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**AMENDED AND RESTATED BYLAWS  
OF THE  
SURFSIDE III CONDOMINIUM OWNERS' ASSOCIATION, INC**  
A California Nonprofit Mutual Benefit Corporation

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**TABLE OF CONTENTS**

<b><u>ARTICLE</u></b>	<b><u>DESCRIPTION</u></b>	<b><u>PAGE</u></b>
<u>I</u>	<u>Name of the Association</u>	
<u>II</u>	<u>Introduction</u>	
<u>2.01</u>	<u>Incorporation of Definitions.</u>	
<u>III</u>	<u>Meetings of Members</u>	
<u>3.01</u>	<u>Special and Regular Annual Meetings of Members.</u>	
<u>3.02</u>	<u>Notice of Meetings.</u>	
<u>3.03</u>	<u>Conduct of Meetings.</u>	
<u>3.04</u>	<u>Action Without a Meeting.</u>	
<u>3.05</u>	<u>Quorum.</u>	
<u>3.06</u>	<u>Proxies.</u>	
<u>3.07</u>	<u>Voting and Election of Directors.</u>	
<u>3.08</u>	<u>Record Date.</u>	
<u>3.09</u>	<u>Inspectors of Election.</u>	
<u>IV</u>	<u>Association's Books and Records; Rights to Inspection</u>	
<u>V</u>	<u>Board of Directors</u>	
<u>5.01</u>	<u>Powers and Duties of the Board.</u>	
<u>5.02</u>	<u>Number, Qualifications, Election, and Term of Office.</u>	
<u>5.03</u>	<u>Vacancies.</u>	
<u>5.04</u>	<u>Removal of Directors.</u>	
<u>5.05</u>	<u>Regular Meetings.</u>	
<u>5.06</u>	<u>Special Meetings and Notices.</u>	
<u>5.07</u>	<u>Waiver of Notice.</u>	
<u>5.08</u>	<u>Adjournment.</u>	
<u>5.09</u>	<u>Quorum.</u>	
<u>5.10</u>	<u>Action Without Meeting.</u>	
<u>5.11</u>	<u>Conduct of Meeting.</u>	
<u>5.12</u>	<u>Executive Sessions.</u>	
<u>5.13</u>	<u>Nominations of Candidates for the Board.</u>	
<u>5.14</u>	<u>Committees.</u>	
<u>5.15</u>	<u>Place of Meetings.</u>	
<u>VI</u>	<u>Officers</u>	
<u>6.01</u>	<u>Enumeration of Officers.</u>	
<u>6.02</u>	<u>Election of Officers.</u>	
<u>6.03</u>	<u>Removal and Resignation.</u>	
<u>6.04</u>	<u>Vacancies.</u>	
<u>6.05</u>	<u>President.</u>	
<u>6.06</u>	<u>Vice President.</u>	
<u>6.07</u>	<u>Treasurer.</u>	
<u>6.08</u>	<u>Secretary.</u>	
<u>VII</u>	<u>Indemnification and Liability</u>	
<u>7.01</u>	<u>Liability of the Board and Officers.</u>	
<u>7.02</u>	<u>Indemnification of Agents.</u>	
<u>VIII</u>	<u>Miscellaneous</u>	
<u>8.01</u>	<u>Checks, Drafts, etc.</u>	
<u>8.02</u>	<u>Conflicts.</u>	
<u>8.03</u>	<u>Notices.</u>	
<u>IX</u>	<u>Amendments</u>	
<u>DIRECTORS' SIGNATURE</u>		

## ARTICLE I

### **I Name of the Association**

The name of the Association is **SURFSIDE III CONDOMINIUM OWNERS' ASSOCIATION, INC.**, ("Association").

## ARTICLE II

### **II Introduction**

#### **2.01 Incorporation of Definitions.**

The definitions contained in the Amended and Restated Declaration of Covenants, Conditions, and Restrictions ("Declaration") recorded on this project also apply to these Bylaws.

## ARTICLE III

### **III Meetings of Members**

#### **3.01 Special and Regular Annual Meetings of Members.**

- (a) As provided in Article IV, Section 4.05 of the Declaration, a regular annual meeting of Members shall be held in October or within sixty (60) days of the same day of the same month of the subsequent year's meeting. The exact time shall be decided by the Board.
- (b) At the annual meetings, Members shall elect a Board of Directors in accordance with these Bylaws and transact other Association business.
- (c) Special meetings shall be held pursuant to Corporations Code Sections 7510 and 7511.
- (d) Upon written request to the Board Chairman President, Vice President, or Secretary by an Association member entitled to call a special Members meeting:
  - (1) The officer forthwith must give notice to the Members that the Board will schedule a meeting not less than thirty-five (35) days before nor more than ninety (90) days after the request is received; and
  - (2) If notice is not given within twenty (20) days after the request is received, the persons entitled to call the meeting may give the notice.
- (e) Member meetings shall be held in compliance with Civil Code Section 1363.05.

#### **3.02 Notice of Meetings.**

Notice of meetings (Regular or Special) shall be given in compliance with Corporations Code Section 7511.

#### **3.03 Conduct of Meetings.**

Member meetings must be conducted in accordance with a recognized system of parliamentary procedures as the Association may adopt.

#### **3.04 Action Without a Meeting.**

Any action (except the election of directors) that may be taken at any Members' meeting may be taken without a meeting in compliance Corporation Code Section 7513.

#### **3.05 Quorum.**

- (a) Members entitled to vote (in person or by proxy) holding a majority of the total voting power of the Association constitute specifically, a quorum for business transactions at all Member meetings, except as otherwise specifically provided in these Bylaws or the Declaration.
- (b) Once a quorum has been established at a meeting, Members may do business until adjournment, even if attendance becomes less than the quorum amount during the course of the meeting, and as long as any action taken (other than adjournment) is approved by at least a majority of the Members required to constitute a quorum.
- (c) Business may not be transacted if a quorum is not met, except that a majority of Members present (in person or by proxy) may adjourn the meeting until a date not less than five (5) nor more than thirty (30) days from the original meeting date, with the quorum requirement for

the new meeting reduced to twenty-five percent (25%) of Member voting power.

**3.06 Proxies.**

A Member may not cast a vote by directed proxy. However, proxies may be used to establish a quorum or to entitle a duly qualified proxyholder to cast a vote by secret ballot.

**3.07 Voting and Election of Directors.**

- (a) Voting for Board members will be by secret written ballot pursuant to Civil Code 1363.03 and its rules of election adopted pursuant to Civil Code 1363.03.
- (b) Cumulative voting is not permitted.

**3.08 Record Date.**

The Record Date for determining the Members entitled to notice and to vote shall be determined in compliance with Corporate Code Section 7611.

**3.09 Inspectors of Election.**

Inspectors of Election may be appointed in compliance with Corporation Code Section 7614, Civil Code 1363.03 and the Association's rules of election.

**ARTICLE IV**

**IV Association's Books and Records; Rights to Inspection**

- (a) The Association Board will keep membership registers (including mailing addresses and telephone numbers), account books and minutes of meetings of Members, the Board, and committees as reasonably necessary.
- (b) Association books and records, except those documents that are reasonably determined by the Board to be confidential, are available for inspection and copying by any Association Member (or representative) at any reasonable time and for a purpose reasonably related to a Member's interest at the Association office (or other location established by the Board) as required by Civil Code Section 1365.2. The Board shall adopt reasonable rules relating to such inspections and comply with the provisions of Civil Code Section 1365.2.
  - (1) 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 copy documents.

**ARTICLE V**

**V Board of Directors**

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**5.01 Powers and Duties of the Board.**

Association activities will be conducted under the direction of a Board of Directors (subject to the Governing Documents and the California Nonprofit Mutual Benefit Corporation Law, as amended from time to time, governing action that must be approved by the Members).

**5.02 Number, Qualifications, Election, and Term of Office.**

- (a) The Board of Directors will consist of **five** (5) members.

- (b) Directors must be Association Members, i.e. Owners of Record. Directors must be current on the payment of assessments and must be in good standing. Directors shall agree in writing to abide by the Board's rules of conduct and ethics previously adopted and as amended from time to time.
- (c) At each annual meeting, the Members will elect a new Board.
- (d) Board Members serve a term of one (1) year (or until successors are elected). All terms of Board Members shall be concurrent terms.

**5.03 Vacancies.**

- (a) A vacancy exists if:
  - (1) A Director resigns, dies, or is removed from office;
  - (2) The Members increase the number of authorized Directors but do not elect the additional Directors at the meeting (or its adjournment); or
  - (3) The Members do not elect the full number of Directors.
- (b) Board vacancies (except as a result of removal) may be filled by a vote of a simple majority of Directors for a renewing term of office until a successor is elected at an annual or special meeting of Members.
- (c) The Board may declare vacant the office of a Director who is convicted of a felony or declared of unsound mind by a final order of the court or who ceases to qualify to be a Director under Section 5.02 (b) of the Bylaws..
- (d) Members may elect:
  - (1) Directors to fill any vacancy not filled by the Directors, at any time; and
  - (2) Additional Directors, at the meeting in which an increase in the number of Directors is authorized.
- (e) Members shall elect a successor in the position specifically made vacant by death, resignation or removal of a Director.

**5.04 Removal of Directors.**

- (a) Directors may be removed pursuant to the provisions of Corporation Code Sections 7222 and 7223. Specially elected Directors may be removed from office prior to the expiration of a term of office only by a vote of at least a simple majority of the voting power residing in Members.
- (b) A successor may be elected by the membership at the time of removal or at a later date to fill the vacancy in compliance with the provisions of these Bylaws.

**5.05 Regular Meetings.**

- (a) The Board must hold regular quarterly meetings on dates established by Board resolution, unless the business to be transacted requires more frequent meetings, in which event the Board may meet more frequently.
- (b) Notice of regular Board meetings must be given to each Director at least four (4) days before the meeting date. Notice shall be communicated by appropriate means. Regular meetings shall be held in compliance with Civil Code Section 1363.05.

**5.06 Special Meetings and Notices.**

- (a) Special Meetings of the Board of Directors may be called at any time for any purpose by the President, Vice President, or any two (2) Directors.
- (b) Written notice specifying the time, place and nature of business to be conducted at the Special Meeting must be delivered to each Director at least seventy-two (72) hours before the meeting is scheduled to commence. The notice

shall be communicated to Members as specified in Section 5.05(b) herein. Special Meetings shall be held in compliance with Civil Code Section 1363.05.

**5.07 Waiver of Notice.**

- (a) A Director may sign a waiver of notice, written consent, or approval of minutes of any meeting.
- (b) Waivers and consents must be filed with Association records or made a part of the minutes of the meeting.
- (c) Director attendance at a Board meeting waives the Director's notice of meeting.

**5.08 Adjournment.**

- (a) A majority of the Directors present, whether or not they constitute a quorum, may adjourn to another time and place.
- (b) Notice shall be given to any Directors not present.

**5.09 Quorum.**

- (a) A quorum for the transaction of business is a majority of the actual number of Directors.
- (b) A meeting at which a quorum is initially present may continue to transact business after Directors withdraw, provided that any action is approved by a majority of the required quorum.

**5.10 Action Without Meeting.**

- (a) The Board may take action without a meeting if all Board Members file their written consent to the action with the Minutes of the Board proceedings.
- (b) Within three (3) days an explanation of the action shall be posted in a prominent place within the Common Areas, unless it is unsuitable for such posting, in which case the explanation shall be communicated by other appropriate means.

**5.11 Conduct of Meeting.**

- (a) All Board meetings (except Executive Sessions) are open to all Association Members (although non-Board Members may not participate in deliberations or decisions unless expressly authorized to do so by a majority of a quorum of the Board).
- (b) Directors may participate in a meeting by telephone so long as all Directors participating can hear one another.

**5.12 Executive Sessions.**

- (a) With the approval of a majority of a quorum of its Members, the Board may adjourn a meeting and reconvene in executive session to discuss and vote on personnel matters, litigation involving the Association, and other business of a similar nature.
- (b) The nature of business to be considered in Executive Sessions must first be announced in open session.
- (c) Any matter discussed in Executive Session shall be generally noted in the minutes of the following Board meeting.
- (d) In any matter relating to the discipline of a Member, the Board shall meet in Executive Session, if requested by the Member in question, and said Member shall be entitled to attend the Executive Session.

**5.13 Nominations of Candidates for the Board.**

Procedures for nominations for election to the Board shall comply with Corporation Code Section 7520, Civil Code 1363.03 and the Election Policy of the Association as adopted from time to time.

**5.14 Committees.**

The Board may create committees to serve at the pleasure of the Board. Such committees shall be created only by resolution adopted by a majority of the Directors then in office, provided that a Quorum is present.

**5.15 Place of Meetings.**

The meetings shall be held at a place reasonably convenient to the Members, either on the Property or as close as possible to the Property.

**ARTICLE VI**

**VI Officers**

**6.01 Enumeration of Officers.**

(a) The Association will have the following Officers:

- (1) A President;
- (2) A Secretary; and
- (3) A Treasurer;
- (4) A Vice-president, if the Board has more than three members.

(b) Officers must be Directors/Owners.

**6.02 Election of Officers.**

At the initial meeting of the Board, Officers shall be elected to serve until the first regular annual organizational meeting of the Board.

**6.03 Removal and Resignation.**

(a) An Officer may be removed by the Board whenever the Board determines that such a removal is in the best interest of the Association.

(b) An Officer may resign at any time.

**6.04 Vacancies.**

An Officer vacancy may be filled to complete the remainder of a term, as prescribed in these Bylaws for regular election or appointment to office.

**6.05 President.**

The President is the principal executive officer of the Association, with the following duties and powers:

- (a) Generally supervise all of the Association's business and affairs;
- (b) Preside at all meetings of the members and of the Board; and
- (c) Perform all general duties incident to the office of President prescribed by the Board.

**6.06 Vice President.**

The Vice President, if any, will perform the following duties:

- (a) The duties of the President, if the President is absent, unable or unwilling to act; and
- (b) Other duties assigned by the President or the Board.

**6.07 Treasurer.**

The Treasurer is the chief financial officer of the Association, with the following duties and powers:

- (a) Ensure that adequate and correct accounts of Association properties and business transactions are kept and maintained, in a manner consistent with the manner in which such documents are usually kept;
- (b) Provide copies of all financial statements and reports to Association Members, as required;
- (c) Maintain custody and responsibility for all Association funds and securities;
- (d) Receive all monies payable to the Association and provide and maintain appropriate receipts;
- (e) Deposit all monies in the name of the Association in banks or depositories selected in accordance with these Bylaws; and
- (f) Perform all general duties incident to the office of Treasurer assigned by the President or the Board.

**6.08 Secretary.**

The Secretary will perform the following duties:

- (a) Ensure that the minutes of all Member, Board and Committee meetings are prepared and maintained for that purpose;
- (b) Ensure that all notices are given as required;
- (c) Maintain custody of the Association's records in a secure and organized manner; and
- (d) Perform all duties assigned by the President or by the Board.

**ARTICLE VII**

**VII Indemnification and Liability**

**7.01 Liability of the Board and Officers.**

Board Members and Association Officers are not liable if they perform their duties in conformance with Corporations Code Sections 7231 and 7231.5, and Civil Code Section 1365.7.

**7.02 Indemnification of Agents.**

The Association shall indemnify any present or former Director, Officer, Employee or other Agent of the Association to the fullest extent authorized under California Corporations Code Section 7237, or any successor statute, and may advance to any such person funds to pay expenses that may be incurred in defending any action or proceeding on receipt of an undertaking by or on behalf of such person to repay such amount unless it is ultimately determined that such person was entitled to indemnification under this provision.

**ARTICLE VIII**

**VIII Miscellaneous**

**8.01 Checks, Drafts, etc.**

All checks, drafts and other orders for payment, or evidence of indebtedness regarding the Association must be signed by at least two person(s) designated by the Board.

**8.02 Conflicts.**

- (a) In case of conflict between the Declaration and these Bylaws, the Declaration will control.
- (b) In case of conflict between these Bylaws and any applicable State of California law or statute, the law or statute will control.

**8.03 Notices.**

Unless otherwise specified, giving of all notices shall conform with the provision specified for notices in the Declaration.

**ARTICLE IX**

**IX Amendments**

- (a) The Association may amend these Bylaws as follows:
  - (1) Approval of a majority of the total voting power of the Association.
  - (b) Amendment of the Bylaws requires a signed, written instrument from a majority of the Association Members, or a signed, written instrument by two (2) Association Officers certifying that the relevant amendment has been approved by at least a majority of Association Members.
  - (c) The specified percentage of members necessary to amend a specific section or provision of these Bylaws shall not be less than the percentage of affirmative votes prescribed for action to be taken under that section or provision.

**DIRECTORS' SIGNATURE**

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- (c) The specified percentage of members necessary to amend a specific section or provision of these Bylaws shall not be less than the percentage of affirmative votes prescribed for action to be taken under that section or provision.

**DIRECTORS' SIGNATURE**

I, **THE UNDERSIGNED PRESIDENT**, certify that the foregoing Bylaws have been approved by a majority of the Members of the Association.

  
By: \_\_\_\_\_ DATE 10/11/07  
ASSOCIATION PRESIDENT

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I, **THE UNDERSIGNED SECRETARY**, certify that the foregoing Bylaws have been approved by a majority of the Members of the Association.

  
By: \_\_\_\_\_ DATE 10/11/07  
ASSOCIATION SECRETARY