

State of California

SECRETARY OF STATE



I, *BILL JONES*, Secretary of State of the State of California, hereby certify:

That the attached transcript has been compared with the record on file in this office, of which it purports to be a copy, and that it is full, true and correct.

IN WITNESS WHEREOF, I execute this certificate and affix the Great Seal of the State of California this

MAY - 4 1998



Secretary of State

DEL MAR HIGHLANDS NEIGHBORHOOD HOMEOWNERS ASSOCIATION

ENDORSED-FILED
 OFFICE OF THE
 SECRETARY OF STATE
 OF THE STATE OF CALIFORNIA

CERTIFICATE OF AMENDMENT

APR 30 1998

OF

BILL JONES, SECRETARY OF STATE

ARTICLES OF INCORPORATION

John Hartogensis and Anna H. Salau certify that:

1. They are the President and Secretary respectively, of Del Mar Highlands Neighborhood Homeowners' Association, a nonprofit mutual benefit corporation.
2. ARTICLE III of the Articles of Incorporation is amended in its entirety to read as follows:

ARTICLE III - PURPOSES

The specific and primary purposes for which this Association is organized are to manage, maintain, protect, preserve and improve certain common areas and to enforce certain of Declarant's rights to act as the Architectural Control Committee established under certain Neighborhood Declarations of Covenants, Conditions and Restrictions including, without limitation, the recorded Declarations for N.C.W. Neighborhood 3, Unit Nos. 1, 2, 5, 6 and 13, as more fully set forth and described in the Bylaws.

The 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; provided, however, that this corporation shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the primary purposes of this corporation.

3. ARTICLE VI of the Articles of Incorporation is amended in its entirety to read as follows:

ARTICLE VI - BOARD OF DIRECTORS

The number of Directors of this Association and their terms of office shall be set forth in the Bylaws, as they may be amended from time to time.

4. ARTICLE VII of the Articles of Incorporation is amended in its entirety to read as follows:

ARTICLE VII - DISSOLUTION OR TRANSFER OF ASSETS

So long as there is any lot, parcel, area, apartment or unit for which this Association is obligated to provide management, maintenance, preservation or control, then, without the approval of one hundred percent (100%) of the members, this Association or any person acting on its behalf shall not transfer all or substantially all of its assets or file a certificate of dissolution.

The assets of this Association are irrevocably dedicated to social welfare purposes, and no part of the profits shall ever inure to the benefit of a director, officer, member or the benefit of any private shareholder or individual. On the dissolution or winding up of this Association, its assets remaining, after payment of, or provision for payment of all debts and liabilities of the Association, shall be distributed to a nonprofit organization that is organized and operated exclusively for social welfare purposes and that has established its status under Section 501(c)(3) or 501 (c)(4), or their successor Sections, of the Internal Revenue Code.


Notwithstanding the amendment requirements of Article VIII of these Articles of Incorporation, the Board of Directors shall be empowered to make any additional amendment to this Article VII of the Articles of Incorporation, without any further vote of the members, so long as the sole purpose of such modification is to meet the requirements of the California Franchise Tax Board or the Internal Revenue Service to enable this Association to qualify for tax exempt status under state and federal law.

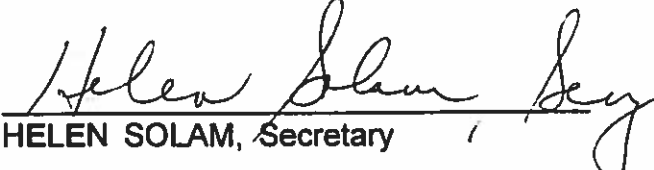
3. The foregoing amendment of Articles of Incorporation has been duly approved by the Board of Directors.

4. The foregoing amendment has been duly approved by the required vote of members in accordance with Article VIII of the Articles of Incorporation. The Association has only one class of members and the number of membership is one thousand one hundred fifty-six (1,156). The number of members voting in favor of the amendments equaled or exceed the vote required. The approval required was fifty-one percent (51%) or more of the total voting power of the Association and fifty-one percent (51%) of the Directors or the written consent of all the Directors.

We further declare under penalty of perjury under the laws of the State of California that the matters set forth in this certificate are true and correct of our own knowledge.

Dated: December 29, 1995


JOHN HARTOGENSIS, President


HELEN SOLAM, Secretary

