

**AMENDED AND RESTATED BYLAWS
OF
LADERA RANCH COMMUNITY SERVICES
A California Nonprofit Public Benefit Corporation**

1/27/2010

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**BYLAWS
OF
LADERA RANCH COMMUNITY SERVICES
A California Nonprofit Public Benefit Corporation**

**Article I
GENERAL PLAN**

Ladera Ranch Community Services ("LARCS") is a nonprofit public benefit corporation formed to foster a unique sense of the Ladera Ranch community through sponsorship of a variety of activities and programs. These activities will include, but not be limited to, community and neighborhood clubs and special events, sports activities and leagues, a community technology network, and educational, environmental and health and wellness programs for the benefit of Ladera Ranch.

The organization will have one member. The initial member of LARCS will be DMB Ladera, LLC, a Delaware limited liability company ("DMB Ladera"). At any time before the "Class C Termination Date", as that term is defined in the Master Declaration of Covenants, Conditions Restrictions and Reservation of Easements for Ladera Ranch, a Master Planned Community, DMB Ladera may assign its membership interest in LARCS, but only to an affiliate of DMB Ladera or to Ladera Ranch Maintenance Corporation ("LARMAC"), the master maintenance corporation for Ladera Ranch. Upon the occurrence of the "Class C Termination Date", the then current sole member of LARCS will be required to assign its membership interest in LARCS to LARMAC. The Board of Directors, consisting of no less than three (3), and no more than five (5), members, (with the size of the Board automatically increasing to five (5) upon the assignment of the membership interest to LARMAC) will oversee all of LARCS's operations and activities. Management of LARCS's day-to-day affairs will be assigned to LARCS's officers, including a President, a Secretary and a Chief Financial Officer.

To encourage community involvement, the Board has the authority to establish advisory or other committees comprised of interested volunteers selected by the Board. LARCS has the authority to establish specific committees and/or divisions to handle areas of special interest or concern to Ladera Ranch or LARCS. Recommendations by the committees will be presented to the Board of Directors for consideration in determining LARCS's activities and shaping LARCS's policies.

Below is a chart demonstrating the relationship of these different parties:

Board of Directors
Oversees all activities of LARCS

Officers
Assigned day-to-day duties
President
Secretary

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*Chief Financial Officer
Others designated by Board*

Committees
Assist Board in determining policy and practices of LARCS

These Bylaws establish the procedures to be followed by the Board, the officers and the committees in the operation of LARCS.

1.1. DEFINITIONS.

1.1.1. **Articles**: the articles of incorporation of LARCS filed with the Secretary of State for the State of California and as amended or restated from time to time.

1.1.2. **Board**: the board of directors of LARCS.

1.1.3. **Bylaws**: these bylaws of LARCS as amended or restated from time to time.

1.1.4. **IRC**: the Internal Revenue Code of 1986, as amended and any subsequent United States internal revenue law.

1.1.5. **LARCS**: Ladera Ranch Community Services, a California nonprofit public benefit corporation.

1.1.6. **LARMAC**: Ladera Ranch Maintenance Corporation, a California nonprofit public benefit corporation.

1.1.7. **Principal Office**: the principal executive office for transaction of the activities and affairs of LARCS.

1.1.8. **Other Definitions**. Any capitalized terms not otherwise defined in these Bylaws shall have the same meaning given the terms in the Master Declaration of Covenants, Conditions Restrictions and Reservation of Easements for Ladera Ranch, a Master Planned Community ("CC&R's").

1.2. **NAME**. The name of this corporation is Ladera Ranch Community Services.

1.3. **PRINCIPAL OFFICE**. The Principal Office shall be located at the specific location designated by resolution of the Board. The Board may change the Principal Office from one location to another.

1.4. **OTHER OFFICES**. The Board may at any time establish branch or subordinate offices at any place or places where LARCS elects and is qualified to conduct its activities.

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1.5. **PURPOSE.** The purpose of LARCS is to promote the common good and general welfare of the people of Ladera Ranch by fostering a unique sense of the Ladera Ranch community through sponsorship of a variety of activities and programs. These activities will include, but not be limited to, community and neighborhood clubs and special events, sports activities and leagues, a community technology network, and educational, environmental and health and wellness programs for the benefit of Ladera Ranch.

1.6. **LIMITATIONS.**

1.6.1. LARCS is organized exclusively for social welfare purposes within the meaning of Section 501(c)(4) of the IRC and Section 23701(f) of the California Revenue and Taxation Code ("R&TC"). LARCS shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the purposes of LARCS. LARCS shall not carry on any other activities not permitted to be carried on by a corporation exempt from federal income tax under Section 501(c)(4) of the IRC or the corresponding provision of any future United States internal revenue law or Section 23701(f) of R&TC and any corresponding provision of any subsequently enacted statute.

1.6.2. LARCS shall not participate in or intervene in (including publishing or distributing statements) any political campaign on behalf of or in opposition to any candidate for political office or any proposed legislation.

1.6.3. The property, assets, profits, and net income of LARCS are irrevocably dedicated to social welfare purposes. No part of the earnings of LARCS shall ever inure to the benefit of any director, trustee, officer, shareholder or member of LARCS or to the benefit of any private individual.

1.6.4. LARCS is not organized, and shall not be operated, for pecuniary gain or profit.

1.6.5. On the winding up and dissolution of LARCS, after paying or adequately providing for its debts and obligations, LARCS's remaining assets shall be distributed to such organizations organized and operated exclusively for social welfare purposes which have established tax-exempt status under Section 501(c)(4) of the IRC or the corresponding provisions of any future United States internal revenue law.

Article II
MEMBERS

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LARCS will have one member. Initially, the member will be DMB Ladera. DMB Ladera may assign its membership interest at any time to either an affiliate of DMB Ladera or LARMAC, but will be required to assign its interest to LARMAC upon the occurrence of the Class C Termination Date. This Article includes provisions regarding meetings and voting of the member.

2.1. SOLE MEMBER. LARCS shall have one member, which shall be initially DMB Ladera, LLC, a Delaware limited liability company ("DMB Ladera"). The sole member shall have the right to vote, as set forth in these Bylaws, on the election of directors, on the disposition of all or substantially all of the assets of LARCS, on any merger and its principal terms and any amendment of those terms, on any election to dissolve LARCS and on any matter provided in these Bylaws. The sole member shall have all such other rights afforded members under the California Nonprofit Public Benefit Corporation Law.

2.2. TRANSFER OF MEMBERSHIP. At any time before the "Class C Termination Date" (as defined in the CC&R's and below), the initial sole member of this Corporation may assign its membership, but only to an affiliate of DMB Ladera or "LARMAC". Upon the occurrence of the "Class C Termination Date" (as defined in the CC&R's and below), the then current sole member of LARCS shall be required to assign its membership interest to LARMAC. The "Class C Termination Date" shall be the earlier to occur of the following events:

2.2.1. The Close of Escrow for the sale of six thousand seventy five (6,075) Lots and Condominiums in the overall development composed of the Covered Property and Annexable Area;

2.2.2. The fifth (5th) anniversary of the first Close of Escrow in the Phase of Development for which a Public Report was most recently issued; or

2.2.3. The twenty-fifth (25th) anniversary of the first Close of Escrow for the sale of a Lot or Condominium in the Covered Property.

2.3. MEETINGS OF THE MEMBER.

2.3.1. **Place of Meeting.** Meetings of the member shall be held at any place within or outside California designated by the Board or by the written consent of the member, given before or after the meeting. In the absence of any such designation, meetings of the member shall be held at the principal office of LARCS.

2.3.2. **Annual Meeting.** An annual meeting of the member shall be held at such time, on such date, and at such place as the Board may fix. At this meeting, directors shall be elected and any other proper business may be transacted, subject to Sections 2.5.4(b) and 2.7 of these Bylaws.

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2.3.3. Special Meetings.

2.3.3.1. Persons Authorized to Call. A special meeting of the member for any lawful purpose may be called at any time by the Board or the Chairman of the Board, if any, or by the President, or by the member.

2.3.3.2. Calling Meetings. A special meeting called by any person (other than the Board) entitled to call a meeting shall be called by written request, specifying the general nature of the business proposed to be transacted, and submitted to the Chairman of the Board, if any, or the President or any Vice President or the Secretary of LARCS. The officer receiving the request shall cause notice to be given promptly to the member, in accordance with Sections 2.5.4 of these Bylaws, stating that a meeting will be held at a specified time and date fixed by the Board, provided, however, that the meeting date shall be at least thirty five (35), but not no more than ninety (90), days after receipt of the request. If the notice is not given within twenty (20) days after the request is received, the person or persons requesting the meeting may give the notice. Nothing in this Section shall be construed as limiting, fixing, or affecting the time at which a meeting of the member may be held when the meeting is called by the Board.

2.3.3.3. Proper Business of Special Meeting. No business, other than the business the general nature of which was set forth in the notice of the meeting, may be transacted at a special meeting.

2.3.4. Notice Requirements for Member Meetings.

2.3.4.1. General Notice Requirements. Whenever the member is required or permitted to take any action at a meeting, a written notice of the meeting shall be given, in accordance with Sections 2.5.4(b) - (d) of these Bylaws. The notice shall specify the place, date, and hour of the meeting and, (1) for a special meeting, the general nature of the business to be transacted and that no other business may be transacted, or (2) for the annual meeting, those matters that the Board, at the time notice is given, intends to present for action by the member, but any proper matter may be presented at the meeting. The notice of any meeting at which directors are to be elected shall include

the names of all persons who are nominees when notice is given.

2.3.4.2. Notice of Certain Agenda Items. Approval by the member of any of the following proposals is valid only if the notice of written waiver of notice states the general nature of the proposal or proposals:

2.3.4.2.1. Removing a director with cause;

2.3.4.2.2. Filling vacancies on the Board;

2.3.4.2.3. Amending the Articles; or

2.3.4.2.4. Electing to wind up and dissolve LARCS.

2.3.4.3. Manner of Giving Notice. Notice of any meeting of the member shall be in writing and shall be given at least ten (10), but no more than ninety (90) days, before the meeting date. The notice shall be given either personally or by first-class, registered, or certified mail, or by other means of written communication, charges prepaid, and shall be addressed to the member, at the address of the member appearing on the books of LARCS or at the address given by the member to LARCS for purposes of notice. If no address appears on the books of LARCS and no address has been so given, notice shall be deemed to have been given if either (1) notice is sent to the member by first-class mail or telegraphic or other written communication to the principal office of LARCS, or (2) notice is published at least once in a newspaper of general circulation in the county in which the principal office is located.

2.3.4.4. Affidavit of Mailing Notice. An affidavit of the mailing of any notice of any member meeting, or of the giving of such notice by other means, may be executed by the Secretary, Assistant Secretary, or any transfer agent of LARCS, and if so executed, shall be filed and maintained in the minute book of LARCS.

2.4. **QUORUM.** The presence of the member shall constitute a quorum for the transaction of business at any meeting of the member.

2.5. **ADJOURNMENT AND NOTICE OF ADJOURNED MEETINGS.** Any meeting of the member may be adjourned from time to time by the vote of the member. No meeting may be adjourned for more than forty-five (45) days. When a meeting of the member is

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adjourned to another time or place, notice need not be given of the adjourned meeting if the time and place to which the meeting is adjourned are announced at the meeting at which adjournment is taken. If after adjournment a new record date is fixed for notice or voting, a notice of the adjourned meeting shall be given to the member.

2.6. VOTING.

2.6.1 **Eligibility to Vote.** Subject to the provisions of the California Nonprofit Public Benefit Corporation Law, the sole member shall be the only person entitled to vote at any meeting of the member.

2.6.2 **Manner of Casting Votes.** Voting may be by voice or ballot, except that any election of directors must be by ballot if demanded by the member at the meeting before the voting begins.

2.6.3 **Voting.** The member shall be entitled to cast one (1) vote on each matter submitted to a vote of the member.

2.6.4 **Approval by Member.** The affirmative vote of the member, shall be the act of the member.

2.7. **ACTION BY WRITTEN CONSENT.** Any action required or permitted to be taken by the member may be taken without a meeting, if the member consents in writing to the action. The written consent or consents shall be filed with the minutes of the proceedings of the member. The action by written consent shall have the same force and effect as the vote of the member.

2.8. **PROPERTY RIGHTS.** No member shall have any right or interest in any of the property or assets of LARCS. All corporate property is irrevocably dedicated to the purposes described within Articles II and IV of the Articles. No part of the net earnings of this corporation shall inure to the benefit of any of its directors, trustees, officers, private shareholders or members or to individuals.

2.9. **NONLIABILITY.** No member shall be personally liable for the debts, liabilities, or obligations of LARCS.

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Article III DIRECTORS

The Board oversees all corporate activities or operations of LARCS, its committees and any divisions. The Board will consist of not less than three (3), but not more than five (5), directors. Initially the number of directors will be fixed at three (3). Upon the transfer by the then current sole member of LARCS of its membership interest to LARMAC, the number of directors will automatically increase to five (5). The Board has the power to select, appoint and replace officers, contract on behalf of LARCS, direct LARCS's funds, and make all policy decisions regarding LARCS. Following the transfer of the LARCS membership interest to LARMAC, certain specific criteria for membership on the Board of Directors of LARCS will be imposed.

3.1. GENERAL CORPORATE POWERS. As provided in the provisions of the California Nonprofit Corporation Law and subject to applicable laws and any limitations in the Articles or the Bylaws, LARCS's activities and affairs shall be managed, and all corporate powers shall be exercised, by or under the direction of the Board. The Board may delegate the management of the activities of LARCS to any person or persons, a management company or committees however composed, provided that the activities and affairs of LARCS shall be managed and all corporate powers shall be exercised under the ultimate direction of the Board.

3.2. SPECIFIC POWERS. Without prejudice to the general powers set forth in Section 3.1, but subject to the same limitations, the directors shall have the following powers:

3.2.1. Administrative.

3.2.1.1. Officer, Agents & Employees. Select, appoint and remove, at the pleasure of the Board, all officers, agents, and employees of LARCS; prescribe powers and duties for them that are consistent with the law, the Articles, and these Bylaws; fix their compensation; and require from them any security they deem necessary for faithful performance of their duties;

3.2.1.2. Principal Office. Change the locations of the Principal Office or other LARCS offices;

3.2.1.3. Corporate Seal. Adopt and use a corporate seal and alter the form of the seal;

3.2.1.4. Incur Indebtedness. Borrow money and incur indebtedness on behalf of LARCS and cause to be executed and delivered for LARCS's purposes, in the corporate name, promissory notes,

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bonds, debentures, deeds of trust, mortgages, pledges, hypothecations, and other evidences of debt and securities;

3.2.1.5. Indemnification. Indemnify LARCS's agents against expenses, judgments, fines, settlements and other amounts received as a result of such agency as provided in Article V of these Bylaws;

3.2.1.6. Insurance. Contract and pay for insurance covering and protecting against such damages or injuries as the Board deems advisable (which may include, without limitation, medical expenses of persons injured on property LARCS owns or uses and indemnification of LARCS's agents as discussed in Article V);

3.2.1.7. Delegation. Delegate some of its powers in accordance with applicable law and these Bylaws;

3.2.1.8. Records. Keep, or cause to be kept, a complete record of all acts and affairs of LARCS;

3.2.1.9. Funding. Collect fees including but not limited to community enhancement fees and transfer fees and enforce payment of such fees; accept donations, endowments and subsidies offered to LARCS; and collect user or similar fees for events organized or sponsored by LARCS so long as all such funds are dedicated to social welfare purposes consistent with the Articles, Bylaws, and law applicable to an organization established under Section 501(c)(4) of the IRC and Section 23701(f) of the R&TC; and

3.2.1.10. Power to Contract and Assume Obligations. Enter into agreements with any third party, including any affiliated or related third party, and including, but not limited to, LARMAC, on any matter related to the purpose and for the benefit of Ladera Ranch or this corporation which agreements will be legally binding upon LARCS when executed by any one of the officers identified in Section 4.1 below, and assume obligations, incur liabilities, and secure its obligation.

3.2.2. Community Oriented Programs.

3.2.2.1. Promotion of Ladera Ranch Community; Clubs; and Sports. Engage in activities and sponsor or promote such events as deemed appropriate by the Board to foster a sense of

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community within Ladera Ranch, its surrounding communities and neighborhoods and the general public (the “Ladera Ranch Community”), promote the Ladera Ranch lifestyle, create a public awareness of the unique qualities of Ladera Ranch, enhance the experience of living in Ladera Ranch, and educate the general community regarding the history and legacy of Ladera Ranch; establish, coordinate, and sponsor any clubs deemed appropriate by the Board to promote the interests of and for the benefit the Ladera Ranch Community, including the power to encourage the formation of such clubs and to coordinate, promote, terminate and monitor club activities; establish, coordinate and sponsor activities, events and services as deemed appropriate by the Board to promote and support sports and recreational activities for the benefit of the Ladera Ranch Community;

3.2.2.2.Health and Wellness Activities and Programs. Establish, coordinate, and sponsor such activities, programs and services as deemed appropriate by the Board to promote and support the health and wellness of the Ladera Ranch Community;

3.2.2.3.Community Technology Network. Engage in such activities and enter into such agreements as deemed appropriate by the Board to establish, coordinate, maintain and operate a community technology network for the benefit of the Ladera Ranch Community which system can be used to disseminate information about and facilitate communication within Ladera Ranch.

3.2.2.4.Education. Establish, coordinate and sponsor such activities, programs and services as deemed appropriate by the Board to promote and support the educational and academic interests of the Ladera Ranch Community; and

3.2.2.5.Environment. Engage in such activities and enter in such agreements as deemed appropriate by the Board to preserve, maintain and nurture the natural resources of the Ladera Ranch Community and to educate the community with respect to and to promote awareness of environmental concerns and issues associated with the Ladera Ranch Community.

3.3. AUTHORIZED NUMBER OF DIRECTORS.

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3.3.1. **Authorized Number of Directors.** The number of directors of LARCS shall be not less than three (3) and not more than five (5) until changed by a duly adopted amendment to this Bylaw section. The exact number of directors shall be fixed from time to time, within the limits specified in this Section, by a resolution of the Board. Subject to the foregoing provisions for changing the number of directors, the exact number of directors of LARCS is hereby fixed initially at three (3). If, upon the date LARMAC becomes the sole member of LARCS, the number of directors of LARCS has not already been increased to five (5), the number of directors of LARCS shall be increased to five (5).

3.3.2. **Restriction on Interested Persons as Directors.** No more than forty-nine percent (49%) of the persons serving on the Board may be "interested persons" as such term is defined under Section 5227 of the California Nonprofit Corporation Law. An "interested person" is either (a) any person currently being compensated by LARCS for services rendered to it within the previous twelve (12) months, whether as a full-time or part-time employee, independent contractor or otherwise, excluding any reasonable compensation paid to a director as director; or (b) any brother, sister, ancestor, descendant, spouse, brother-in-law, sister-in-law, son-in-law, daughter-in-law, mother-in-law or father-in-law of such person. However, any violation of the provisions of this paragraph shall not affect the validity or enforceability of any transaction entered into by LARCS.

3.4. ELECTION, DESIGNATION, AND TERM OF OFFICE.

3.4.1. **Election of Directors.** Directors shall be elected at the annual meeting of the meeting of the member or by written ballot of the member.

3.4.2. **Term of Office.** The Board of Directors shall be divided into three classes: Class I, Class II, and Class III. If the Board is composed of three (3) directors, one (1) director shall be designated for each Class. Initially, Class I shall consist of one (1) director whose initial term shall expire at the next ensuing annual meeting following adoption of these bylaws, i.e., one (1) year. Class II shall consist of one (1) director whose initial term shall be two (2) years and which initial term shall expire one year thereafter, i.e., one year after the expiration of the initial Class I director. Class III shall consist of one (1) director whose term shall be three (3) years. At each annual election held thereafter, the director for each class be elected for a full three (3) year term to succeed the director of the Class whose term then expires. At such times as the number of directors on the Board is increased, the Board shall determine the Class of the new director(s).

- 3.4.3. **Qualifications.** Persons selected to serve as directors are required to be homeowners and residents of Ladera Ranch. LARCS Directors may not be directors of LARMAC, nor may LARCS directors be related to LARMAC directors by blood or marriage, or be a member of the same household as a LARMAC director. Directors must be available and willing to meet on the dates and times scheduled for director meetings, willing and able to devote the time required to preparing for and making meaningful contributions at director meetings, and willing and able to devote time required to accomplish the mission and purpose of LARCS. Directors must be a member in good standing with LARMAC.

Candidates for election to the LARCS board of directors must have demonstrated a commitment to the Ladera Ranch Community either by active participation (i.e., minimum six (6) months service) in community activities and events, including but not limited to:

- (a) Appointment to and service on a LARCS and/or LARMAC chartered or ad hoc committee
- (b) Service at a committee or board level in the Ladera Ranch community (e.g., youth sports, PTA, or other nonprofit organizations that benefit the Ladera Ranch community).

3.5. VACANCIES ON BOARD.

- 3.5.1. **Events Causing Vacancy.** A vacancy or vacancies on the Board shall exist on the occurrence of the following: (a) the death or resignation of any director; (b) the declaration by resolution of the Board of a vacancy in the office of a director who has been declared of unsound mind by an order of court, convicted of a felony or found by a final order or judgment of any court to have breached a duty under Article 3 of Chapter 2 of the California Nonprofit Corporation Law; (c) the increase of the authorized number of directors; (d) the failure of the Board, at any meeting of the Board at which any director or directors are to be elected, to elect the number of directors required to be elected at such meeting or (e) the occurrence of any other events resulting in a vacancy as provided under the California Nonprofit Corporation Law.

- 3.5.2. **Resignations.** Except as provided below, any director may resign by giving written notice to the President or the Secretary of LARCS. The resignation shall be effective when the notice is given unless it specifies a later time for the resignation to become effective. Unless otherwise specified in the notice, the resignation need not be accepted to be effective. If a director's resignation is effective at a later time, the Board may elect a

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successor to take office as of the date when the resignation becomes effective. Except on notice to the Attorney General of California, no director may resign if LARCS would be left without a duly elected director.

3.5.3. **Filling Vacancies.** Vacancies on the Board may be filled by approval of the Board, or, if the number of directors then in office is less than a quorum, by (1) the unanimous written consent of the directors then in office, (2) the affirmative vote of a majority of the directors then in office at a meeting held pursuant to notice or waiver of notice, or (3) a sole remaining director. Each director so elected shall hold office until the expiration of the term of the replaced director and until a successor has been selected and qualified.

3.5.4. **No Vacancy on Reduction of Number of Directors.** No reduction of the authorized number of directors shall have the effect of removing any director before that director's term of office expires.

3.6. DIRECTORS' MEETINGS.

3.6.1. **Place of Meetings.** Meetings of the Board shall be held at any place within or outside California that has been designated by resolution of the Board or in the notice of the meeting or, if not so designated, at the Principal Office of LARCS.

3.6.2. **Meetings by Telephone and Other Means.** Members of the Board may participate in a meeting by any means or method permitted by law, including the use of conference telephone, electronic video screen communication, or other communications equipment. Participation in a meeting through use of a conference telephone pursuant to this Section 3.6.2 constitutes presence in person at that meeting as long as all members participating in the meeting are able to hear one another. Participation in a meeting through use of electronic video screen communication or other communications equipment (other than conference telephone) pursuant to this Section constitutes presence in person at that meeting if:

- (a) Each member participating in the meeting can communicate with all of the other members concurrently.
- (b) Each member is provided the means of participating in all matters before the Board, including, without limitation, the capacity to propose, or to interpose an objection to, a specific action to be taken by LARCS.
- (c) LARCS adopts and implements some means of verifying both of the following:

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3.6.2.3.1. A person participating in the meeting is a director or other person entitled to participate in the Board meeting.

3.6.2.3.2. All actions of, or votes by, the Board are taken or cast only by the directors and not by other persons.

3.6.3. **Annual Meeting.** The Board shall hold an annual meeting for purposes of organization, election of officer(s) or director(s), and transaction of other business within one hundred and twenty (120) days after LARCS's fiscal year end, or on such other date as the Board shall determine. Annual meetings may be held without notice if the time and place is fixed by the Board.

3.6.4. **Other Regular Meetings.** Other regular meetings of the Board may be held without notice if the time and place is fixed by the Board.

3.6.5. **Special Meetings.**

(a) **Authority to Call.** Special meetings of the Board for any purpose may be called at any time by the, President, any Vice President, the Secretary, any two (2) members of the Board, or as permitted by law.

(b) **Notice.**

3.6.5.2.1. **Manner of Giving Notice.** Notice of the time and place of special meetings shall be given to each director by one of the following methods: (a) by personal delivery of written notice; (b) by first-class mail, postage prepaid; (c) by telephone, including a voice messaging system or other system or technology designed to record and communicate messages; (d) telegraph; (e) facsimile; (f) electronic mail; (g) other electronic means or any other means permitted by law. All such notices shall be given or sent to the director's address or telephone number as shown on the records of LARCS.

3.6.5.2.2. **Time Requirements.** Notices sent by first-class mail shall be deposited in the United States mail at least four (4) days before the time set for the meeting. Notices given by personal delivery, telephone, telegraph, facsimile, electronic mail or electronic devices shall be delivered, telephoned, or otherwise sent at least forty-eight (48) hours before the time set for the meeting.

3.6.5.2.3. **Notice Contents.** The notice shall state the time of the meeting and the place if the place is other than the Principal Office of LARCS. It need not specify the purpose of the meeting.

3.6.6. **Open Meetings.** Meetings of the Board shall be closed to any person other than the directors; provided that if the subject of a meeting is of interest to other persons, the Board may open the meeting.

3.6.6.1. **Invitation to Board Meetings.** The Board may issue such an invitation in any manner that it deems appropriate; provided that prior to issuing an invitation, the Board shall pass a resolution specifying the person or group of people invited, the meeting or meetings for which the invitation is applicable, the subject matter of the meeting or meetings, and the terms on which attendance is invited, all of which shall be determined at the discretion of the Board.

3.6.6.2. **Attendance at Board Meetings.** An attendee at a Board meeting other than a director may not participate in any discussion or deliberation unless permission to speak is requested by a director. An attendee at a Board meeting who is not a director may not vote on any measure before the Board, unless otherwise authorized by resolution of the Board.

3.6.7. **Waiver of Notice.** Notice of a meeting need not be given to any director who, either before or after the meeting, signs a waiver of notice, a written consent to the holding of the meeting, or an approval of the minutes of the meeting. The waiver of notice of consent need not specify the purpose of the meeting. All such waivers, consents and approvals shall be filed with the corporate records or made a part of the minutes of the meetings. Notice of a meeting need not be given to any director who attends the meeting and does not protest, before or at the commencement of the meeting, the lack of notice.

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3.6.8. **Quorum.** A majority of the number of directors authorized by Section 3.3.1 of these Bylaws shall constitute a quorum for the transaction of business, except to adjourn. Every action taken or decision made by a majority of the directors present at a duly held meeting at which a quorum is present shall be the act of the Board, unless a greater number is required by law or these Bylaws. A meeting at which a quorum is initially present may continue to transact business, despite the withdrawal of directors, if any action taken or decision made is approved by at least a majority of the required quorum for that meeting.

3.6.9. **Adjournment.** A majority of the directors present, whether or not a quorum is present, may adjourn any meeting to another time and place.

3.6.10. **Notice of Adjourned Meeting.** Notice of the time and place of the holding of an adjourned meeting need not be given unless the original meeting is adjourned for more than twenty-four (24) hours. If the original meeting is adjourned for more than twenty-four (24) hours, notice of any adjournment to another time and place shall be given, before the time of the adjourned meeting, to the directors who were not present at the time of the adjournment.

3.7. **ACTION WITHOUT A MEETING.** Any action that the Board is required or permitted to take may be taken without a meeting if all members of the Board consent in writing to the action. Notwithstanding the foregoing, the phrase "all members of the Board" shall not include an "interested director" as defined in Section 5233 of the California Nonprofit Corporation Law. Such action by written consent shall have the same force and effect as any other validly approved action of the Board. All such consents shall be filed with the minutes of the proceedings of the Board.

Compensated directors may be personally liable for monetary damages to third parties for negligent acts or omissions in the performance of their duties, whereas, a "volunteer" (as defined in California Nonprofit Corporation Laws Section 5239(b)) director may be exempt from such third party liability under California Nonprofit Corporation Law Section 5239 provided, among other conditions, that damages caused by a director's act or omission are covered pursuant to a liability insurance policy issued to the corporation, either in the form of a general liability policy or a director's and officer's liability policy, or personally to the director. In the event that the damages are not covered by a liability policy, the volunteer director shall not be personally liable for the damages if the Board and the person had made all reasonable efforts in good faith to obtain available liability insurance.

3.8. **COMPENSATION AND REIMBURSEMENT.** Directors may receive such compensation, if any, for their services as directors or officers, and such reimbursement of expenses, as the Board may determine by resolution to be just and reasonable as to LARCS at the time that the resolution is adopted.

3.9. **COMMITTEES.**

3.9.1. **Committees of the Board.**

(a) **Creation.** The Board may create one or more committees, each consisting of one (1) or more liaison directors to serve at the pleasure of the Board. Appointments to committees of the Board shall be by majority vote of the directors then in office.

(b) **Appointment.** The Board may appoint one (1) or more *liaison* directors as alternate members of any such committee, who may replace any absent members at any meeting. Any such committee, to the extent provided in the Board resolution, shall have all the authority of the Board. However, no committee may take any of the following actions:

3.9.1.2.1. Fill vacancies on any Committee that has the authority of the Board;

3.9.1.2.2. Fix compensation of the directors for serving on the Board or on any Committee;

3.9.1.2.3. Amend, restate or repeal these Bylaws or adopt new bylaws;

3.9.1.2.4. Amend or repeal any Board resolution that by its express terms is not so amendable or repealable;

3.9.1.2.5. Create any other committees of the Board;

3.9.1.2.6. Expend corporate funds to support a nominee for director after more people have been nominated for director than can be elected;

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3.9.1.2.7. Approve any contract or transaction to which LARCS is a party and in which one or more of its directors has a material financial interest, except as is provided for in Section 5233(d)(3) of the California Nonprofit Corporation Law; or

3.9.1.2.8. Any action specifically prohibited or not allowed by law to be taken by a committee of the Board.

3.9.1.3. Meetings and Actions of Committees of the Board. Meetings and actions of committees comprised of volunteer members appointed by the Board shall be governed by, held and taken in accordance with the provisions of these Bylaws concerning Board meetings and other Board actions, except that the time for regular meetings of such committees and the calling of special meetings of such committees may be determined either by Board resolution or, if there is none, by resolution of the committee of the Board. Minutes of each committee meeting shall be kept and filed with the corporate records. The Board may adopt rules for the government of any committee that are consistent with these Bylaws or, in the absence of rules adopted by the Board, the committee may adopt such rules.

3.9.2. Chartered Committees.

- (a) **Creation.** The Board by resolution may create one or more Chartered Committees. The resolution designating and establishing each Chartered Committee must (a) provide for the appointment of its chairman and members, (b) state the purpose of each committee, and (c) determine and provide for reports and other administrative matters the Board deems appropriate.

Chartered Committees may be established for the purpose of advising and providing recommendations to the Board on various matters and activities of interest to LARCS and Ladera Ranch, including, but not limited to the community-oriented programs described in Section 3.2.2 of these Bylaws.

- (b) **Meetings and Actions of Chartered Committees.** Meetings and actions of committees may be governed by, held and taken in accordance with these Bylaws, except that the time for regular meetings of such committees

and the calling of special meetings of such committees may be determined either by Board resolution or, if there is none, by resolution of the committee. Meeting notes of each committee meeting shall be kept and filed with the corporate records. The Board may adopt rules for the government of any committee that are consistent with these Bylaws or, in the absence of rules adopted by the Board, the committee may adopt such rules.

Article IV OFFICERS

This Article describes the responsibilities of the officers of LARCS.

<i>OFFICER</i>	<i>DUTIES</i>
<i>President</i>	<i>General manager and chief executive officer of LARCS; supervisor and director of LARCS's activities and officers; presides at all Board meetings as Chair.</i>
<i>Vice President(s)</i>	<i>All duties as Board may assign; all duties of President when President is absent or disabled.</i>
<i>Secretary</i>	<i>Maintain corporate records.</i>
<i>Assistant Secretary</i>	<i>All duties as Board may assign.</i>
<i>Chief Financial Officer</i>	<i>Maintain books of account and deposit and disburse corporate assets.</i>
<i>Assistant financial officer(s)</i>	<i>All duties as Board may assign.</i>

- 4.1. OFFICERS OF LARCS.** The officers of LARCS shall be a President, a Secretary, and a Chief Financial Officer with such duties and responsibilities as determined by the Board. The President is the general manager and chief executive officer of LARCS. Any number of offices may be held by the same person, except that neither the Secretary nor the Chief Financial Officer may serve concurrently as the President.

The California Nonprofit Corporation Law permits the officers to hold a term of office from one to three years if the latter is specified in the bylaws. This provision as drafted permits the Board to determine the term of office for each officer. The Board by resolution should fix the term for each officer.

- 4.2. SELECTION OF OFFICERS.** The officers of LARCS shall be chosen by the Board, except those appointed under Section 4.3 of these Bylaws. The term of office for each officer shall be selected by the Board, which term shall not be less than one (1) year nor more than three (3) years. Each officer shall serve at the pleasure of the Board subject to the rights, if any, of any officer under any contract of employment. Each officer shall

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hold office until his or her resignation, removal or other disqualification from service, or until his or her respective successor is elected or appointed.

- 4.3. **OTHER OFFICERS.** LARCS may also have, at the Board's discretion, one or more Vice Presidents, one or more Assistant Secretaries, one or more assistant financial officer and such other officers as may be appointed by the Board. The Board may elect or appoint and may authorize the President or other officer, to appoint any other officers that LARCS may require. Each officer so elected or appointed shall have the title, the authority and shall perform the duties as specified in these Bylaws or as determined by the Board.

4.4. **RESPONSIBILITIES OF OFFICERS.**

- 4.4.1. **President.** The President shall be the general manager and chief executive officer of LARCS and shall supervise, direct, and control LARCS's activities, affairs and officers, subject to such supervisory powers of the Board. The President shall preside and serve as Chair at all Board meetings. The President shall have such other powers and duties as the Board or laws may prescribe.

- 4.4.2. **Vice Presidents.** If the President is absent or disabled, the Vice Presidents, if any, in order of their rank as fixed by the Board, or, if not ranked, a Vice President designated by the Board, shall perform all duties of the President. When so acting, a Vice President shall have all powers of and be subject to all restrictions on the President. The Vice Presidents shall have such other powers and perform such other duties as the Board or the Bylaws may prescribe.

- 4.4.3. **Secretary.** The Secretary shall keep or cause to be kept, at LARCS's Principal Office or such other place as the Board may direct, a book of minutes of all meetings, proceedings and actions of the Board and of committees of the Board. The Secretary shall keep or cause to be kept, at the Principal Office, a copy of the Articles and Bylaws, as amended or restated to date. The Secretary shall give, or cause to be given, notice of all meetings of the Board and of committees of the Board required by these Bylaws to be given.

- 4.4.4. **Chief Financial Officer.**

4.4.4.1. **Books of Account.** The Chief Financial Officer shall maintain adequate and correct books and records of accounts of LARCS's properties and transactions. The Chief Financial Officer shall send or cause to be given to the directors

such financial statements and reports as are required to be given by law, these Bylaws, or by the Board.

4.4.4.2. Deposit and Disbursement of Money and Valuables. The Chief Financial Officer shall deposit all money and other valuables in the name and to the credit of LARCS with such depositories as the Board may designate, shall disburse LARCS's funds as the Board may order, shall render to the President and the Board, when requested, an account of all transactions and of the financial condition of LARCS, and shall have such other powers and perform such other duties as the Board or the Bylaws may prescribe.

4.4.4.3. Bond. If required by the Board, the Chief Financial Officer shall give LARCS a bond in the amount and with the surety or sureties specified by the Board for faithful performance of the duties of the office and for restoration to LARCS of all of its books, papers, vouchers, money and other property of every kind in the possession or under the control of the Chief Financial Officer on his termination of office.

Section 4.5 below permits compensation of officers if authorized by the Board. Similar to the provision for directors in Section 3.8, above, compensated officers may be personally liable for monetary damages to third parties for negligent acts or omissions in the performance of their duties, whereas, "volunteer" officers may be exempt from such third party liability under California Nonprofit Corporation Law Section 5239 provided, among other conditions, that damages caused by an officer's act or omission are covered pursuant to a liability insurance policy issued to the corporation, either in the form of a general liability policy or a director's and officer's liability policy, or personally to the executive officer. In the event that the damages are not covered by a liability policy, the volunteer executive officer shall not be personally liable for the damages if the Board and the person had made all reasonable efforts in good faith to obtain available liability insurance.

4.5. COMPENSATION. Officers may be entitled to receive such reasonable compensation for their services as is authorized or ratified by the Board; provided that nothing in these Bylaws precludes any officer from serving LARCS in some other capacity and receiving compensation therefore. Any officer may be reimbursed for actual expenses incurred in the performance of corporate duties if authorized by the Board. Appointment of any officer does not of itself create contractual rights of compensation for services performed by such officer.

4.6. REMOVAL OF OFFICERS. Without prejudice to any rights of an officer under any contract of employment, any officer may be removed with or without cause by majority vote of the Board. If the officer was not chosen by the Board, the officer may be

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removed with or without cause by any officer on whom the Board may confer such power of removal. Any removal of an officer shall be without prejudice to the rights, if any, of LARCS under any contract to which the officer is a party.

4.7. RESIGNATION OF OFFICERS. Any officer may resign at any time by giving written notice to LARCS. The resignation shall take effect as of the date the notice is received or at any later time specified in the notice. Unless otherwise specified in the notice, the resignation need not be accepted to be effective. Any resignation shall be without prejudice to the rights, if any, of LARCS under any contract to which the officer is a party.

4.8. VACANCIES IN OFFICE. A vacancy in any office shall exist on the occurrence of the following: (a) the death or resignation of any officer; (b) the declaration by resolution of the Board of a vacancy in an office of an officer who has been declared of unsound mind by an order of court, convicted of a felony or found by a final order or judgment of any court to have breached a duty under Article 3 of Chapter 2 of the California Nonprofit Corporation Law; (c) creation of a new officer position; (d) the failure of the Board to appoint an officer or (e) the occurrence of any other events resulting in a vacancy as provided under the California Nonprofit Corporation Law. A vacancy in any office shall be filled in the manner prescribed in these Bylaws for regular appointments to that office, provided, however, that vacancies may be filled as they occur and not necessarily on an annual or term basis.

Article V INDEMNIFICATION

5.1. RIGHT OF INDEMNITY. To the fullest extent permitted by law, including the provisions of Section 5238 of California Nonprofit Corporation Law and any subsequently enacted provision, this corporation shall have the power to indemnify its agents (as defined in Section 5238(a)) and enter into agreements to provide such indemnification to its agents against expenses (as defined in Section 5238(a)), judgments, fines, settlements, and other amounts actually and reasonably incurred in connection with any proceeding, including an action by or in the right of LARCS, arising by reason of the fact that any such agent is or was an agent, and shall have the power subject to the authorization of the Board, to advance to each such agent expenses incurred in defending any such proceeding to the maximum extent permitted by law, including Section 5238 of the California Nonprofit Corporation Law, or any subsequently enacted provision.

5.2. APPROVAL OF INDEMNITY. On written request to the Board from any agent seeking indemnification under Section 5238(b), Section 5238(c) or any subsequently enacted or related section of the California Nonprofit Corporation Code, the Board shall promptly determine whether the applicable standard of conduct set forth under applicable law has been met and, if so, the Board shall have the power to authorize

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indemnification. If the Board cannot authorize indemnification because the number of directors who are parties to the proceeding with respect to which indemnification is sought prevents the formation of a quorum of directors who are not parties to that proceeding, the Board may authorize indemnification by a majority of the directors who are not parties to that proceeding, or, if necessary, seek authorization from the court in which such proceeding was or is pending.

- 5.3. ADVANCEMENT OF EXPENSES.** The Board shall have the authority as permitted by law including the provisions of California Nonprofit Corporation Code Section 5238(f) and except as otherwise determined by the Board in a specific instance to advance expenses incurred by an agent seeking indemnification under Sections 5.1 and 5.2 of these Bylaws in defending any proceeding covered by those Sections before final disposition of the proceeding, on receipt by the Board of an undertaking by or on behalf of that agent that the advance will be repaid unless it is ultimately determined that the agent is entitled to be indemnified by LARCS for those expenses.

Article VI RECORDS AND REPORTS

This Article describes LARCS's duties to produce and maintain various corporate records and reports.

- 6.1. MAINTENANCE OF CORPORATE RECORDS.** LARCS shall keep:

6.1.1. Adequate and correct books and records of account; and

6.1.2. Written minutes of the proceedings of its Board, and committees of the Board and the various Advisory Committees.

Minutes shall be kept in written form. Other books and records shall be kept either in written form or in any other form capable of being converted into written form.

- 6.2. INSPECTION BY DIRECTORS.** Every director shall have the absolute right at any reasonable time to inspect LARCS's books, records, documents of every kind, physical properties, and the records of any of its subsidiaries. The inspection may be made in person or by the director's agent or attorney. The right of inspection includes the right to copy and make extracts of documents.

- 6.3. ANNUAL REPORT.** An annual report shall be provided to the directors within one hundred and twenty (120) days after the end of LARCS's fiscal year. That report shall contain the following information, in appropriate detail, for the fiscal year:

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- 6.3.1. The assets and liabilities, including the trust funds, of LARCS as of the end of the fiscal year;
- 6.3.2. The principal changes in assets and liabilities, including trust funds during the fiscal year;
- 6.3.3. The revenue or receipts of LARCS, both unrestricted and restricted to particular purposes in the fiscal year;
- 6.3.4. The expenses or disbursements of LARCS for both general and restricted purposes during the fiscal year; and
- 6.3.5. Any information required by law, including Section 6322 of the California Nonprofit Corporation Law as specified in Section 6.4, below.

The annual report shall be accompanied by any report on it of independent accountants or, if there is no such report, by the certificate of an authorized officer of LARCS that such statements were prepared without audit from LARCS's books and records.

- 6.4. ANNUAL STATEMENT OF CERTAIN TRANSACTIONS AND INDEMNIFICATIONS.** As part of the annual report, LARCS shall annually prepare and mail or deliver to each director a statement of any transaction involving an interested person or indemnification, if any such transaction or indemnification took place, as required by Section 6322 of the California Nonprofit Corporation Law.

Article VII CONSTRUCTION AND DEFINITION

This Article provides a general guideline to terms used in these Bylaws.

- 7.1. CONSTRUCTION.** Unless the context requires otherwise, the general provisions, rules of construction, and definitions in the California Nonprofit Corporation Law shall govern the construction of these Bylaws. Without limiting the generality of the preceding sentence, the masculine gender includes the feminine and neuter, the singular includes the plural, the plural includes the singular and the term "person" includes both a legal entity and a natural person.
- 7.2. STATEMENTS IN ITALICS.** The portion of these Bylaws printed in italics are provided as a simplified, general explanation of the purposes of the Articles and Sections of these Bylaws, as a convenience of the reader. They are not part of these Bylaws and may not be considered in resolving questions of interpretation or construction.

Article VIII MISCELLANEOUS

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8.1. **CHECKS, DRAFTS AND DOCUMENTS.** All checks, drafts, orders for payment of money, notes and other evidences of indebtedness issued in the name of or payable to LARCS must be signed or endorsed in the manner and by the person or persons the Board designates by resolution, subject to the requirements of these Bylaws for the withdrawal of money from LARCS's accounts.

8.2. **EXECUTION OF DOCUMENTS.** The Board may authorize any officer or other agent to enter into any contract or execute any instrument in the name of and on behalf of LARCS, and such authority may be general or confined to specific instances.

8.3. **REFERENCE TO SPECIFIC STATUTE.** Any reference to a specific statute in these Bylaws shall include a reference to any amendment or subsequently enacted statute. Such reference shall also include a reference to any corresponding provision of law regulating the same subject matter.

8.4. **AMENDMENT OF BYLAWS.**

8.4.1. **Voting Requirements.** Except as otherwise provided in Sections 8.4.2 and 8.4.3 of these Bylaws and the California Nonprofit Public Benefit Corporation Law, the Board may, by majority vote, adopt, amend, or repeal these Bylaws. If any provision of these Bylaws requires the vote of a larger proportion of the Board than is otherwise required by law, that provision may not be altered, amended or repealed except by that greater vote.

8.4.2. **Approval by Sole Member.** While DMB Ladera, or an affiliate of DMB Ladera, is the sole member of LARCS, amendment of these Bylaws shall require the written consent of such sole member.

8.4.3. **Approval by Neighborhood Representatives of LARMAC.** While LARMAC is the sole member of LARCS, amendment of these Bylaws, shall require the consent of a majority of the Neighborhood Representatives of LARMAC (as that term is defined in the Bylaws of LARMAC) at a duly held meeting of the Neighborhood Representatives at which a quorum (as determined under the Bylaws of LARMAC) is present.

CERTIFICATE OF SECRETARY

I, the undersigned, do hereby certify that:

1. I am the duly elected and acting secretary of Ladera Ranch Community Services, a California nonprofit public benefit corporation; and

2. The foregoing Bylaws, consisting of 25 pages including this page, constitute the Bylaws of LARCS duly adopted, effective as of January 27, 2010.

IN WITNESS THEREOF, I have subscribed my hand and affixed the seal of LARCS on January 27, 2010



Evan Forbes, Secretary



{SEAL}