

ARTICLE 15

CORPORATE SEAL

15.1 Seal. The Association shall have a seal in circular form having within its circumference the words:

LOS SERRANOS RANCH COMMUNITY ASSOCIATION

ARTICLE 16

MISCELLANEOUS

16.1 Fiscal Year. The fiscal year of the Association shall be determined by the Board, and having been so determined, is subject to change, from time to time, as the Board shall determine.

16.2 Officer and Director Liability. Until Section 1365.7 of the California Civil Code is amended to provide otherwise, a volunteer officer or Director of the Association shall not be personally liable in excess of the insurance coverage specified in Subsection (d) below to any person who suffers injury, including, but not limited to, bodily injury, emotional distress, wrongful death or property damage or loss, as a result of the tortious act or omission of a volunteer officer or Director of the Association if all of the following criteria are met:

- a. The act or omission was performed within the scope of the officer's or Director's Association duties;
- b. The act or omission was performed in good faith;
- c. The act or omission was not willful, wanton or grossly negligent; and
- d. The Association maintained and had in effect at the time the act or omission occurred, and at the time a claim was made, one or more policies of insurance which would include coverage for: (1) general liability of the Association; and (2) individual liability of officers and Directors of the Association for negligent acts or omissions in that capacity; provided that both types of coverage are in a minimum amount of at least Five Hundred Thousand Dollars (\$500,000.00).

Payment of actual expenses incurred by a Director or officer in the execution of the duties of that position does not affect the Director's or officer's status as a volunteer within the meaning of this Section.

An officer or Director who, at the time of the act or omission, was the Declarant, or a successor or assign of Declarant, or who, at the time of the act or omission, received either direct or indirect compensation as an employee of the Declarant, or from a financial institution that purchased a Lot in the Project at a judicial or nonjudicial foreclosure of a Mortgage is not a volunteer for the purposes of this Section.

Nothing in this Section shall be construed to limit the liability of the Association for its negligent act or omission, or for any negligent act or omission of an officer or Director of the Association.

This Section shall only apply to a volunteer officer or Director who resides in the Project either as a tenant or as an Owner of no more than two (2) Units in the Project.

16.3 Checks and Drafts. All checks, drafts or other order for payments of money, notes or other evidences of indebtedness issued in the name of or payable to the Association shall be signed or endorsed by the President and Treasurer, or in such manner as, from time to time, shall be determined by resolution of the Board, subject to the requirements of the Declaration and California law (whichever is more restrictive) for withdrawing money from the Association's reserve accounts.

16.4 Execution of Documents. The Board may authorize any officer or officers, agent or agents, to enter into any contract or execute any instrument in the name and on behalf of the Association, and such authority may be general or confined to specific instances, and unless so authorized by the Board, no officer, agent or employee shall have any power or authority to bind the Association by any contract or engagement, or to pledge its credit, or to render it liable for any purpose or in any amount.

16.5 Dissolution. Any dissolution of the Association shall require the approval of the Board and the vote or written consent of both: (a) individual Members exercising at least sixty-seven percent (67%) of the total voting power of the Association residing in Members, other than Declarant, and (b) sixty-seven percent (67%) of the first Mortgagees (based upon one [1] vote for each first Mortgage owned). Upon the winding-up and dissolution of the Association, after paying or adequately providing for the debts and obligations of the Association, the remaining assets shall be distributed to an appropriate public agency or any nonprofit corporation, association or trust, to be used for purposes similar to those for which the Association was created.

16.6 Conflict. In the case of any conflict between the Articles and these By-Laws, the Articles shall control, and in the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.

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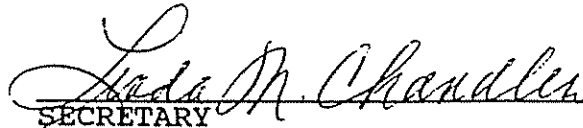
CERTIFICATE OF SECRETARY

I, the undersigned, do hereby certify:

1. That I am the duly elected and acting Secretary of LOS SERRANOS RANCH COMMUNITY ASSOCIATION, a California nonprofit, mutual benefit corporation; and

2. That the foregoing By-Laws, comprising of 20 pages, constitute the original By-Laws of said corporation, as duly adopted at the first meeting of the Board of Directors thereof duly held March 31, 1995.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said corporation this 31 day of March, 1995.


SECRETARY
Los Serranos Ranch Community
Association