

AS AMENDED AND APPROVED BY THE OWNERS AT THE ANNUAL MEETING ON APRIL 2, 2005

**BYLAWS
OF
FLYING O RANCH HOMEOWNERS ASSOCIATION**

A CALIFORNIA NON-PROFIT MUTUAL BENEFIT CORPORATION

Section 1. The Association is a California Non-Profit Mutual Benefit Corporation established by the Declaration of Covenants, Conditions and Restrictions (CC&R's) recorded in Madera County on August 11, 1997. The Association consists of the owners of the parcels that make up the Flying O Ranch in O'Neals, California.

Section 2. The affairs of the Association shall be managed by a Board of Directors. Membership on the Board of Directors is limited to owners of parcels on the Flying O Ranch. Directors shall serve until their terms expire at the succeeding Annual Meeting or until their respective successors are elected. The Board of Directors shall consist of five voting members, who shall elect their Chair. The members of the Association can change the number of Directors with the concurrence of two-thirds of the owners at any time. The Association may elect two owners to sit as one member of the Board and share a single vote. The Ranch Manager shall serve as an ex-officio (non-voting) member of the Board. The time and place of Board meetings shall be given to all parcel owners at least one week in advance of such meetings, and all parcel owners shall have the right to be present and observe Board meetings. With the consent of the Chair, non-Board member owners who attend Board meetings may be allowed to participate in the discussions.

Section 3. Board members may be elected according to the voting procedures set forth in Article 9 of the CC & R's. Alternatively, without in any way altering the cumulative voting process set forth in Article 9, Board members may be elected by the following process. An owner designated by the Board (the "Elections Supervisor") shall, at least one month before the Owners' Annual Meeting, announce (by electronic mail, unless owners have requested an alternative means of receiving Association notices) that owners can nominate themselves or other owners to serve on the Board. Nominees

for the Board may, if they wish, prepare short statements concerning their backgrounds and interests and ask the Elections Supervisor to e-mail the statements to other owners. After the nomination period designated by the Elections Supervisor has closed, the Elections Supervisor will email ballots containing the names of the Board nominees to all owners, and provide owners with a reasonable period of time to vote. Owners may vote by returning the ballot electronically or (if they wish to remain anonymous) owners may print out the ballot, vote, and return the ballot to the Elections Supervisor by the post. At the Annual Meeting, the Elections Supervisor shall announce the names of elected Board members. Any ties will be decided by voting that takes place after the Annual Meeting, in accordance with the process above.

Section 4. At any time during a Director's term, a majority of the Association's members may elect to remove a Director according to the process set forth in Article 9 of the CC&R's. Any Director may resign at any time effective upon giving written notice to the Chair of the Board. In the event that the number of Directors becomes less than five, the remaining Directors shall have the discretion to allow the vacancy to exist until the Association's next Annual Meeting, or to fill the vacancy by conducting an election in which the members may vote in person, electronically or by any other means that the Board deems acceptable.

Section 5. The Board of Directors shall manage the activities of the Association so as to maximize the property owners' collective interests in the quiet enjoyment of their properties. The Board of Directors shall oversee the activities of the Association's committees and collectively or individually may consult with committees with respect to matters in their purview. The Board of Directors or any of them individually may also in its sole discretion choose to consult with members of the Association when carrying out their Board duties. The Board may either on its own or in response to homeowners' written complaints look into and make decisions regarding owners' potential violations of the CC & R's or By-Laws.

Section 6. The Board of Directors shall by electronic mail or other means promptly notify all members of the Association of any changes in regular assessments and of the need for and amount of any special assessments or other charges which have been approved according to the procedures set

forth in the CC & R's. Regular assessments are payable quarterly in advance. Owners who are more than 30 days in arrears in paying any regular or special assessment shall be charged a 10% late fee for each 30 day period for which they are in arrears.

Section 7. The property known as the Flying O Ranch is subject to California legislation known as the Williamson Act. Neither the Association nor any of its members will knowingly take any actions that jeopardize the Ranch's status under the Williamson Act.

Section 8. Members of the Board of Directors shall serve without compensation, except that they may be reimbursed for the expenses they reasonably incur in carrying out assigned duties provided that advance notice that expenses will be incurred is given to the Board and the Board agrees to reimbursement.

Section 9. Meetings of the Board of Directors shall normally be held on the Flying O Ranch or at any other location reasonably selected and agreed to by the Board. Meetings may be conducted telephonically or in any other manner that gives all members of the Board a reasonable opportunity to participate in a meeting. The Chair shall provide Board members with at least 10 days advance notice that a meeting will take place, though Board members can waive notice either before or after a meeting takes place and if so any actions taken at such a meeting will be as valid as had proper advance notice be given.

Section 10. The Association's Annual Meeting shall normally take place on the first Saturday of April of each year. However, the Board may select an alternative Saturday that is within 30 days of the first Saturday in April, and if so shall give all owners at least 45 days' notice of the date and time of the Annual Meeting. All members of the Association are welcome to attend the Annual Meeting. At the Annual Meeting, the Association will elect directors, or if nominations and voting have taken place in advance of the Annual Meeting (via electronic mail and/or other means) the Chair of the previous year's Board shall announce at the Annual Meeting who has been elected to the Board. At the Annual Meeting, the Association shall also set the regular assessment, adopt the Annual Budget, and carry out any other proper business.

Section 11. Presence of a majority of the number of Directors then serving on the Board of Directors at a meeting of the Board of Directors constitutes a quorum for the transaction of business. Every act or decision done or made by a majority of the Directors present at a meeting duly held at which a quorum is present is the act of the Board of Directors, unless a greater number, or the same number after disqualifying one or more directors from voting, is required by law, the CC&R's, or these Bylaws. A meeting at which a quorum is initially present may continue to transact business notwithstanding the withdrawal of one or more Directors, provided that any action taken is approved by at least a majority of the required quorum for such meeting.

Section 12. No Director shall be personally liable for the debts, liabilities or obligations of the Association solely on the basis of being a Director.

Section 13. The officers of the Association, all of whom must be members of the Association, consist of a Chair of the Board, a Secretary; and a Treasurer. One person may hold two or more offices; provided, however, that neither the Secretary nor the Treasurer may serve concurrently as Chair of the Board. The officers shall be chosen by and serve at the pleasure of the Board of Directors who may, either at an annual or special meeting, remove any such officer and appoint his or her successor. The officers may serve additional terms if so elected or appointed by the Board of Directors. Any officer may resign at any time by giving written notice to the Board of Directors. Any such resignation shall take effect at the date of the receipt of such notice or at any later time specified therein and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 14. The secretary shall record and maintain a book of minutes at such place as the Board of Directors may order, of actions taken at all meetings of Directors and its committees, with the time and place of holding, the names of those Directors present, the names of those present at the Directors' meeting and the proceedings thereof. The secretary shall distribute copies of the minutes for each meeting to each Director at least ten (10) days prior to the next meeting of the Board of Directors.

As soon as practicable after the Directors have ratified the minutes of a meeting, the minutes shall be made available to all members of the Association.

Section 15. The Treasurer shall keep and maintain adequate and correct accounts of the properties and business transactions of the Association, including accounts of its assets, liabilities, receipts, disbursements, gains and losses, and shall furnish or cause to be furnished such financial statements and reports as are required by law, the CC&R's or these Bylaws. The books of account shall at all times be open for inspection by any member of the Association.

The Treasurer shall deposit all monies and other valuables in the name and to the credit of the Association with such depositories as may be designated by the Board of Directors and shall render to the Directors, when they request it, an account of all of his or her transactions as Treasurer and of the financial condition of the Association, and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or the Bylaws.

Section 16. The Board will appoint the members of a Design Committee, which shall have the functions and operate according to the processes set forth in Article 7 of the CC&R's. In addition, and at its discretion, the Board may appoint one or more additional committees. All members of the Association are eligible to serve on committees. In addition to a Design Committee, the Association's committees may include a Facilities Committee, a Finance Committee, a Club House Committee, a Social Committee, a Grazing Committee, a Barn Committee and any other committees that the Board may deem desirable. Unless otherwise directed by the Board of Directors, the committees shall have the power to decide on the time, place and manner of their meetings. Committee decisions shall constitute recommendations to the Board of Directors, which has final authority to adopt, modify or reject committee recommendations. Members of the Board may serve as ex-officio (non-voting) members of committees.

Section 17. The Board of Directors shall cause a report to be furnished at least annually to all members of the Association. The report shall contain (1) the assets and liabilities of the Association as of the end of the fiscal

year; (2) the principal changes in assets and liabilities, including trust funds during the fiscal year; (3) the revenue or receipts of the Association for the fiscal year; (4) the expenses or disbursements of the Association during the fiscal year; and (5) any information required by Section 6322 of the California Nonprofit Corporation Law.

Section 18. These Bylaws may be adopted, amended or repealed by vote of a majority of the Directors present at a meeting duly held at which a quorum is present which is ratified by at least two thirds of the Association's members whether at the Association's Annual Meeting or by electronically conducted vote.

CERTIFICATE OF SECRETARY

I, the undersigned, certify that I am the duly elected and acting Secretary of FLYING O RANCH HOMEOWNERS ASSOCIATION, A CALIFORNIA NON-PROFIT MUTUAL BENEFIT CORPORATION and the foregoing Bylaws are the Bylaws of this Association as adopted by the Board of Directors by unanimous written consent of the Board of Directors and ratified by the Association's members as of _____, 2007.

Secretary