

**RESTATED BYLAWS
OF
FIESTA GARDENS HOMES ASSOCIATION, INC.**

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**RESTATED BYLAWS
OF
FIESTA GARDENS HOMES ASSOCIATION, INC.**

These Restated Bylaws of FIESTA GARDENS HOMES ASSOCIATION, INC. supersede any and all previous Bylaws and Amendments. These Restated Bylaws are a companion document to the Restated CC&R's and defined terms in these Restated Bylaws have the same meaning as in the Restated CC&R's.

**ARTICLE I
ASSOCIATION GENERALLY**

1.1 Name and Location. The name of the corporation is FIESTA GARDENS HOMES ASSOCIATION, INC., commonly referred to as "FIESTA GARDENS", hereinafter referred to as the "Association". The principal office of the Association shall be located in the City of San Mateo, County of San Mateo, California, or at such other place as may be designated by the Board.

1.2 Purpose. The purposes of the Association are:

- A. to control, own, repair, maintain, protect and/or enhance the Common Area and common facilities;
- B. to enforce the Governing Documents of the Association;
- C. to enhance and promote the use and enjoyment of the Association common facilities by the Members;
- D. to maintain the aesthetic and architectural standards of the Common Area of the Association; and
- E. to enhance and protect property values and the quality of the life of the Members.

1.3 Definitions. The definitions contained in the Restated CC&R's are incorporated by reference herein.

1.4 Property Subject to Governing Documents. The property subject to the Governing Documents of FIESTA GARDENS is legally described as follows:

A. Resubdivision of Lot 1, Block 3, Blocks 6, 7, 8, 9, 10 and 11, San Mateo Village Unit No. 6, San Mateo, California, filed in the Office of the County Recorder of the County of San Mateo, California, February 26, 1953, in book 36 of Maps at pages 21 and 22;

B. San Mateo Village Unit No. 6a, San Mateo, California, filed in the Office of the County Recorder of the County of San

Mateo, California on the 21st day of October 1953, in book 37 of Maps at pages 39 and 40;

C. San Mateo, Village Unit No. 6b, San Mateo, California, filed in the Office of the County Recorder of the County of San Mateo, California, on the 15th day of June, 1954, in book 39 of Maps at page 8;

D. Fiesta Gardens Unit No. 1, San Mateo, California, filed in the Office of the County Recorder of the County of San Mateo, California, on the 15th day of June, 1954 in book 39 of Maps at pages 9 and 10;

E. Fiesta Gardens Unit No.2, San Mateo, California, filed in the Office of the County Recorder of the County of San Mateo, California on the 18th day of May, 1955, in Book 42 of Maps at page 20.

Together with any and all other real property which may hereafter through the operation of conditions, covenants, restrictions, easements, reservations, or charges pertaining to the same, be placed under their jurisdiction of this corporation.

1.5 Restated CC&R's. "Restated CC&R's" or "Declaration" shall mean and refer to the Restated Declaration of Covenants, Conditions and Restrictions of FIESTA GARDENS HOMES ASSOCIATION, INC., applicable to the Property recorded on July 17, 2017, as Document No. 2017-061666, in the Official Records of the County of San Mateo, and subsequent amendments thereto.

ARTICLE II
NOTICE

2.1 Notice to Association.

A. If a document is to be delivered to the Association, it shall be delivered to the person designated in the annual policy statement, or if no person has been designated, then the documents shall be delivered to the President or Secretary of the Association.

B. A document may be delivered by any of the following:

- 1) By e-mail, facsimile or other electronic means if the Association has assented to that method of delivery;
- 2) By personal delivery, if the Association has assented to that method of delivery; or
- 3) By first-class mail, postage prepaid, registered or certified mail, express mail, or overnight delivery by an express mail center.

2.2 Individual Notice. A document may be delivered by any of the following:

A. First-class mail, postage prepaid, registered or certified mail, express mail, or overnight delivery by an express service courier. The document shall be addressed to the recipient at the address last shown on the books of the Association.

B. By e-mail, facsimile, or other electronic means, if the recipient has consented in writing to that method of delivery.

C. If a Member has requested delivery of notices to a secondary address, for financial and reserve documents and annual policy statements, the Association shall deliver an additional copy of those notices to the secondary address.

2.3 General Notice. A document may be delivered by one or more of the following methods:

A. First-class mail, postage prepaid, registered or certified mail, express mail, or overnight delivery by an express service courier. The document shall be addressed to the recipient at the address last shown on the books of the Association.

B. By e-mail, facsimile, or other electronic means, if the recipient has consented in writing to that method of delivery.

C. Inclusion in a billing statement, newsletter, or other document that is delivered by one of the methods provided above in 2.1 and 2.2.

D. Posting the printed document in a prominent location that is accessible to all Members, if the location has been designated for the posting of general notices by the Association in the annual policy statement.

E. By television programming.

2.4 TIME AND PROOF OF DELIVERY.

A. If a document is delivered by mail, delivery is deemed to be complete on deposit into the United States mail.

B. If a document is delivered by electronic means, delivery is complete at the time of transmission.

**ARTICLE III
MEMBERSHIP**

3.1 Membership. Every Owner of a Lot within FIESTA GARDENS HOMES ASSOCIATION, INC. is a Member of the Association. To be a Member of the Association there must be a recorded deed showing ownership and title. Upon the sale, conveyance or transfer of a Member's interest, the Member's membership shall automatically transfer to the new Member(s).

3.2 Wrist Bands. After establishing record ownership, wrist bands shall be issued to residents of a lot up to the maximum number of wristbands equal to the number of people residing in the residence per lot. Wrist bands shall be used by members and residents to obtain admittance to the swimming pool. Guests of members shall be admitted upon presentation of a guest pass purchased from FIESTA GARDENS, if they are accompanied by a member who has been issued a wrist band. In order to receive a wristband, the Member must be in good standing as per Section 1.13 of the CC&R's.

ARTICLE IV
MEMBERSHIP VOTING

4.1 Member Voting Rights. Each Member who owns a Lot shall be entitled to one (1) vote, except for the apartments and duplexes, where the owner gets to vote according to the number of units on the Lot (by way of example, duplexes get 2 votes). When more than one person owns an interest in a Lot, a vote cast by a single Member shall be deemed the authorized vote for that Lot. If conflicting votes are cast, no vote shall be counted, except a single vote shall be counted for purposes of a quorum. Only Members in good standing (not delinquent in assessments and not in violation of the Governing Documents) shall be entitled to vote.

4.2 Voting Procedures. Voting procedures of the Association shall be established according to current law. If no policy is adopted by the Board of Directors, the provisions of the current Civil Code shall apply. Voting by Members shall be by ballot, which may be cast by mail or cast at a Member meeting. Ballots may be returned by mail or by personal delivery, or such other method as established by the Board.

4.3 Counting of Ballots. The counting of ballots will be conducted by one or three Inspector(s) of Election, who shall be appointed at a Board meeting or at a general membership meeting.

4.4 Inspectors of Election. The Board shall appoint one or three individuals to be Inspector(s) of Election. The Inspector(s) of Election shall be independent (not a Board member, candidate, or Co-Owner with either a Board member or candidate). An Inspector of Election may be a Member of the Association, if he or she is not one of the three above exceptions. The property manager may also be an Inspector of Elections. The Inspector of Elections' job is to ensure that the election and meeting policy is complied with and that the election and voting processes are fair. The decisions of the Inspector(s) of Election are final.

ARTICLE V
MEMBER MEETINGS

5.1 Annual Meeting. The annual meeting of the Members of the

Association shall be held at a date, time and place to be set by the Board in March of each year.

5.2 Special Meetings. Special meetings of the Members may be called at any time by the President or two Directors, or upon receipt of a written request signed by Members representing no less than five percent (5%) of the total voting power of the Association. Only those matters specifically described in the special meeting notice may be addressed at the special meeting.

5.3 Regular Meetings. Regular meetings of the Board of Directors shall be held monthly at a time and place as determined by the Board.

5.4 Time of Notice. Notice shall be given not less than ten (10) nor more than ninety (90) days before the date of the meeting. A meeting pursuant to petition of the Members shall be set at least thirty-five (35) but not more than ninety (90) days after receipt by the Board.

5.5 Contents of Notice. Notice of a meeting shall specify the place, day and hour of the meeting. It shall also specify those matters which, at the time the notice is given, are to be presented for action by the members. Notice of a special meeting must state the purpose of the special meeting and no other business can be conducted other than the purpose stated in the notice.

5.6 Delivery of Notice. General notice of each meeting shall be delivered to either 1) the address of the Lot, or 2) the address supplied by such member to the Association. If the Member has agreed to another method of delivery (i.e. by e-mail or other electronic means), the Member shall be responsible for maintaining a current e-mail address with the Association. If an electronic message is undeliverable, the Association shall have no obligation to investigate.

5.7 Parliamentary Procedure. The Board shall adopt Robert's Rules of Order as a system of parliamentary procedure.

5.8 Member Speaking at a Meeting. Any Member may speak at any meeting of the membership. A reasonable time limit on all Members to speak at a meeting of the Association shall be established by the Board.

5.9 Nomination and Election of Directors.

A. Election of Directors:

1) Nominations. Nomination for election to the Board of Directors shall be made by a Nominating Committee. A Nominating Committee may be appointed by the Board, consisting of 1-3 Members, at least sixty (60) days prior to the annual meeting, to serve until the close of such annual meeting. Nomination of candidates may be submitted to the Nominating

Committee at least forty-five (45) days prior to the election. The Nominating Committee may screen potential candidates and submit a list of nominations to the Board. The Board will approve the nominations that will appear on the ballot.

2) No Cumulative Voting. There shall be no cumulative voting.

3) Election. The election of the Board shall take place at the annual meeting. The persons receiving the largest number of votes shall be elected.

4) Acclamation. If, at the close of nominations, the number of qualified nominees is equal to or less than the number of Directors to be elected, the Board may extend the nomination period to encourage greater participation. Alternatively, the Board may declare that all of the qualified nominees are elected without further action. If this occurs, the Board shall send a notice to the Members that the candidates have been elected by "acclamation".

5.10 Quorums. A quorum is defined as twenty-five percent (25%) of the total voting power of the Association (excluding the number of votes to which voting rights are suspended at the time of a meeting).

A. Different Quorums Needed.

1) For an increase in Assessments, a quorum is defined by statute as more than fifty percent (50%) of the voting power.

2) If Members want to reverse the Board approval of a rule or policy, the approval of a majority of the voting power is required.

3) If Members are asked to approve the rollover of any excess operating funds into the budget for the following year (IRS Revenue Ruling 70-604), approval shall be by a majority of a quorum, with a quorum defined for this purpose as the number of ballots received.

4) If Members are asked to approve the minutes from a prior meeting, approval shall be by a majority of a quorum, with a quorum defined for this purpose as the number of ballots received.

5) For purpose of electing Directors, a quorum equals twenty-five percent (25%).

6) For removal of a Director or all Directors, a quorum equals the number of ballots received.

5.11 Proxies. Direct mail-in balloting eliminates the need for proxies; however, the Association may make proxy forms available.

5.12 Action Without Meeting. Any action required or permitted to be taken, except the election of Directors, may be submitted for vote by written ballot without calling a meeting of Members. Any ballots shall be distributed to Members at least thirty (30) days before the final date the written ballots must be received by the Association. The time fixed to return the ballots may be extended by the Association only if so stated on the ballot or cover letter accompanying the ballot.

5.13 Member's Address. It shall be the duty of each Member to keep the Association advised of his or her correct address and contact information.

5.14 Special Election of Directors. In the event that all of the Directors shall resign, be recalled or otherwise vacate or terminate their positions as Directors so that there would be no Board or in the event that a majority of Directors shall resign, be recalled or otherwise vacate or terminate their positions as Directors so that the remaining number of Directors would be insufficient to constitute a quorum:

A. The President shall, by written notice mailed or delivered to all Members, convene a special meeting of the Members for the purpose of nominating candidates to fill the vacant positions on the Board and to set a Record Date for an election of Directors following the meeting of the Members. Such notice will comply with all necessary provisions regarding notice to the Members of special meetings.

B. Should the President be one of the Directors whose office is vacated, the President shall carry out the provisions of this section as his or her final duty as President.

C. In the event that the President shall refuse or be unable to call such a special meeting of the Members, the duty of calling such a meeting shall devolve on the following in this sequence: the Vice President; then the Board Members.

D. If all of the above shall refuse or otherwise fail to call such a special meeting of the Members, any group of Members may carry out the above notice requirements.

ARTICLE VI BOARD OF DIRECTORS

6.1 General Powers. The Board of Directors shall have the power and authority to conduct the business of the Association, except as limited by the Governing Documents or law.

6.2 Number. The affairs of the Association shall be managed by a Board of seven (7) Directors, all of whom shall be Members of the Association. Only one Member is allowed to be on the Board per Lot. No members of the same family shall serve on the Board at the same time.

6.3 Term. The term for all Directors shall be two (2) years. Each Director, including a Director who fills a vacancy, shall hold office until the later of the expiration of the term for which elected or appointed or until a successor has been elected (or appointed). There shall be no term limits.

6.4 Compensation. No Director shall receive compensation for any service rendered to the Association. If approved by the Board, a Director may be reimbursed for actual expenses or costs incurred in the performance of his/her duties as a Director.

6.5 Vacancies.

A. Resignation. Any Director may resign by giving written notice. Such notice shall be effective on presentation to the President or Secretary or Property Manager, unless the notice specifies a later time.

B. Death. Death creates a vacancy.

C. Removal.

1) By Board. The Board shall have the power, authority and discretion to remove a Director if he/she:

- a. has been convicted or pled guilty to a felony;
- b. has been declared of unsound mind by an Order of the Court;
- c. fails to attend three (3) consecutive regular meetings or four (4) meetings within any twelve (12) month period of the Board that have been duly noticed without an excuse approved by the Board;
- d. violates any clause of the Governing Documents;
- e. is more than forty five (45) days delinquent in the payment of any assessment;
- f. maintains any proceeding, such as alternative dispute resolution or litigation or hearing against the Association or any other Directors;
- g. exceeds his/her authority as a Board member, after notice and a hearing.
- h. allows any transaction or contract to be put to a vote by the Board or membership without disclosing that he or she will receive a financial benefit from the transaction or contract.

2) By Members. Any or all Directors may be removed by the approval of a majority of Members.

D. Filling Vacancies. The Board has the power to fill vacancies, except those vacancies created through the removal of a Director by Members.

1) By Board. The Board can fill a vacancy by a majority vote of the remaining Directors or by the sole remaining Director. The Board may permit the Members to fill a vacancy.

2) By Members. If removed by the Members, the vacancy shall be filled by election by the Members.

E. Term. The successor Director shall serve for the unexpired term of his/her predecessor.

ARTICLE VII MEETINGS OF DIRECTORS

7.1 Meeting Defined. "Meeting" means:

A. A congregation, at the same and place, of a sufficient number of Directors to establish a quorum of the Board, to hear, discuss, or deliberate upon any item of business that is within the authority of the Board; or

B. A teleconference, where a sufficient number of Directors to establish a quorum of the Board, in different locations, are connected by electronic means, through audio or video, or both. A teleconference meeting shall be conducted in a manner that protects the rights of Members and otherwise complies with the requirements of the Davis-Stirling Act. 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 may attend, and at least one Director or a person designated by the Board shall be present at that location. Participation by Directors in a teleconference meeting constitutes presence at that meeting as long as all Directors participating are able to hear one another, as well as Members speaking on matters before the Board.

7.2 Regular Meetings. Regular meetings of the Board shall be held monthly or as often as deemed necessary by the Board, at a place within the property.

7.3 Special Meetings. Special meetings of the Board shall be held when called by the President or by any two (2) Directors.

7.4 Informational Meetings. The Board may hold informational meetings to inform Members of items of interest to Members. No action can be taken.

7.5 Agenda.

A. The Board may not discuss or take action on any item at a non-emergency meeting unless the item was placed on the agenda and included in the notice of the meeting.

B. Notwithstanding the above, the Board may take action on any item of business not appearing on the agenda, under the following conditions:

1) upon a determination made by a majority of the Board present at the meeting that an emergency situation exists.

2) upon a determination made by the Board by a vote of two-thirds of the Directors present at the meeting, or, if less than two-thirds of the total membership of the Board is present at the meeting, by a unanimous vote of the Directors present, that there is a need to take immediate action and that the need for action came to the attention of the Board after the agenda was distributed.

3) the item appeared on the agenda for a prior meeting of the Board that occurred not more than thirty (30) days before and action on the item was continued to the meeting at which action is taken.

7.6 Notice.

A. To Member. The time and place of meetings of the Board (except emergency meetings and executive sessions) shall be given to Members at least four (4) days prior to the meeting. The notice shall contain the agenda for the meeting. Such notice shall be general notice.

B. To Board. Notice to a Director shall be given at least four (4) days prior to the meeting and may be delivered by mail, personally, by telephone, fax, electronic transmission or by other similar means.

7.7 Emergency Meetings. Emergency meetings can be held without written notice, if there is a situation or circumstance that could not have been foreseen which requires immediate attention and possible action by the Board. Emergency meetings may be conducted by telephone or electronically, provided all participating Board Members can communicate and hear each other.

7.8 Action Without a Meeting. Any action required or permitted to be taken can be taken in the absence of a meeting provided written consent is obtained from all Directors. Any action so approved shall have the same effect as though taken at a meeting of the Board.

7.9 Quorum. A majority of the Directors then in office shall constitute a quorum for the transaction of business. Every act performed or decision 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. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of Directors, if any action taken is approved by a majority of the required quorum for that meeting. A Board member shall not vote, if he/she is not in good standing.

7.10 Conflict of Interest.

A. For purposes of a quorum at a meeting of the Board or a committee, interested Directors may be counted in determining the presence of a quorum.

B. A Director must disclose the material facts as to a transaction: Once the material facts are disclosed, this interested Director shall not vote on the following matters:

- 1) discipline of the Director or committee member;
- 2) an assessment against the Director or committee member for damage to the Common Area or facilities;
- 3) a request, by the Director or committee member, for a payment plan for delinquent assessments;
- 4) a decision whether to foreclose on a lien on the separate interest of the Director or committee member;
- 5) review of a proposed physical change to the separate interest of the Director or committee member;
- 6) a grant to exclusive use common area to the Director or committee member.

7.11 Open Meetings. All meetings of the Board shall be open to all Members, but Members other than Directors may not participate in any discussion or deliberation unless expressly so authorized by a majority of a quorum of the Board. No recording or videotaping of meeting may take place without the written consent of the Board.

7.12 Executive Session. The Board may, with approval of a majority of a quorum, adjourn a meeting and reconvene in executive session to discuss and vote upon personnel matters, litigation in which the Association is or may become involved, and orders of business of a similar nature. If an executive session is held at a different time or place from the regularly scheduled Board meeting, notice must be given at least two (2) days in advance. The nature of any and all business to be considered in executive session shall first be announced in open session.

7.13 Telephone Meetings. Any meeting may be held by conference telephone or similar communication equipment, so long as all Directors participating in the meeting can hear one another, and all such Directors shall be deemed to be present in person at such meeting. Telephone meetings shall comply with current law. The notice of the teleconference meeting shall identify at least one physical location where Members may attend and one Board Member must be present there. An explanation of the action taken shall be posted at a prominent place within the Common Area within three (3) days after the meeting.

7.14 Waiver of Notice. The transaction of any meeting of the Board of Directors, however, called and noticed or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice, if (a) a quorum is present, and (b) either before or after the meeting, each of the Directors not present sign a written waiver of notice, a consent to holding the meeting, or an approval of the minutes. The waiver of notice or consent need not specify the purpose of the meeting. Notice of a meeting shall also be deemed given to any Director who attends the meeting without protesting before or at its commencement about the lack of adequate notice.

7.15 No Board Action Outside of a Meeting. The Board of Directors shall not conduct a meeting via a series of electronic transmissions, including e-mail, unless an emergency meeting has been called and all members of the Board consent in writing to such action.

7.16 Participation by Members. All scheduled Board meetings may be attended by Members only. Members cannot attend executive sessions unless invited. The purpose of a Board meeting is for the Board to conduct the business of the Association; therefore a reasonable time limit for Members to speak may be set. All members shall conduct themselves courteously and with respect for the Board and other members.

ARTICLE VIII OFFICERS

8.1 Officers. The officers of this Association shall be a President, Vice President, Secretary and a Chief Financial Officer/Treasurer, and such other officers as the Board may from time to time by resolution create. All officers shall be Members of the Board, except the Secretary and Chief Financial Officer/Treasurer may be paid positions and do not need to be Members.

8.2 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. The nominee receiving the highest number of votes shall be elected to that office.

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

8.4 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.

8.5 Resignation and Removal. Any officer may be removed from office (but not from the Board) either with or without cause by the Board. Any officer may resign at any time by giving written notice to the Board, the President or the Secretary. Such resignation shall take effect at the date of 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 grounds for removal of a Director.

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

8.7 Multiple Offices. One person may hold two or more offices, except the Secretary and Treasurer shall be different from the President.

8.8 Duties. The duties of the officers are as follows:

A. President. The President shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out. The President shall have the general powers and duties of management usually vested in the office of the President of a California nonprofit mutual benefit corporation, shall have such powers and duties as may be prescribed by the Board or by these Bylaws.

B. Vice President. The Vice President shall act in the place of the President in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required by the Board.

C. Secretary. The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; keep 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. Chief Financial Officer/Treasurer. The Chief Financial Officer/Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by the Board of Directors; shall sign all promissory notes of the Association; shall keep or have kept proper books of account; shall prepare and shall distribute budgets and financial statements to each Member as required by current law and practice of the Association.

E. Delegation. The foregoing duties may be delegated to a Manager or other outside source.

ARTICLE IX
COMMITTEES

9.1 Generally. The Board shall appoint committees as deemed appropriate in carrying out its purpose. Committees shall make recommendations to the Board. No committee may:

- A. take any final action on any matter that requires the approval of the Board and/or Members;
- B. fill vacancies on the Board or any committee;
- C. amend or repeal Bylaws or adopt new Bylaws;
- D. amend or repeal any resolution of the Board;
- E. appoint committees of the Board or Members; or
- F. make Board decisions (unless the committee is composed wholly of Directors).

ARTICLE X
DUTIES AND POWERS OF THE BOARD

10.1 Generally. The Board shall have the duty and power to:

- A. Exercise all powers vested in the Board under the Governing Documents and under the laws of the State of California;
- B. Hire, remove and/or reassign the manager of the Association, if any, and Association employees; prescribe any powers and duties for such persons that are consistent with law and the Governing Documents and fix their compensation;
- C. Hire agents, consultants, experts and such other employees as it deems appropriate to assist in the operation of the Association, and to determine their duties and fix their compensation;
- D. Enforce applicable provisions of the Governing Documents relating to the control, management, and use of the property within the Association and the Common Area and parking areas;
- E. Contract for and pay premiums for fire, casualty, liability, Director and officer error and omissions, earthquake and other insurance and bonds (including indemnity bonds) that may be required from time to time by the Association;
- F. Contract and pay for maintenance, landscaping, utilities, materials, supplies, labor, and services that may be required from time to time in relation to the Common Area and other portions or components of the property which the Association is obligated to maintain, repair or replace;

G. Pay all taxes, special assessments and other assessments, and charges that are or would become a lien on any portion of the Common Area;

H. Contract and pay for construction or reconstruction of any portion or portions of the property that have been damaged or destroyed and that are to be rebuilt by the Association;

I. Delegate its duties and powers to the officers of the Association or to committees established by the Board, subject to the limitations expressed in Committees;

J. Levy and collect Assessments from the Members;

K. Perform all acts required of the Board under the Governing Documents;

L. Prepare budgets and maintain a full set of books and records showing the financial condition of the Association in a manner consistent with the Davis-Stirling Act and generally accepted accounting principles, and prepare an annual financial report for the Members;

M. Appoint one or three Inspectors of Election pursuant to the Association's Election Procedures Policy;

N. Appoint, at its discretion, a nominating committee for the nomination of persons to be elected to the Board and prescribe rules under which said nominating committee is to act;

O. Appoint such other committees as it deems appropriate from time to time in connection with the business of the Association;

P. Fill vacancies on the Board or in any committee, except a vacancy created by the removal of a Director by the Members;

Q. Open bank accounts on behalf of the Association and designate the signatories to such bank accounts (two signatures are required for both operating and reserve accounts);

R. Bring and defend actions in the best interests of the Members and/or the Association;

S. Adopt parliamentary procedures for conducting meetings;

T. Negotiate, settle and/or otherwise dispose of disputes and litigation;

U. Delegate limited or shared control of an operating account to the management company so long as the Board is satisfied that sufficient safeguards are in place;

V. In the event of a natural disaster, the Association may, in conjunction with its Assessment powers as provided in the Governing Documents, seek governmental assistance;

W. Borrow money, including granting a security interest in the Association's personal property, including Reserve and Operating funds and Assessment stream, (without encumbering any Association Common Area); and

X. Adopt, revise and update rules and policies regarding voting, Member access to records, Assessment collection and any other matter as may be required by law or otherwise related to the operation of the Association.

10.2 Board Discretion. The Association acts by and through the Board of Directors unless the decisions on a particular subject have been assigned to the Members by the Governing Documents or by statute. The Board may conduct "straw votes" to determine Member preferences or support. In other instances, the Board may structure a decision as a funding question to be voted on by Members.

10.3 Association Finances. In addition to the terms of the Governing Documents, the Association is governed by the Davis-Stirling Act, including provisions related to financial documents, operating and reserve accounts and regular and special Assessments. Because the legislature periodically amends and may restate the Davis-Stirling Act, the Board shall conform the Association's practices to current law without a vote of Members.

10.4 Limitations on Power of Board. In addition to approval of the Board, certain actions must also have the affirmative vote of a majority of a quorum of Members, which include:

A. Pledge, deed in trust or otherwise encumber any or all of the Association's property as security for money borrowed or debts incurred;

B. Dedicate, sell or transfer any part of the Common Area to any public agency, authority, or utility;

C. Enter into a contract with a third party for the furnishing of goods or services to the Common Area or the Association for a term longer than one (1) year. This restriction shall not apply to:

1) public utility contracts in which the rates charged for materials or services are regulated by the Public Utilities Commission, provided that the term of the contract may not exceed the shortest term for which the supplier will contract at the regulated rate;

2) prepaid casualty or liability insurance policies not to exceed three years' duration, provided that the policies provide for short-rate cancellation by the insured;

3) agreements for communications services and equipment (such as television, cable or satellite dish) not to exceed five (5) years in duration;

4) agreements for purchase or lease of security alarm, fire sprinklers, fire alarm, solar and/or office equipment, installation and services not to exceed five (5) years in duration;

5) management contracts which may be terminated without cause on sixty (60) days or less notice; or

6) agreements that may be terminated without cause upon thirty (30) days' notice.

10.5 Inspection of Books and Records.

A. Member Access to Records. Members may review many of the Association's records by submitting a written request which must include the reason for reviewing the records. The Board may adopt and require the use of a written request form. The Member is responsible for all costs incurred related to the request and production; a deposit may be required in advance.

B. Adoption of Reasonable Inspection Rules. The Board may establish reasonable rules which may include provisions regarding notice of inspection, hours and days of the week when inspection may be made, location of the documents to be inspected, and the payment of the costs incurred including reproducing and/or redacting copies of documents requested by the Member.

C. Documents Available for Inspection. The following Association records shall be available for inspection and copying by any Member, or his or her duly appointed representative, during reasonable business hours:

1) any financial document required to be provided to a Member in compliance with current law;

2) any financial document or statement required to be provided in compliance with current law;

3) interim unaudited financial statements, periodic or as compiled containing any of the following: balance sheet, income and expense statement, budget comparison, general ledger; executed contracts not otherwise privileged under law; written Board approval of vendor or contractor proposals or invoices; state and federal tax returns; reserve account balances and records of payments made from reserve accounts;

4) agendas and minutes of meetings of the Members, the Board and any committees appointed by the Board, excluding, however, agendas, minutes, and other information from executive sessions of the Board as described in Civil Code § 4950(a);

5) check registers; and

6) enhanced Association records (meaning invoices, receipts and canceled checks for payments made by the Association, purchase orders approved by the Association, statements for services rendered, and reimbursement requests submitted to the Association, provided that the person submitting the reimbursement request shall be solely responsible for removing all personal identification information from the request).

D. Membership Lists. Membership lists, including name, property address, and mailing address shall also be made available for inspection by any Member, or his or her duly appointed representative. Members may request that their information not be shared.

E. Timing of Association Response. Access to or copies of corporation records shall be provided in accordance with the time frames designated by the Davis-Stirling Act or current law.

F. Director Inspection Rights. Every Director shall have a right at any reasonable time to inspect all books, records, documents, and minutes 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 copies of documents. The Board may adopt reasonable restrictions on review of ballots and proxies in order to preserve Member expectations of confidentiality.

10.6 Rules. The Board shall have the power, pursuant to the provisions in the Davis-Stirling Act, to adopt and establish rules and policies consistent with the Governing Documents which govern the use of the Project and the conduct of the Members and their guests, tenants or others on the premises.

10.7 Manager. The Board may employ the services of a manager to conduct the business of the Association. The Board may delegate to the manager any of the day-to-day duties and powers of the Board or its officers; however, the manager shall at all times remain subject to the general control of the Board.

10.8 Common Area Easements or Licenses.

A. The Board and/or Owners may approve the grant of exclusive use of a portion of the Common Area to an Owner under the limited circumstances provided for in Civil Code § 4600 and this section. The Owner must make application to the Board, which must include a drawing which shows the proposed modifications and a full description of the encroachment including dimensions, elevations, sizes, heights, etc. (as specified on the application).

B. If the Board determines that the subject Common Area is generally inaccessible and is not of general use to the membership at large, then the Board at its sole discretion may approve such use. Such an area may include landscape immediately adjacent to the applicant's Lot. Typically, if a grant is made, a license is granted to a person and may have conditions and/or be of limited duration.

C. If the Board finds that the proposed transfer does not comply with the exceptions stated in the above-referenced statute and/or this section, then for the Board to grant an exclusive use license or easement, there must also be an affirmative approval by at least sixty-seven percent (67%) of the voting power.

D. The Board shall impose terms and conditions as are appropriate and beneficial to the Association. The terms may include recordation in the chain of title. Additionally, the Owner must accept the burden of management and maintenance of such Common Area and the Board may include the obligation to add the Association as an additional insured on Owner's liability insurance. A written record must be kept by the Owner and any successor of all such licenses and approvals. If no such record is available, there shall be a presumption that no such license was granted.

10.9 Alternative Dispute Resolution (ADR). In the event of a dispute arising out of the Governing Documents, there are several dispute resolution tools available to Owners and the Association. With the exception of a Small Claims suit, some form of Alternative Dispute Resolution (ADR), pursuant to the Davis-Stirling Act or such other form of ADR as may be agreed upon, must be attempted before filing a legal action.

A. Owner and Association Disputes: Internal Dispute Resolution Procedure (IDR). In the event of a dispute between an Owner and the Association, prior to filing legal action, the parties shall "meet and confer" in an effort to resolve the dispute pursuant to the provisions of Civil Code § 5900, et seq. or an Internal Dispute Resolution procedure otherwise adopted by the Board. The Association participants may be the manager, one or more Directors, or other designated representative(s) of the Board. IDR is optional to the Owner, but mandatory for the Association if the Owner requests it.

B. Owner and Association Disputes: Mediation. In the event of a dispute between an Owner and the Association, and after IDR has been completed, the parties shall attempt to resolve such dispute by mediation before any formal action is filed or initiated. The cost of the mediator shall be borne equally.

C. Owner-to-Owner Disputes: Mediation/Arbitration. In the event of a dispute between Owners (or residents), affected Owners shall attempt to resolve any dispute by mediation. The cost shall be borne equally. If the parties cannot agree on a mediator to

provide this service, the Association can recommend and/or facilitate the use of an Alternative Dispute Resolution provider. In the alternative, any party can request the president of the San Mateo County Bar Association to identify a local low cost mediation service provider and such designation shall be binding. If mediation fails and the dispute continues, the parties shall proceed with binding arbitration.

10.10 Enforcement. The Association shall have the power to enforce the provisions of the Governing Documents.

ARTICLE XI
DEFENSE AND INDEMNIFICATION

11.1 Member Responsibility. Each Member shall be liable to the Association for any damage to the Common Areas or areas which the Association must maintain, repair or replace caused (directly or indirectly) by the Member or his or her family, guests, invitees or lessees (including but not limited to negligence or willful misconduct or otherwise), and each Member shall protect, defend, hold harmless and indemnify the Association and Directors for any third party claim arising out of such conduct.

11.2 Standard of Care. A Director of the Board shall not be liable to the Members if the Director performs the duties of a Director, including the duties as a member of any committee of the Board upon which the Director may serve, in good faith, in a manner such Director believes to be in the best interest of the Association and with such care, including reasonable inquiry, as an ordinary prudent person in a like position would use under similar circumstances. In performing the duties of a Director, a Director shall be entitled to rely on information, opinions, reports or statements, including financial statements and other financial data, in each case prepared and presented by:

A. One or more officers or employees of the Association whom the Director believes to be reliable and competent in the matters presented;

B. Counsel, independent accountants or other persons as to matters which the Director believes to be within such person's professional or expert competence; or

C. A committee of the Board on which the Director does not serve, as to matters within its designated authority, which committee the Director believes to merit confidence; so long as, in any such case, the Director acts in good faith, after reasonable inquiry when the need therefore is indicated by the circumstances and without knowledge that would cause such reliance to be unwarranted.

11.3 Indemnification by Association of Directors and Officers. The Association shall, to the fullest extent permitted by law, protect, defend and indemnify its past and present Directors, Officers and Committee members from potential liability for their

activity while acting in good faith and engaged in Association business. Such protection may include that provided for in (a) the Association's insurance, including the liability insurance in the case of damage to person or property, and/or (b) the Corporations Code, specifically section 7237. In the event that any claim of indemnification is made to the Association by such individual, the Association shall, in a timely way, tender the claim to its broker and/or insurance carriers.

11.4 Limitations on Personal Liability of Individual Directors/Officers. No action shall be brought against an individual Director or Officer unless expressly permitted by the provisions of Civil Code section 5800. No suit or action against a Director or Officer or other volunteer of the Association personally shall be sustainable in any court unless commenced within the earliest of twelve (12) months of the date claimant knew or should have known of alleged misconduct and/or the inception of damage or injury.

ARTICLE XII **MISCELLANEOUS**

12.1 Amendment of Restated Bylaws. These Restated Bylaws may be amended (including replacement) by approval of a majority of the Board and by the affirmative vote of a majority of Members. The Secretary of the Association shall certify adoption of any duly approved amendment to the Restated Bylaws and a copy of said certificate and the amendment shall be included in the Association's corporate records and sent to the Members.

12.2 Conflicts Among Governing Documents.

A. If there is a conflict between the Governing Documents and the law; the law shall prevail.

B. If there is a conflict between the Articles of Incorporation, and the Restated Declaration; the Restated Declaration shall prevail.

C. If there is a conflict between the Restated Bylaws and the Articles of Incorporation or the Restated Declaration; the Articles of Incorporation or the Restated Bylaws shall prevail.

D. If there is a conflict between the Operating Rules and the Restated Bylaws, the Articles of Incorporation or Restated Declaration; the Restated Bylaws, Articles of Incorporation, or the Restated Declaration shall prevail.

12.3 Fiscal Year. The fiscal year of the Association shall be January 1 through December 31, unless otherwise determined by the Board.

12.4 Owners May Not Direct Association Employees, Agents or Vendors. No person shall confront, criticize, intimidate, attempt to engage or direct any employee, agent or vendor of the


Association, unless serving in a consultant capacity, directed and/or appointed by the Board. Communications on such subjects shall be in writing to the Board.

12.5 Statutory References. Reference to any specific code section in the Governing Documents shall include any successor provisions in the event they are subsequently renumbered, revised, amended or altered.

SECRETARY'S CERTIFICATION

As Secretary of the corporation known as the FIESTA GARDENS HOMES ASSOCIATION, INC., I hereby certify that the foregoing Restated Bylaws consisting of twenty-two (22) pages (excluding the Table of Contents), were duly adopted by the Members of said Association on the 10th day of January, 2017, and that they are now the official Restated Bylaws.

FIESTA GARDENS HOMES ASSOCIATION, INC.

By: 
KAREN DEBONO, Secretary