fiscal year shall be the calendar year.

10.3 Inspection of Association's Books and Records

The membership register, books of account and minutes of meetings of the Members, of the Board, and of committees of the Board of the Association shall be made available for inspection and copying by any Member of the Association, or by his duly appointed representative, at any reasonable time and for a purpose reasonably related to his interest as a Member, at the office of the Association or at such other place within the Project as the Board shall prescribe. Such inspection may take place on weekdays during normal business hours, following at least forty-eight (48) hours written notice to the Board by the Member desiring to make the inspection. Any Member desiring copies of any documents shall pay the reasonable cost of reproduction. Every Director shall have the absolute right at any reasonable time

to inspect all books, records and documents of the Association and the physical properties owned or controlled by the Association. The right of inspection by a Director includes the right to make extracts and copies of documents.

ARTICLE 11

AMENDMENT OF BYLAWS

These Bylaws may be amended by the vote or written assent of Members representing fifty-one percent (51%) of a quorum of the total voting power of the Association and fifty-one percent (51%) of the voting power held by Members other than Declarant; provided however, that the percentage of the voting power necessary to amend a specific clause or provision shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause. For so long as there are two (2) classes of membership in the Association, the proposed amendment must be supported by the vote or written assent of the prescribed percentage of each class of membership and the Federal Housing Administration or the Veterans Administration shall have the right to veto amendments.

ARTICLE 12

MISCELLANEOUS PROVISIONS

12.1 Regulations

All Owners, tenants, or their employees, or any other person that might use the facilities of the Project in any manner, are subject to the regulations set forth in these Bylaws and in the Project Documents and to all reasonable rules enacted pursuant to the Declaration. Acquisition, rental, or occupancy of any Unit shall constitute acceptance and ratification of the provisions of all such rules and regulations.

12.2 Compensation and Indemnity of Officers and Directors

No Director or officer shall receive any compensation for services rendered for or on behalf of the Association except reimbursement according to Article 6 of these Bylaws. Each Director and officer shall be indemnified by the Association against all expenses and liabilities, including attorneys' fees, reasonably incurred by or imposed upon him by judgment or settlement in connection with any proceeding to which he may be a party, or in which he may become involved, by reason of his being or having been a Director or officer of the Association, except in the case of fraud, gross negligence or bad faith of the Director or officer in the performance of his duties.

12.3 Committees

The Board shall appoint a Nominating Committee, as provided in these Bylaws. Unless and until the Declarant has appointed an Architectural Control Committee in accordance with the Declaration, the Board shall either perform the functions of the Architectural Control Committee or shall elect a separate Architectural Control Committee consisting of three (3) Members who shall serve concurrent one (1) year terms. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purpose.

12.4 Notices

Any notice permitted or required to be given by the Project Documents may be delivered either personally or by mail or as otherwise specifically provided in the Project Documents. If

delivery is by mail, it shall be deemed to have been given seventy-two (72) hours after a copy of the same has been deposited in the United States mail, postage prepaid, return receipt requested, addressed to each person at the current address given by such person to the secretary of the Association or addressed to the Unit of such person if no address has been given to the secretary; provided, however, that notice of a regular or special meetings of Members may be mailed without request for a return receipt.

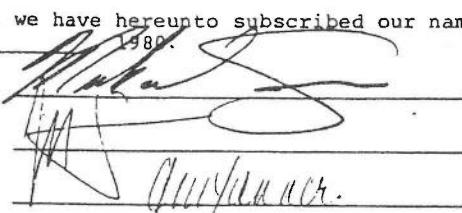
ESTABLISHMENT OF BYLAWS

We, the undersigned, being all of the Directors of PENTRIDGE COVE ASSOCIATION, do hereby certify:

That we are entitled to exercise all of the voting power of said PENTRIDGE COVE ASSOCIATION;

That we hereby assent to the within and foregoing Bylaws and hereby adopt the same as the Bylaws of said Association.

IN WITNESS WHEREOF, we have hereunto subscribed our names this 18 day of June, 1980.



I, the undersigned, the duly elected and acting Secretary of Brighton Springs Association, do hereby certify:

That the within and foregoing Bylaws were adopted as the Bylaws of said Association on the 18 day of June, 1980, and that the same do now constitute the Bylaws of said Association.

IN WITNESS WHEREOF, I have hereunto subscribed my name TERESA MARIE TANVER, this 18 day of June, 1980.

Teresa Marie Tanver
Secretary

AMENDMENT TO
ARTICLE IV, SECTION 4.1 OF THE BYLAWS OF
PENTRIDGE COVE I HOMEOWNERS ASSOCIATION

PENTRIDGE COVE I HOMEOWNERS ASSOCIATION, a California nonprofit mutual benefit corporation, hereby amends Article IV, Section 4.1 of the Association's Bylaws to read in full as follows:

"Section 4.1 Number and Term of Directors. The Board shall consist of five (5) Directors, each of whom shall be a Unit Owner. At the annual meeting held in 2002, the two (2) nominees receiving the greatest number of votes will serve for two (2) year terms. At the annual meeting held in 2003, the three (3) nominees receiving the greatest number of votes shall be elected for a term of two (2) years to replace those Directors whose terms are then expiring. At each annual meeting thereafter, the Members shall elect Directors for a term of two (2) years to replace those Directors whose terms are then expiring."

Except as amended herein, the Bylaws are hereby ratified in their entirety.

IN WITNESS WHEREOF, the undersigned officers of the Pentridge Cove I Homeowners Association hereby certify that the foregoing Amendment was duly approved by the members of the Association, at the 2002 Annual Meeting of the members.

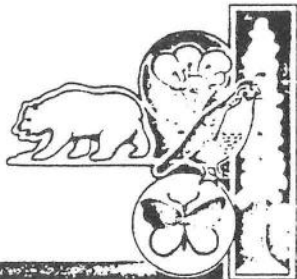
PENTRIDGE COVE I HOMEOWNERS ASSOCIATION
a California nonprofit mutual benefit corporation

By: _____

President

By: _____

Secretary



State of California

OFFICE OF THE SECRETARY OF STATE

Pentridge Code

I, *MARCH FONG EU*, Secretary of State of the State of California, hereby certify:

That the annexed transcript has been compared with the 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

OCT 23 1981



March Fong Eu

Secretary of State

ARTICLES OF INCORPORATION

OF

1093656

PENTRIDGE COVE HOMEOWNER'S ASSOCIATION

ENDORSED
FILED

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

OCT 10 1981

MARCH FONG EU, Secretary of State
Gloria J. Carroll
Deputy

ARTICLE I

The name of the corporation is PENTRIDGE COVE HOMEOWNER'S ASSOCIATION.

ARTICLE II

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

ARTICLE III

The specific purpose of this corporation is the management of the homeowners, through this Association, and the project property located in the City of Costa Mesa, County of Orange, State of California. The corporation shall be responsible for the enforcement of these Articles, the By-Laws of the corporation and the Declaration of Covenants, Conditions and Restrictions governing said condominiums, which shall include the collection of assessments from the corporate members and the payment of all expenses of the Association, the common expenses of said members and those arising from the common area within said project.

ARTICLE IV

The corporation shall not possess any other powers except those set forth in Articles II and III, and shall not, except to an insubstantial degree, exercise any other powers or exceed those set forth within Article III, or engage in any activities inconsistent therewith.

ARTICLE V

The name and business address in the State of California of this corporation's initial agent for service of process is: LeAnne Canaday, c/o Tricor Management Company, 5152 Katella Avenue, Suite 206, Los Alamitos, California 90720.

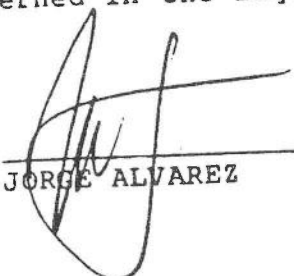
ARTICLE VI

Any amendment of these Articles of Incorporation shall require the vote or written consent of at least (1) fifty-one percent (51%) of the voting power of both the Class A and Class B Members, (2) fifty-one percent (51%) of the voting power of the Association residing in Members other than the Subdivider ("Grantor") of the Project, and (3) a majority of the Board of Directors.

ARTICLE VII

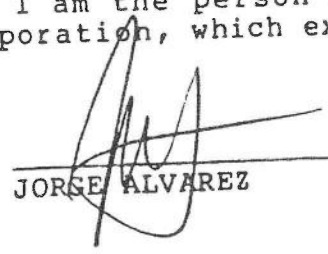
The corporation is one which does not contemplate pecuniary gain or profit to the Members thereof, and it is organized solely for nonprofit purposes. Upon the dissolution of the corporation incident to the abandonment or termination of the Project, after paying or adequately providing for the debts and obligations of the corporation, the remaining assets shall be distributed to the Members in accordance with their respective rights therein. Upon dissolution or reorganization of the corporation incident to the continued operation of the Project, the assets shall be distributed, granted, conveyed and assigned to a nonprofit fund, trust, corporation or other organization which is organized and operated for similar purposes. If the corporation holds any assets in trust, such assets shall be disposed of in such manner as may be directed by decree of the Superior Court of the County in which the corporation's principal office is located, upon the petition therefore by the Attorney General, or by any person concerned in the liquidation.

DATED: September 23, 1981



JORGE ALVAREZ

I hereby declare that I am the person who executed the foregoing Articles of Incorporation, which execution is my act and deed.



JORGE ALVAREZ

(A-1G-24)