

AMENDED AND RESTATED
BY-LAWS OF
SEAL BEACH MUTUAL NO. SEVENTEEN

If this document contains any restriction based on race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, familial status, marital status, disability, genetic information, national origin, source of income as defined in subdivision (p) of Section 12955, or ancestry, that restriction violates state and federal fair housing laws and is void, and may be removed pursuant to Section 12956.2 of the Government Code. Lawful restrictions under state and federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status.

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ARTICLE I
NAME AND LOCATION

Section 1. Name and Location. The name of the corporation is SEAL BEACH MUTUAL NO. SEVENTEEN, hereinafter referred to as the "Association." The principal office of the Association shall be located at the Project at 13531 St. Andrews Drive, in the City of Seal Beach, County of Orange, State of California.

ARTICLE II
DEFINITIONS

Section 1. Association. "Association" shall mean and refer to SEAL BEACH MUTUAL NO. SEVENTEEN, a California nonprofit corporation, in which all Owners shall have a membership interest as more particularly described in the Declaration of Restrictions recorded on the Project, provided that membership shall be limited to Owners.

Section 2. Project. "Project" shall mean and refer to that certain real property more particularly described as Lots 1-4 of Tract 10732 recorded in Book 476, Pages 47 to 50, inclusive, of Maps in the Office of the County Recorder for Orange County, together with all Improvements constructed thereon.

Section 3. Condominium. "Condominium" shall mean an estate in real property as defined in California Civil Code Sections 783 and 4125 consisting of a separate interest in the Condominium Unit, together with an undivided interest in the Common Area.

Section 4. Condominium Buildings. "Condominium Building" shall mean and refer to a separate building containing one or more Condominium Units.

Section 5. Condominium Unit. "Condominium Unit" shall mean and refer to the elements of a Condominium which are not owned in common with the Owners of other Condominiums in the Project, as more particularly described in the Declaration of Restrictions.

Section 6. Common Area. "Common Area" shall mean and refer to all of the real property described in Section 2 hereinabove and all Improvements constructed thereon excepting therefrom all of the Condominium Units as more particularly defined and described in Section 5 hereinabove and in the Declaration of Restrictions.

Section 7. Owner. "Owner" shall mean the record owner, or owners, if more than one, or the purchaser under a conditional sales contract, of a Condominium in the Project.

Section 8. Common Expenses. "Common Expenses" shall mean and refer to the actual and estimated costs to be paid by the Association for the following: (a) maintaining, managing, operating, repairing and replacing the Common Area; (b) managing and administering the Association, including, but not limited to, compensation paid by the Association to managers, accountants, attorneys and any Association employees; (c) providing utilities and other services to the Common Area; (d) providing insurance as provided for herein; (e) paying that portion of any assessment attributable to Common Expenses not paid by the Owner responsible for payment; (f) paying taxes for the Association; and (g) paying for all other goods and services

designated by, or in accordance with, other expenses incurred by the Association for the benefit of all Owners.

Section 9. Annual Assessment. "Annual Assessment" shall mean and refer to the charge against each Owner and his respective Condominium Unit representing a portion of the Common Expenses of the Association.

Section 10. Special Assessments. "Special Assessments" shall mean and refer to the charge against an Owner and his respective Condominium Unit representing a portion of the cost of reconstructing any damaged or destroyed portion or portions of the Common Area, of constructing or installing any capital improvements to the Common Area, or of taking any extraordinary action for the benefit of the Common Area pursuant to the provisions of the Declaration of Restrictions recorded on the Project.

Section 11. Improvements. "Improvements" shall mean and refer to all structures and appurtenances thereto of every kind, including, but not limited to, Condominium Buildings, open parking spaces, subterranean garage, guest parking spaces, walkways, driveways, fences, walls, retaining walls, patios, patio covers, poles, signs, trees and other landscaping, elevator shafts, elevators and related equipment, and security gates and related equipment.

Section 12. Declaration. "Declaration" shall mean and refer to the Declaration of Restrictions recorded or to be recorded on the Project in the Office of the County Recorder for the County of Orange, State of California.

Section 13. Member. "Member" shall mean and refer to every person or entity who holds membership in the Association, as more particularly set forth in Article III hereof, and shall be synonymous with the term "Owner" as defined hereinabove.

Section 14. City. "City" shall mean and refer to the City of Seal Beach.

Section 15. Act. "Act" shall mean the Davis-Stirling Common Interest Development Act (Civil Code Section 4000 et seq.), as the same may be amended, restated or renumbered from time to time.

ARTICLE III MEMBERSHIP AND VOTING RIGHTS

Section 1. Membership. Every person or entity who or which is an Owner as defined hereinabove shall be a Member of the Association. The foregoing is not intended to include persons or entities who hold an interest in any Condominium in the Project merely as security for the performance of an obligation.

Section 2. Voting Rights. The Association shall have one (1) class of voting membership, which shall consist of all Owners in the Project. Each Owner shall be entitled to one (1) vote for each Condominium owned. When more than one person holds an interest in any Condominium, all such persons shall be Members. The vote for such Condominium shall be exercised as they among themselves determine, but in no event shall more than one (1) vote be cast with respect to any Condominium nor shall any fractional vote be cast. In the event that the

joint Owners of a Condominium are unable to agree among themselves as to how their voting rights shall be cast, they shall forfeit same as to the matter in question. If any Owner or Owners cast the voting rights of a particular Condominium, it will thereafter be conclusively presumed for all purposes that such Owner(s) were acting with the authority and consent of all other Owners of the same Condominium. In the event more than one (1) person or entity casts the voting rights of a particular Condominium, said voting rights shall not be counted and shall be deemed void. Any provision in the Declaration, the Articles of Incorporation or these By-Laws calling for membership approval of action to be taken by the Association shall expressly require an affirmative vote of the stated percentage of Members required in that particular provision.

Section 3. Transfer. The Association membership held by any Owner of a Condominium shall not be transferred, pledged or alienated in any way except upon the duly recorded transfer of such Condominium and then only to the transferee of title to said Condominium. Any record transfer of title to a Condominium shall operate automatically to transfer the membership in the Association appurtenant thereto to the new Owner thereof. Any attempt to make a prohibited transfer is void and will not be reflected upon the books and records of the Association.

Section 4. Proxies Limited at Members' Meetings. In connection with any meeting at which any matter is required to be voted on by secret ballot in accordance with the Act, proxies shall be permitted for quorum purposes only, and any proxy filed at a secret ballot meeting shall be counted for quorum purposes only regardless of the instructions thereon. At all meetings of the Members other than meetings held in accordance with the secret ballot provisions of the Act each Member may vote in person or by proxy.

ARTICLE IV MEETINGS OF MEMBERS

Section 1. Annual Meetings of Members. Annual meetings of Members of the Association shall be held not less frequently than once each calendar year on the 4th Tuesday in June at 10:00 a.m. at a place to be determined by the Board. At such meetings, there shall be elected by secret ballot of the Members a Board of Directors in accordance with the requirements of Article VI of these By-Laws and the Act. The Members may also transact such other business of the Association as may properly come before them.

Section 2. Special Meetings. A special meeting of the Members of the Association shall be promptly called by the Board of Directors upon:

- (a) The vote for such meeting by a majority of a quorum of the Board of Directors; or
- (b) Receipt of a written request therefor signed by Members representing at least five percent (5%) of the total voting power of the Association.

No business shall be transacted at a special meeting except as stated in the notice unless by consent of a quorum of the Owners present, either in person or (if applicable) by proxy.

Section 3. Notice of Meetings. Written notice of each meeting of the Members shall be given by, or at the direction of, the Secretary or person authorized to call the meeting by mailing a copy of such notice by first class mail, postage prepaid. Not less than ten (10) days nor more than ninety (90) days' notice of any such meeting shall be provided to each Member required or permitted to take any action, addressed to the Member's address last appearing on the books of the Association or supplied by such Member to the Association for the purpose of notice, subject to the requirements of the Act which requires, under certain circumstances, that secret ballots be delivered not less than thirty (30) days prior to such meeting. Notwithstanding the foregoing, when a special meeting is requested by Members pursuant to Section 2, above, (i) an authorized officer of the Association shall within twenty (20) days after receipt of such request, send out a notice to the Members fixing a date for such a meeting which is not less than thirty-five (35) nor more than ninety (90) days after receipt of the request; and (ii) if Members are required to vote at such meeting by secret ballot in accordance with the procedures set forth in the Act, notice of such meeting shall be provided at least thirty (30) days before such meeting. Any such notice shall be deemed to have been given at the time when delivered personally or deposited in the mail or sent by other means of written communication. Such notice shall specify the place, day and hour of the meeting and, in the case of a special meeting, the nature of the business to be undertaken at the meeting.

Section 4. Quorum. The presence in person or by proxy of Owners holding at least fifty-one percent (51%) of the voting power of the Association shall constitute a quorum for the transaction of business at all meetings. In the absence of a quorum at a Members' meeting, a majority of those present in person or by proxy may adjourn the meeting to another time, but may not transact any other business. An adjournment for lack of a quorum shall be to a date not less than five (5) days and not more than thirty (30) days from the original meeting date. The quorum for such a meeting shall be at least twenty-five percent (25%) of the total voting power of the Association, present in person or by proxy. If a time and place for the adjourned meeting is not fixed by those in attendance at the original meeting or if for any reason a new date is fixed for the adjourned meeting after adjournment, notice of the time and place of the adjourned meeting shall be given to Members in the manner prescribed for regular meetings.

Section 5. Action Without Meeting. Subject to the Act with regard to secret ballot voting, any action, which under the provisions of the California Corporations Code may be taken at a meeting of the Members, may be taken without a meeting if done so by written ballot as provided for in the California Corporations Code. Such ballot shall set forth the proposed action, provide an opportunity to specify approval or disapproval of any proposal, and provide a reasonable time within which to return the ballot to the Association pursuant to Section 7513 of the California Corporations Code. All such written ballots shall be filed with the Secretary of the Association and maintained in the corporate records. Approval by written ballot pursuant to this Section shall be valid only when the number of votes cast by ballot within the time period specified equals or exceeds the quorum required to be present at a meeting authorizing the action, and the number of approvals equals or exceeds the number of votes that would be required to approve at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot. All solicitations of ballots shall indicate the number of responses needed to meet the quorum requirement and shall state the percentage of approvals necessary to pass the measure submitted. The solicitation shall specify the time by which the ballot must be received in order to be counted. If, by the time specified by the Board for return of the ballots

permitted by this Section, the Board has not received sufficient ballots to constitute a quorum, the Board may, in good faith and in the exercise of its discretion, extend the time fixed for the return of written ballots only if the Board so notifies the Members in the balloting solicitation materials originally sent to the Members and then the Board notifies the Members of such extension before the expiration of the deadline, and then for no more than two (2) successive periods of sixty (60) days each. A written ballot may not be revoked. Directors may not be elected by written ballot under this Section.

Section 6. Meetings of the Members. The meetings of the Members shall be held at the Project, or as close thereto within the City as may be designated by the Board of Directors.

Section 7. Parliamentary Procedure. Meetings of the membership of the Association shall be conducted in accordance with a recognized system of parliamentary procedure or any parliamentary procedures the Association may adopt.

ARTICLE V BOARD OF DIRECTORS: SELECTION, TERM OF OFFICE

Section 1. Number and Qualification of Directors. The affairs of the Association shall be managed by a Board of Directors consisting of five (5) persons who are Members in good standing with the Association. For purposes of these By-Laws, to be in good standing, a candidate for the Board or a Board member must not be more than thirty (30) days delinquent in the payment of any assessment levied by the Association and must not be in violation of the Association's governing documents as determined by a duly noticed hearing,

Section 2. Election and Term of Office.

(a) Election. At each annual meeting of the Association, the Members shall elect the Directors in accordance with the provisions set forth herein. As long as required by California law, the election of the directors by the Members shall be by secret ballot. The secret ballots for the election of directors shall be counted and tabulated by the inspector(s) of election in public at a properly noticed annual meeting of the Members. In the event that California law no longer requires voting for the election of directors by secret ballot, the voting for the election of directors shall occur in person or by proxy at the annual meeting of the Members. Members shall not be entitled to cumulate their votes for the election of directors. For each such election, each Member shall be entitled to as many votes as there are candidates to be elected or removed. A vote for a candidate shall be indicated by the symbol "X" or any other affirmative symbol for that candidate on the form provided. For a ballot to be valid, the Member may cast only one vote for a candidate. The candidates receiving the highest number of votes shall be deemed to have been elected. Write-in candidates and nominations from the floor of the meeting are prohibited.

(b) Term. The Directors of this Association shall serve for a term of two (2) years with three (3) Directors elected in even-numbered years and two (2) directors elected in odd-numbered years. Each director shall hold office until a successor is elected or until such director resigns or is removed pursuant to the provisions of these By-Laws.

Section 3. Removal.

(a) By Members. At any regular or special meeting duly called any one or more of the Directors may be removed with or without cause as provided herein, and a successor may then and there be elected to fill the vacancy so created. As long as required by California law, the removal of directors by the Members shall be by secret ballot. The secret ballots for the removal of directors shall be counted and tabulated by the inspector(s) of election in public at a properly noticed open meeting of the Members at which a quorum is present called to tabulate the vote on the removal. The entire Board or any individual director may be removed from office, with or without cause, by a majority of the Voting Power.

(b) By Board. If any Director fails to meet the qualifications for Board membership set forth in Section 1, above, the Board may, by action taken at a Board meeting, declare the office of said non-qualifying director to be vacant and thereby remove such director from office.

Section 4. Vacancies. Vacancies in the Board of Directors caused by any reason other than the removal of a Director by a vote of the Members of the Association shall be filled by vote of a majority of the remaining Directors, even though they may constitute less than a quorum. A vacancy created by removal of a director by the Members can be filled only by election of the Members by secret ballot for so long as California law requires the election of directors by secret ballot, or if California law no longer requires the election of directors by secret ballot, at a duly called meeting of the Members at which a quorum is present. Each Director so appointed by the Board or elected by the Members shall serve until a successor is elected at the next annual meeting of the Association

Section 5. Compensation. No Director shall receive compensation for any service he may render to the Association; provided, however, that a Director may be reimbursed for his actual expenses incurred in the performance of his duties.

ARTICLE VI
MEETINGS OF DIRECTORS

Section 1. Regular Meetings of the Board. Regular meetings of the Board of Directors shall be held monthly, and on such day and at such hour and place as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall subsequently be held at a suitable date, time and place to be determined by a majority of the Directors.

Section 2. Special Meetings of the Board. Special meetings of the Board, including meetings by telephone, for any purpose or purposes shall be called at any time by the President, or if the President is absent or unable or refuses to act, by any Vice-President or by any two (2) directors.

Section 3. Executive Session. The Board may meet in executive session to discuss and vote upon personnel matters, formation of contracts, litigation in which the Association is or may become involved, disciplinary matters or to meet with a Member, upon a Member's request, regarding the Member's payment of assessments. Any matter discussed in executive session

shall be generally noted in the minutes of the immediately following meeting of the Board of Directors that is open to the entire membership. The Board shall meet in executive session if requested by a Member who may be subject to a fine, penalty, or other form of discipline, and the Member affected shall be entitled to attend the portion of the executive session meeting which is for a hearing or discussion with such Member. The Board shall have the right to deliberate on such issue without the Member. The Board may hold an executive session emergency meeting if circumstances require, as authorized by Section 4, below. Members may not attend executive session meetings of the Board except as provided above, or if invited by the Board in its sole discretion.

Section 4. Emergency Meetings. An emergency meeting of the Board of Directors may be called by the President, or by any two (2) directors other than the President, if there are circumstances that could not have been reasonably foreseen that require immediate attention and possible action by the Board, and that of necessity make it impracticable to provide the notices required by Section 5, below of this Article. Notice to Members of an emergency meeting is not required. Electronic transmissions may be used as a method of conducting an emergency meeting if all members of the Board, individually or collectively, consent in writing to that action, and if the written consent or consents are filed with the minutes of the next regular or executive session meeting of the Board, as may be appropriate. Written consent to conduct an emergency meeting may be transmitted electronically.

Section 5. Notice of Meetings of the Board.

(a) Timing and Method of Delivery of Notice to Members.

(1) Regular and Special Board Meetings. Except for executive session Board meetings and emergency Board meetings as provided for in Sections 3 and 4, above, of this Article, respectively, notice of the time and place of all Board meetings shall be given to Members not less than four (4) days prior to the meeting

(2) Executive Session Board Meetings. Except for an emergency executive session Board meeting, Members shall be given notice of the time and place of a Board meeting that will be held solely in executive session at least two (2) days prior to the meeting.

(3) Method. Notice of a Board meeting shall be given to Members by general delivery or general notice in accordance with Section 4045 of the Act, and shall be sent by individual delivery to any Member who has requested notification by individual delivery.

(b) Timing and Method of Delivery to Board Members. Notice of Board meetings shall be given to each Board member not less than four (4) days prior to the meeting by first class mail, postage prepaid, or forty-eight (48) hours' notice delivered personally or by telephone (either directly to the director or to a person at the director's office who would reasonably be expected to communicate such notice promptly to the director), by facsimile, or electronic mail. The notice shall be given or sent to the director's address, or telephone number, facsimile number or electronic mail address as shown on the records of the Association. Notice

of any meeting need not be given to any director who has signed a waiver of notice or a written consent to holding of the meeting.

(c) Content of Notice of Board Meetings. The notice shall specify the date, time and place of the meeting and the nature of any special business to be considered and shall include an agenda.

Section 6. Location of Meetings of Directors: Use of Teleconference. The meetings of the Directors shall be held at the Project or as close thereto in the City as possible as may be designated by the Board of Directors. Board members may participate in a meeting through the use of a teleconference in which a majority of the members of the Board, in different locations, are connected by electronic means, through audio or video or both. Except for a meeting that will be held solely in executive session, the notice of the teleconference meeting shall identify at least one physical location so that Members of the Association may attend and at least one member of the Board of Directors or a person designated by the Board shall be present at that location. Participation by Board members in a teleconference meeting constitutes presence at that meeting as long as all Board members participating in the meeting are able to hear one another and Members of the Association speaking on matters before the Board. The portion of a teleconference meeting that is open to Members shall be audible to the Members at the location specified in the notice of the meeting. A teleconference meeting shall be conducted in a manner that protects the rights of Members of the Association.

Section 7. Quorum. A majority of the total number of Directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the Directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

Section 8. Board Action without a Meeting. The Board shall not take action on any item of business outside of a meeting except as provided in the Act. "Item of business" means any action within the authority of the Board, except those actions that the Board has validly delegated to any other person or persons, managing agent, officer of the Association, or committee of the Board comprising less than a majority of the directors.

Section 9. Member Attendance at Meetings and Executive Sessions. Regular and special meetings of the Board shall be open to all Members of the Association. The Board shall permit any Member of the Association to speak at any meeting of the Association or the Board, except for a meeting of the Board held in executive session. A reasonable time limit for all Members of the Association to speak to the Board or before a meeting of the Association shall be established by the Board. Only Board members shall be entitled to attend executive sessions, except as provided in Section 3, above, with respect to a Member discipline, upon a Member's request, regarding the payment of assessments, or if invited by the Board in its sole discretion.

ARTICLE VII
POWERS AND DUTIES OF THE BOARD OF DIRECTORS

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

- (a) Exercise all powers, duties and authority vested in the Board by the California Corporations Code and the Act, except as otherwise limited in the Declaration of Restrictions;
- (b) Exercise for the Association all powers, duties and authority vested in or delegated to the Association by the Declaration of Restrictions and not reserved to the Membership by other provisions of these By-Laws or the Declaration of Restrictions;
- (c) Adopt and publish rules and regulations governing the use of the Common Area and the personal conduct of the Members and their guests thereon, and to establish penalties for the infraction thereof;
- (d) Assess monetary penalties against a Member, and/or suspend said Member's voting rights and right to use the recreational facilities, if any, for the period during which any assessment against said Member's Condominium remains unpaid; provided, however, the due process requirements set forth in Section 7341 of the California Corporations Code shall be followed with respect to the accused Member before a decision to impose discipline is reached (to wit, the accused Member shall be given fifteen (15) days prior notice sent by first class or registered mail, and the notice shall specify the reasons for the proposed penalty or suspension and shall provide an opportunity for the Member to be heard, orally or in writing, not less than five (5) days before such penalty or suspension is imposed by the Board of Directors); and
- (e) Suspend a Member's voting rights and right to use the recreational facilities for a period not to exceed thirty (30) days for any infraction of the Association's published rules and regulations; provided, however, the due process requirements set forth in Section 7341 of the California Corporations Code shall be followed with respect to the accused Member before a decision to impose discipline is reached.

Section 2. Duties. It shall be the duty of the Board of Directors to:

- (a) Perform any, and all duties imposed on the members of the Board, individually or collectively, by law, by the Declaration of Restrictions, by the Articles of Incorporation, or by these By-Laws;
- (b) Appoint and remove, employ and discharge, and except as otherwise provided in these By-Laws, prescribe the duties and fix the compensation, if any, of all agents and employees of the Association;
- (c) Supervise all officers, agents and employees of the Association to assure that their duties are properly performed;
- (d) Meet at such times and places as required by these By-Laws;

(e) Cause to be kept a complete record of its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting of the Members or at any special meeting when such statement is requested in writing by one-fourth (1/4) of the Members who are entitled to vote;

(f) Determine and collect the amount of Annual Assessments and Special Assessments as more fully provided in the Declaration of Restrictions and the Act;

(g) Cause to be prepared and distributed to the Members the financial statements, annual budget reports and annual policy statements as required by the Act and/or the Corporations Code.

(h) Cause a review of the financial statement of the Association to be prepared in accordance with generally accepted accounting principles by a licensee of the California Board of Accountancy for any fiscal year in which the gross income to the Association exceeds Seventy-Five Thousand Dollars (\$75,000.00), unless the Declaration of Restrictions requires a more stringent review.

ARTICLE VIII OFFICERS AND THEIR DUTIES

Section 1. Enumeration and Qualifications of Officers. The officers of this Association shall be a President, Vice-President, Secretary and a Treasurer. Said officers shall consist only of Members in good standing of the Association. Any Member serving as a Director of the Association may also simultaneously serve as an officer thereof.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the Members.

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

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

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

Section 6. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 7. Multiple Offices. The offices of Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

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

(a) President: The President shall preside at all meetings of the Board and of the Members of the Association; shall see that orders and resolutions of the Board of Directors are carried out; shall co-sign all leases, mortgages, deeds and other written instruments, and shall co-sign all checks and promissory notes; provided, however, that the authority to co-sign all checks is assignable to a manager for the Project.

(b) Vice-President: The Vice-President shall act in the place and stead of the President in the event of the President's absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him/her by the Board.

(c) Secretary: The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board of Directors and of the Members or shall cause the same to be done; serve or cause to be served notice of meetings of the Board and of the Members; keep or cause to be kept appropriate current records showing the Members of the Association together with their addresses, and shall perform such other duties as required by the Board.

(d) Treasurer: The Treasurer shall receive and deposit or cause to be kept or deposited in appropriate bank accounts all monies of the Association and shall disburse or cause to be disbursed such funds as directed by resolution of the Board of Directors; shall co-sign all checks and promissory notes of the Association, provided, however, that the authority to co-sign all checks is assignable to a manager for the Project; keep or cause to be kept proper books of account; cause an annual audit of the Association books to be made by a certified public accountant at the completion of each fiscal year as provided for in the Declaration of Restrictions, and shall prepare or cause to be prepared an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to the Members.

Section 9. Compensation of Officers. No officer shall receive any compensation for services performed for the Association; provided, however, that an officer may be reimbursed for his/her actual expenses incurred in the performance of such officer's duties.

ARTICLE IX COMMITTEES

Section 1. Appointment. The Association shall appoint an Architectural Control Committee, as provided in the Declaration. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purposes.

ARTICLE XIII
MISCELLANEOUS

Section 1. Fiscal Year. The fiscal year of the Association shall begin on the first (1st) day of January and end on the thirty-first (31st) day of December of every year.

Section 2. Execution. Except as otherwise provided by law, checks and promissory notes, drafts, orders for the payment of money and other evidences of indebtedness of the corporation shall be signed by any two (2) Directors. Any contract, lease or other instrument executed in the name of and on behalf of the corporation shall be signed by any two (2) Directors.

Section 3. Indemnification. 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 of those persons funds to pay expenses that may be incurred in defending any action or proceeding on receipt of an undertaking by or on behalf of that person to repay those funds unless it is ultimately determined that the person was not entitled to indemnification under this provision.

Executed this 22 day of July, 2019.

SEAL BEACH MUTUAL NO. SEVENTEEN

By: Catherine Glassman
President

I, the undersigned and duly elected and acting Secretary of Seal Beach Mutual No. Seventeen, a California non-profit mutual benefit corporation, do hereby certify:

That the within By-Laws were adopted on the 22 day of July, 2019, and that the same replaces any previous By-Laws of the Association and now constitutes the entire set of By-Laws of the said Association.

IN WITNESS WHEREOF, I have subscribed my name this 22 day of July, 2019.

By: Norma L. Poe
Secretary

ARTICLE X
INSPECTION OF BOOKS AND RECORDS

Section 1. Inspection of Association's Books and Records.

(a) By Members. Members shall have the right to inspect the Association's membership register, books and records, and minutes of meetings of the Owners, of the Board and of committees of the Board as may be permitted by California law, including, but not limited to the Act. Board minutes, proposed minutes, or a draft or summary thereof (other than those from an executive session), shall be available to Members within thirty (30) days of the meeting, and shall be distributed to any Member upon request and upon reimbursement of the costs in making that distribution. Notwithstanding anything to the contrary, a Member's right of inspection shall not include the right to inspect minutes of executive session Board meetings or any documentation protected by the attorney-client privilege.

(b) By Directors. Every director shall have the absolute right at any reasonable time to inspect, including the right to make extracts and copies of, all books, records and documents of the Association and the physical properties owned or controlled by the Association, provided, however, that the Board may limit the right of any director to review ballots and proxies pertaining to an election in which the director was a candidate or Association records wherein the director is or was a party to an action adverse to the Association.

Section 2. Rules. The Board shall establish reasonable rules with respect to: (a) Notice to be given to the custodian of records by the Member desiring to make the inspection; (b) Hours and days of the week when such an inspection may be made; and (c) Payment of the cost of reproducing copies of documents requested by a Member Owner in accordance with applicable California law.

ARTICLE XI
AMENDMENTS

Section 1. Amendments. These By-Laws may be amended only by the vote or written assent of fifty-one percent (51%) of the voting power of Members.

Section 2. Conflicts. In the case of any conflict between the Articles of Incorporation and these By-Laws, the Articles shall control, and in the case of any conflict between the Declaration of Restrictions and these By-Laws, the Declaration shall control.

ARTICLE XII
CORPORATE SEAL

Section 1. Seal. The Association shall have a seal in circular form having within its circumference the words: SEAL BEACH MUTUAL NO. SEVENTEEN.