

I N D E X

BYLAWS

OF

SUNSET PLACE ASSOCIATION OF CARLSBAD

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BYLAWS

OF

SUNSET PLACE ASSOCIATION OF CARLSBAD

ARTICLE I

NAME AND LOCATION

The name of the corporation is SUNSET PLACE ASSOCIATION OF CARLSBAD, hereinafter referred to as the "Association." The address of the principal office of the Association shall initially be 580-A Beech Avenue, Carlsbad, California 92008. Meetings of members and directors shall be held at such places within the County of San Diego, State of California, as may be designated by the Board of Directors in accordance with these Bylaws. The principal office of the Association may be changed at any time by the Board of Directors.

ARTICLE II

DEFINITIONS

Section 1. "ARTICLES" means the Articles of Incorporation of the Association, as they may be amended from time to time.

Section 2. "ASSOCIATION" means SUNSET PLACE ASSOCIATION OF CARLSBAD, its successors and assigns.

Section 3. "COMMON AREA" means that portion of the Real Property which is to be owned by the Association. Lot 141 of the Real Property will constitute the Common Area if and when Phase 3 is annexed to the Project.

Section 4. "DECLARANT" means SKYLINE ESTATES, INC., A California Corporation.

Section 5. "DECLARATION" means the Declaration of Covenants, Conditions and Restrictions applicable to the Project and recorded or to be recorded in the Office of the San Diego County Recorder, and all amendments thereof.

Section 6. "GOVERNING DOCUMENTS" means the Declaration, the Articles, these Bylaws, and the rules and regulations for the members as established by the Association from time to time.

Section 7. "LOT" means a plot of land within the Project and shown upon the subdivision map of the Real Property recorded in the Office of the San Diego County Recorder; provided, however, that the term "lot" shall not include any portion of the Common Area.

Section 8. "MEMBER" means those persons and entities entitled to Class A or Class B membership in the Association as provided in the Declaration. Whenever "member" or "membership" is used in these Bylaws for the purpose of determining quorums, percentages, or minimum or maximum numbers for voting as specified in these Bylaws, all persons and entities who are members because of their joint ownership of a particular lot shall be counted as one.

Section 9. "OWNER" means the record holder or holders of title, if more than one, of a fee simple interest in a lot in the Project. "Owner" shall include contract sellers, but shall exclude persons or entities having an interest merely as security for the performance of an obligation. Whenever "owner" is used in these Bylaws for the purpose of determining quorums, percentages, or minimum or maximum numbers for voting as specified in these Bylaws, all the owners of a particular lot shall be counted as one.

Section 10. "PROJECT" means that portion of the Real Property (and all improvements located and to be located thereon) which is made subject to the provisions of the Declaration, as provided in the Declaration.

Section 11. "REAL PROPERTY" means those of lots 1 through 141 of the Real Property described on Exhibit A attached hereto which are at any time made a part of the Project.

ARTICLE III

MEETINGS OF MEMBERS

Section 1. Annual Meetings. The first annual meeting of the Association shall be held on the Project or as close thereto as practicable within forty-five (45) days after the closing of the sale of the lot which represents the fifty-first (51st) percentile interest authorized for sale under the final subdivision public report for the Project; provided, however, that in no event shall the first meeting of the Association be held later than six (6) months after the first closing of a sale of a lot in the Project. Thereafter, regular meetings of the Association shall be held annually commencing one (1) year after the first meeting at such reasonable time, place (either at the Project itself or at another meeting place located as near as is possible and practical to the Project), and date (not exceeding thirty (30) days before or after the anniversary date of the first meeting), as may be designated by the Board of Directors. Unless unusual conditions exist, meetings shall not be held outside of the county in which the Project is situated.

Section 2. Special Meetings. Special meetings of the members shall be promptly scheduled by the Board of Directors in response to either (i) the vote for such a meeting by the Board

of Directors, or (ii) the written request for a special meeting signed by members having five percent (5%) or more of the total voting power of the Association.

Section 3. Notice of Meetings. Written notice of each meeting of the members shall be given by or at the direction of the Board by mailing a copy of such notice, postage prepaid, not less than ten (10) days nor more than ninety (90) days before such meeting to each member entitled to vote thereat. The notice shall be addressed to the member's address last appearing on the books of the Association or supplied by such member for the purpose of notice. The notice 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.

Section 4. Quorum. Except as may otherwise be provided in the Articles or the Declaration, the presence at any meeting of the owners of a majority of the lots, either in person or by proxy, shall constitute a quorum for the transaction of business at such meeting. In the absence of a quorum at the meeting, a majority of the owners present in person or by proxy may adjourn the meeting to another time, but may not transact any other business. An 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, and the quorum for such adjourned meeting shall be the presence of twenty-five percent (25%) of the total voting power of the Association. If a time and place for the adjourned meeting is not fixed by those in attendance at the original meeting, or if for any reason a new date is fixed for the adjourned meeting after adjournment, notice of the time and place of the adjourned meeting shall be given to members in the manner prescribed for regular meetings.

Section 5. Proxies. At all meetings of members, each vote entitled to be cast may be cast in person or by proxy. All proxies shall be in writing and filed with the secretary. No proxy shall be valid after the expiration of eleven (11) months from the date thereof unless otherwise provided in the proxy; provided, however, that the maximum term of any proxy shall be three (3) years from the date thereof. Every proxy shall be revocable and shall automatically cease upon sale, transfer or other conveyance by the member of his lot.

Section 6. Action Taken Without a Meeting. Any action which may be taken by the vote of members at a regular or special meeting (except for the election of Directors where cumulative voting will be allowed) may be taken without a meeting if done in compliance with the provisions of Section 7513 of the California Corporations Code.

ARTICLE IV

BOARD OF DIRECTORS; SELECTION;

TERM OF OFFICE

Section 1. Number of Directors. The affairs of this Association shall be managed by a Board of five (5) directors, who need not be members of the Association; provided, however, that all directors who are elected after conversion of Class B membership to Class A must be members of the Association.

Section 2. Term of Office. Directors shall serve for terms of one (1) year. All five (5) members of the Board of Directors shall be elected at the first annual meeting of members. At each annual meeting thereafter, the members shall elect directors to serve for the next following term.

Section 3. Removal; Rights of Non-Declarant Owners to Elect Director. The entire Board of Directors may be removed from the Board by the vote (by secret written ballot) of a majority of the owners entitled to vote at an election of directors. However, unless the entire Board of Directors is removed, an individual director shall not be removed prior to the expiration of his term of office if the number of votes cast against the resolution for his removal would be sufficient to elect him if voted cumulatively at an election at which the same number of total votes were cast and the entire number of directors authorized at the time of the most recent election of directors were then being elected. If any one or all directors are so removed, new directors may be elected at the same meeting.

Except in the case of an election where only one director is elected, in the event that at an election no member of the Board of Directors could have been elected solely by the votes of owners other than Declarant (through the cumulating of all of their votes), the elected director having received the smallest number of votes shall be eliminated (and if more than one elected director shall fall in that category, one of the elected directors shall be eliminated by lot), and nominations and elections of a director shall be forthwith accomplished with only owners other than Declarant being entitled to vote in such election. A director who has been elected to office solely by the votes of owners other than Declarant in the manner set forth in the preceding sentence may be removed from office prior to the expiration of his term of office only by the vote of at least a simple majority of the voting power of owners other than Declarant.

Section 4. Compensation. Directors may receive compensation for services rendered to the Association only upon the vote prescribed in Article VII, Section 2. However, directors may, without such vote, be reimbursed for actual expenses incurred.

ARTICLE V

NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Nomination 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. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two or more members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the members, to serve from the close of such annual meeting until the close of the next annual meeting, and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among members or non-members, except that nominees for directors must be members of the Association after termination of Class B membership.

Section 2. Election. Election to the Board of Directors shall be by secret written ballot. At such election the members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting shall be permitted for all elections in which more than two (2) positions on the Board are to be filled; provided, however, that the procedural prerequisites to cumulative voting as set forth in Section 7615(b) of the California Corporations Code must first be met before cumulative voting will be allowed. As is more fully set forth in Article IV, Section 3 hereof, owners other than the Declarant shall be entitled to nominate and elect directors at elections where only owners other than Declarant are entitled to vote.

ARTICLE VI

MEETINGS OF BOARD OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held monthly at a time and place within the Project fixed by resolution of the Board. Notice of the time and place of such meeting shall be posted at a prominent place or places within the Common Area, and shall be communicated to directors not less than four (4) days prior to the meeting unless the time and place of the meeting is fixed by the Bylaws; provided, however, that notice of a meeting need not be given to any director who signs a waiver of notice or a written consent to holding of the meeting.

Section 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 members of the Board other than the President. The notice shall specify the time and place of the meeting and the nature of any special business to be considered. The notice shall be posted in the manner prescribed for notice of regular meetings, and shall be sent to all members of the Board not less than seventy-two (72) hours prior to the scheduled time of the meeting; provided, however, that notice of the meeting need not be given to any director who signs a waiver of notice or a written consent to holding of the meeting.

Section 3. Open Meetings. 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. The Board may, with the approval of a majority of a quorum of the Board, 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.

Section 4. Quorum. A majority of the number of the directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

Section 5. Action Taken Without a Meeting. The Board of Directors may take actions without a meeting so long as all of the directors consent in writing to the action to be taken. Whenever the Board takes any action without a meeting and pursuant to such unanimous written consent, an explanation of the action taken shall be posted at a prominent place or places within the Common Area within three (3) days after the written consents of all of the directors have been obtained.

ARTICLE VII

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers and Duties. The Board of Directors shall have the power and duty to:

(a) enforce all applicable provisions of the governing documents, and all other related instruments or documents with respect to the ownership, management, or control of the Project, and in so doing exercise for the Association all

powers, duties and authority vested in or delegated to the Association and not reserved to the membership by other provisions of these Bylaws, the Articles, or the Declaration;

(b) adopt and publish rules and regulations governing the use of the Common Area and facilities, and the personal conduct of the owners and their guests thereon, and to establish and impose monetary penalties for the infractions thereof or for violations of provisions of governing documents; provided, however, that such monetary penalties may be imposed only if the procedures for notice and hearing which satisfy the minimum requirements of Section 7341 of the California Corporations Code are followed with respect to the accused before a decision to impose discipline is reached;

(c) declare the office of a director to be vacant in the event such director shall be absent from three (3) consecutive regular meetings of the Board of Directors;

(d) employ a manager, an independent contractor, or such other employees as the Board shall deem necessary, and to prescribe their duties;

(e) pay all taxes, assessments, and other charges which are or could become a lien on the Common Area or some portion thereof;

(f) pay for pest control, state franchise taxes, and other costs and expenses with respect to the Association, and cleaning and other necessary charges, costs and expenses with respect to the Common Area;

(g) enter into contracts for the furnishing of goods or services to the Common Area or the Association; provided, however, that such contracts must be terminable by the Association for cause upon thirty (30) days notice, and further provided that no such contract shall have a duration of more than one (1) year unless approved by the following-described vote or written consent: (1) while the two-class membership is in effect, by a majority of each class of members; and (2) when the one-class membership is in effect, by both (i) a majority of the total voting power of the Association, and (ii) a majority of the total voting power of members other than the Declarant. Notwithstanding the foregoing, the Association may enter into the following types of contracts in connection with the Common Area or Association for contract terms of more than one (1) year without the above-described vote or written consent of the members: (1) contracts 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 such contract shall not exceed the shortest term for which the supplier will contract at the regulated rate; (2) contracts for 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; (3) lease agreements for laundry room fixtures and equipment of not to exceed five (5) years duration, provided that the lessor under the agreement is not an entity in which the Declarant has a direct or indirect ownership interest of ten percent (10%) or more; and (4) agreements for cable television services and equipment of not to exceed five (5) years duration, provided that the supplier is not an entity in which the Declarant has a direct or indirect ownership interest of ten percent (10%) or more;

(h) delegate its power to agents or employees of the Association, to such extent and in such manner as the Board of Directors may from time to time reasonably determine;

(i) cause to be kept a complete record of all its acts and affairs, and to present a statement thereof to the members at the annual meeting of the members, or at any special meeting when such statement is requested in writing by one-fourth (1/4) of the Class A members who are entitled to vote;

(j) supervise all agents and employees of the Association, and see that their duties are properly performed;

(k) as more fully provided in the Declaration,
to:

(1) fix the amount of the annual assessments against each lot;

(2) send written notice of each assessment to every owner subject thereto;

(3) foreclose the lien against any property for which assessments are not paid and received by the Association, or to bring an action at law against the owner personally obligated to pay the same;

(l) issue, or cause an appropriate director to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid (a reasonable charge may be made by the Board for the issuance of these certificates, and a properly executed certificate of the Association as to the status of assessments on a lot is binding upon the Association as of the date of its issuance);

(m) cause financial statements for the Association to be regularly prepared and distributed to all members, regardless of the number of members or the amount of assets of the Association, as follows:

(1) a budget for each fiscal year shall be distributed not less than 45 days and not more than 60 days prior to the beginning of the fiscal year. The budget shall consist of at least the following-described information:

(A) estimated revenue and expenses on an accrual basis;

(B) the amount and identification of the total cash reserves of the Association currently set aside and available for replacement or major repair of common facilities and for contingencies;

(C) an itemized estimate of the remaining life of, and the methods of funding used to defray the future repair, replacement or additions to major components of the Common Area and facilities which the Association is obligated to maintain; and

(D) a general statement setting forth the procedures used by the Association in the calculation and establishment of reserves to defray the costs of repair, replacement or additions to major components of the Common Area and facilities which the Association is obligated to maintain.

(2) a balance sheet (as of an accounting date which is the last day of the month closest in time to six months from the date of closing of the first sale of an interest in the subdivision) and an operating statement (for the period from the date of the first closing to the said accounting date) shall be distributed within 60 days after such accounting date. This operating statement shall include a schedule of assessments received and receivable identified by the number of the subdivision interest and the name of the entity assessed; and

(3) an annual report consisting of the following shall be distributed within 120 days after the close of the fiscal year:

(A) a balance sheet as of the end of the fiscal year;

(B) an operating (income) statement for the fiscal year;

(C) a statement of changes in financial position for the fiscal year; and

(D) for any fiscal year in which the gross income to the Association exceeds \$75,000.00, a copy of a review of the annual report which has been prepared in accordance with generally accepted accounting principles by a licensee of the California State Board of Accountancy.

If the annual report referred to in this subparagraph (m)(3) is not prepared by an independent accountant, it shall be accompanied by the certificate of an authorized officer of the Association certifying that the statement was prepared from the books and records of the Association without independent audit or review; and

(4) in addition to the financial statements required to be prepared and distributed above pursuant to this subparagraph (m), the Association shall annually distribute to all members, within 60 days prior to the beginning of the fiscal year, a statement of the Association's policies and practices in enforcing its remedies against members for defaults in the payment of regular and special assessments, including without limitation the policies and practices in recording and foreclosing of liens against members' subdivision interests;

(n) cause the Common Area to be maintained;

(o) select officers of the Association; and

(p) fill vacancies on the Board of Directors (except for a vacancy created by the removal of a director by the vote of the Association).

Section 2. Restrictions. The Board of Directors shall be prohibited from taking any of the following actions, except with the following-described vote or written assent: (1) While the two-class membership is in effect, by a majority of each class of members; and (2) when the one-class membership is in effect, by both (i) a majority of the total voting power of the Association, and (ii) a majority of the total voting power of members other than the Declarant:

(a) 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;

(b) 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;

(c) paying compensation to members of the Board of Directors for services performed in the conduct of the Association's business; provided, however, that the Board may cause a director to be reimbursed for expenses incurred in carrying on the business of the Association; and

(d) filling a vacancy on the Board of Directors created by the removal of a director by the vote of the Association.

ARTICLE VIII

OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Officers. The officers of this Association shall be a president, vice president, secretary, chief financial officer, and such other officers as the Board may from time to time by resolution create. The president and vice president must at all times be members of the Board of Directors.

Section 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.

Section 3. Term. The officers of this Association shall be elected annually by the Board, and each officer shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or otherwise become disqualified to serve.

Section 4. Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

Section 5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time by giving written notice to the Board, the president or the secretary. Such resignations shall take effect on the date of receipt of such notice, unless a later time is specified therein. Unless otherwise specified in a resignation, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. 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.

Section 7. Multiple Offices. The offices of secretary and chief financial officer 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 Section 4 of this Article.

Section 8. Duties. The duties of the officers are as follows:

(a) President. The president shall preside at all meetings of the Board of Directors; see that orders and resolutions of the Board are carried out; and sign documents and written instruments on behalf of the Association.

(b) 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.

(c) Secretary. The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; keep the corporate seal of the Association and affix it on all papers requiring said seal; 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 perform such other duties as may be required by the Board.

(d) Chief Financial Officer. The chief financial officer (or at the option of the Board of Directors, a professional property manager) shall receive and deposit in appropriate bank accounts all monies of the Association; disburse such funds as directed by resolution of the Board of Directors; and keep proper books of account.

ARTICLE IX

COMMITTEES

The Association shall appoint a Nominating Committee, as provided in these Bylaws. In addition, the Board of Directors may appoint such other committees as it deems appropriate.

ARTICLE X

BOOKS AND RECORDS

The membership register, the books of account, and the minutes of meetings of the members and of the Board of Directors and of committees of the Board of Directors shall be made available for inspection and copying by any member of the Association (or by his duly appointed representative) for all purposes reasonably related to such member's interest as a member. The place where said items shall be available for inspection shall be the office of the Association or such other place within the Project as the Board may prescribe. The member desiring to make the inspection shall give at least forty-eight (48) hours notice to the custodian of the records desired to be inspected. The hours and days of the week when an inspection may be made are Monday through Friday (except legal holidays) from 9:00 A.M. to 3:00 P.M. Each member requesting copies of documents shall pay the cost of reproducing the copies upon receipt thereof. 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 XI

ASSESSMENTS

As more fully provided in the Declaration, each owner is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the lot against which the assessment is made.

Annual and special assessments shall be delinquent if not received by the Association within fifteen (15) days after the due date. In the event an assessment is delinquent, the Association may recover all of the following:

1. Reasonable costs incurred in collecting the delinquent assessment, including reasonable attorneys fees;
2. A late charge which shall be an amount equal to the greater of (1) \$10.00, or (2) ten percent (10%) of the delinquent assessment; and
3. Interest on all sums described in this Article XI, including without limit the delinquent assessment, reasonable costs of collection, reasonable attorneys fees, and late charges. Such interest shall be at the rate of 12% per annum, and such interest shall commence thirty (30) days after the original due date of the assessment which became delinquent.

No owner may waive or otherwise escape liability for the assessments and other charges due as prescribed in this Article XI by reason of non-use of the Common Area or abandonment of such owner's lot.

ARTICLE XII

ASSOCIATION SEAL

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

SUNSET PLACE ASSOCIATION OF CARLSBAD

ARTICLE XIII

AMENDMENTS

So long as Class A and Class B membership are in existence, these Bylaws may be amended only by the vote or written consent of at least a bare majority of the voting power of each class of membership.

After the termination of Class B membership, these Bylaws may be amended only by the vote or written consent of both (i) at least a bare majority of the voting power of the Association, and (ii) at least a bare majority of the votes of members other than the Declarant.

Notwithstanding the foregoing, the percentage of voting power necessary to amend a specific provision of these Bylaws shall not be less than the prescribed percentage of votes required for action to be taken pursuant to that provision.

ARTICLE XIV

MISCELLANEOUS

The fiscal year of the Association shall begin on July 1 and end on June 30 of each calendar year, except that the first fiscal year shall begin on the date of incorporation.

In the case of any conflict between the Articles and these Bylaws, the Articles shall control. In the case of any conflict between the Declaration and these Bylaws, the Declaration shall control. In the case of any conflict between the Articles and the Declaration, the Declaration shall control.

Additional property rights and other rights and privileges of members are as set forth in the Declaration.

IN WITNESS WHEREOF, we, being all of the directors of SUNSET PLACE ASSOCIATION OF CARLSBAD, have hereunto set our hands this 21 day of August, 1986.

Mark A. Nordquist
MARK A. NORDQUIST

Joy Nordquist
JOY NORDQUIST

Edward Johnson
EDWARD JOHNSON

James Longmaker
JAMES LONGMAKER

Neil Henke
NEIL HENKE

CERTIFICATE OF ADOPTION

OF

BYLAWS

I, the undersigned, do hereby certify:

I am the duly elected and acting secretary of SUNSET PLACE ASSOCIATION OF CARLSBAD, a California nonprofit corporation, and that the foregoing Bylaws constitute the original Bylaws of said Association, as duly adopted at a meeting of the Board of Directors thereof, held on the 21 day of August, 1986.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said Association this 21 day of August, 1986.



EDWARD JOHNSON
Secretary

EXHIBIT A

Description Of Real Property

The Real Property referred to herein is described as follows:

1. Lots 1 through 67, inclusive, of Carlsbad Tract 85-18, in the City of Carlsbad, County of San Diego, State of California, according to Map thereof No. 11592, filed in the Office of the County Recorder of San Diego County, California, on August 19, 1986.

2. The real property described in that certain metes and bounds description of "PANNONIA, C.T. 85-18, UNITS NO. III AND IV" which is included in this Exhibit A as pages 2 and 3 hereof.

86-1001-4 :

MAY 2, 1986

PANNONIA

C.T. 85-18 UNITS 3 AND 4

BEING A SUBDIVISION OF A PORTION OF LOT "I" OF RANCHO AGUA HEDIONDA, IN THE CITY OF CARLSBAD, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 823, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, NOVEMBER 16, 1896, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT A POINT ON THE MOST SOUTHEASTERLY CORNER OF LOT 47 OF CARLSBAD HIGHLANDS NO. 2, MAP NO. 2825, SAID POINT ALSO BEING A POINT ON THE WESTERLY BOUNDARY LINE OF CARLSBAD TRACT NO. 82-5A, MAP NO. 10925; THENCE ALONG SAID WESTERLY BOUNDARY LINE OF MAP NO. 10925, AND THE WESTERLY BOUNDARY LINE OF CARLSBAD TRACT NO. 74-19, MAP NO. 8177 SOUTH 03° 39' 17" EAST 1506.16 FEET TO THE TRUE POINT OF BEGINNING; THENCE NORTH 63° 36' 14" WEST A DISTANCE OF 273.01 FEET; THENCE NORTH 66° 59' 31" WEST 60.00 FEET ALONG A RADIAL LINE TO A CURVE CONCAVE EASTERLY AND HAVING A RADIUS OF 480.00 FEET; THENCE NORTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 01° 03' 26" AND AN ARC LENGTH OF 8.86 FEET; THENCE NORTH 45° 33' 21" WEST 156.40 FEET; THENCE NORTH 23° 53' 26" WEST 282.72 FEET; THENCE NORTH 36° 31' 44" WEST 117.60 FEET; THENCE NORTH 45° 10' 05" WEST 120.56 FEET; THENCE NORTH 56° 16' 59" WEST 294.55 FEET; THENCE SOUTH 69° 03' 58" WEST 62.64 FEET TO A POINT ON A NON-TANGENT CURVE CONCAVE WESTERLY AND

HAVING A RADIUS OF 280.00 FEET; THENCE SOUTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF $08^{\circ} 22' 57''$ AND AN ARC LENGTH OF 40.96 FEET; THENCE ALONG A RADIAL LINE TO SAID CURVE NORTH $80^{\circ} 05' 24''$ WEST 60.00 FEET TO A POINT ON A CURVE CONCAVE WESTERLY AND HAVING A RADIUS OF 220.00 FEET; THENCE NORTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF $03^{\circ} 58' 16''$ AND AN ARC LENGTH OF 15.25 FEET; THENCE SOUTH $87^{\circ} 38' 03''$ WEST 209.79 FEET TO A POINT ON THE EASTERLY BOUNDARY LINE OF CARLSBAD TRACT NO. 82-18, UNIT NO. 2, MAP NO. 7973; THENCE ALONG SAID EASTERLY BOUNDARY SOUTH $06^{\circ} 19' 29''$ WEST 365.44 FEET TO A POINT ON THE SOUTHEASTERLY CORNER OF SAID MAP NO. 7973, SAID POINT ALSO BEING ON THE NORTHEASTERLY CORNER OF PARCEL MAP NO. 12243; THENCE SOUTH $15^{\circ} 12' 10''$ EAST 1236.32 FEET TO A POINT ON THE NORTHWESTERLY CORNER OF PARCEL MAP NO. 13337; THENCE ALONG THE NORTHERLY BOUNDARY OF SAID PARCEL MAP NO. 13337 SOUTH $80^{\circ} 56' 01''$ EAST 75.36 FEET; THENCE SOUTH $83^{\circ} 14' 57''$ EAST 151.70 FEET; THENCE NORTH $70^{\circ} 07' 03''$ EAST 355.60 FEET; THENCE NORTH $46^{\circ} 57' 58''$ EAST 195.12 FEET TO THE NORTHWESTERLY CORNER OF MAP NO. 11387; THENCE ALONG NORTHERLY BOUNDARY OF SAID MAP NO. 11387 NORTH $46^{\circ} 57' 58''$ EAST 339.28 FEET TO A POINT ON THE WESTERLY BOUNDARY LINE OF CARLSBAD TRACT NO. 82-6, LAGUNA DEL MAR UNIT NO. 1, MAP NO. 11385; THENCE ALONG SAID WESTERLY BOUNDARY NORTH $03^{\circ} 39' 17''$ EAST 177.75 FEET, TO A POINT ON THE WESTERLY BOUNDARY LINE OF MAP NO. 8177 THENCE ALONG SAID WESTERLY BOUNDARY LINE NORTH $03^{\circ} 39' 17''$ EAST 105.56 FEET TO THE TRUE POINT OF BEGINNING.