

BY-LAWS
OF
ATCHISON VILLAGE MUTUAL HOMES CORPORATION

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BY-LAWS
OF
ATCHISON VILLAGE MUTUAL HOMES CORPORATION

As Amended March 10, 1993

The Corporation has been organized to purchase, operate and manage housing projects on a non-profit basis, in the interest of and for the housing of its members. In connection with such projects, the Corporation shall provide, on a non-profit basis, such community facilities, services and benefits as may be necessary or convenient for the welfare of its members and the usefulness of said projects.

ARTICLE I

Members

Section 1. (a) The membership of the corporation shall not be more than 450 members.

The inclusion of more than one (1) name on a membership certificate shall constitute a single membership for all purposes, and entitle the holder(s) thereof to one vote.

The 'total membership' membership in this corporation shall consist of the total number of outstanding membership certificates listed on the files of the corporation at any given time.

(Note: Amended by the Board of Directors on April 21, 1969)

(b) No member, or his or her spouse, shall directly or indirectly own more than one (1) membership certificate.

Section 2. (a) Membership in the corporation shall be comprised of those persons owning a membership certificate duly issued by the Corporation. Each membership certificate shall entitle the owner to the right of the perpetual use of one (1) dwelling in said project as the residence of said member, pursuant to the Mutual Ownership Contract, these By-Laws and the rules and regulations duly adopted by the Corporation.

(b) To assure the fulfillment of the corporate purpose to purchase, operate, and manage the housing project on non-profit basis in the interest of and for the housing of its members, a member must commence his residence in the project not later than 90 days after he or she has become a member. The failure to enter into residence in the project in accordance with this membership requirement shall evidence a lack of intent to so reside and shall serve to terminate the membership and the perpetual use in accordance with the terms of the Mutual Ownership Contract.

© Except as herein provided to the contrary in these By-Laws, the dwelling afforded to said member must be used as the member's permanent residence.

(d) All dwelling units are the property of the Corporation. Occupancy under the terms of the membership contract shall convey no ownership interest in said real property and the improvements so occupied.

(e) Any member who will be a non-resident for six months or more must make prior written arrangements, that are agreed to in writing by the Board of Directors, providing for adequate care of said member's dwelling unit during such a long period of non-residence before the commencement of the extended absence.

Any dwelling unit left empty or with no member in residence for longer than six months at a time without a prior acceptable written agreement between the member and the Board of Directors for the adequate care of said unit can be considered an abandoned unit, the membership revoked and the terminated member can be required to sell said unit at fair market value to an approved buyer within the next six months. Once the unit is determined to be abandoned, if the member fails to sell within the 6 months period, the Corporation shall purchase the unit back, pursuant to the Mutual Ownership Contract and By-Laws.

(Note: Amended by the Board of Directors March 10, 1993)

(f) Regarding applications for membership: The maximum number of residents permitted per dwelling unit is two persons per bedroom plus one other person. Therefore, maximum occupancy in a one-bedroom unit is three persons, maximum occupancy in a two-bedroom unit is five persons, and maximum occupancy in a three-bedroom unit is seven persons.

(Note: Amended by Board of Directors March 10, 1993)

Section 3. Other considerations being equal, a veteran who applies for membership shall have priority over a non-veteran who applied on the same date.

Section 4. Membership in the Corporation shall entitle the member to take part in the affairs of the Corporation. Each member shall be entitled to one vote upon all questions coming before any meeting of the membership of the Corporation.

Section 5. (a) Applicants for membership shall (1) furnish such information as the Board of Directors may require, and (2) agree in writing to abide by the By-Laws and all rules and regulations of the Corporation, and (3) must be approved by the Board of Directors. Any false statements, or misrepresentation of facts made by the prospective member to secure membership in the Corporation, may be grounds for immediate eviction, and cancellation of mutual ownership of contract, subject to provisions of Section 9 of this Article. This provision shall not be invoked after the mutual membership contract has been in force for a period of two (2) years from its date of issue.

(b) An applicant for membership must be an adult person. No minor may be named as joint-owner save and except through a legally appointed guardian who

continually resides with said minor. (A parent, as natural guardian is sufficient for this purpose.)

Section 6. Each certificate of membership shall be numbered in order and entered in the membership book of the Corporation. Such certificate of membership shall state the member's name and unit of the project that his membership in the Corporation represents and shall have plainly written on the face of the certificate of membership the words "non-transferable" and there shall be printed in clear type a statement that the Corporation is not one for profit, and it shall be signed by the President of the Corporation, attested by the Secretary-Treasurer of the Corporation, bear the Seal of the Corporation, and date of issue.

Section 7. (a) Certificates of membership shall not be transferable.

(b) Membership automatically ceases at death. A surviving adult relative or partner not already accepted on to the membership contract before a member's death will be entitled to membership by complying with the requirement of Article I, Section 5. Surviving minors who are to continue residing in the unit must have a legally appointed guardian who meets all the requirements for membership, who shall hold title on behalf of said minor during said period of minority, and who shall permanently reside with said minor in the residence provided.

If, after a period of one year following a member's death, no surviving family member or partner has complied with the membership or residence requirements stated in Section 7 (b), the unit must be vacated and remain empty until the estate is settled and the unit is sold to an approved buyer.

(Note: Amended by Board of Directors March 10, 1993)

Section 8. Membership in the Corporation shall automatically cease upon the termination of the member's Mutual Ownership Contract, as therein provided, upon the sale, transfer or other alienation of such contract and/or the perpetual use purchase thereunder. The termination of membership shall be properly recorded in the membership book and, upon such termination of membership, the member shall surrender his or her certificate and Mutual Ownership Contract to the Corporation.

Section 9. (a) The board of Directors may terminate the membership and Mutual Ownership Contract of any member of the Corporation for any of the following causes:

- (1.) Default in making any payment required under the member's Mutual Ownership Contract.
- (2.) Continuous material violation of any other provision of the member's Mutual Ownership Contract.
- (3.) Continuous material violation of any other provision of the member's Mutual Ownership Contract.

(b) When the Board of Directors believes that cause exists for terminating the membership of a member, it shall proceed as follows:

- (1) It shall issue a complaint in writing, directed to the member, and it shall cause such complaint to be served upon the member either personally or by registered mail. The complaint shall state the grounds upon which it is issued and shall advise the member that he or she is entitled to a hearing before the Board of Directors if he or she makes a written request therefore within ten (10) days after service of the complaint. The complaint shall be signed by the President or Vice-President.
- (2) If a member requests a hearing, the Board of Directors shall fix the time and place and give the member written notice thereof. At such hearing evidence shall be presented as to the alleged grounds for terminating the membership. The member affected shall be entitled to present evidence in his own behalf and to cross-examine witnesses who testify against him or her. He/she may be represented by an attorney if he/she so desires. The hearing shall be open to all members of the corporation unless the member requests in writing that it be private.
- (3) The findings and conclusions of the Board of Directors shall be made by resolution, a copy of which shall be served on the member either personally or by registered mail.
- (4) If, after due hearing, a member's Membership and Mutual Ownership Contract is terminated, the Corporation shall be entitled to immediate possession of the dwelling allocated to the member and said member shall forthwith deliver Membership Contract and Certificate of Membership for cancellation.
- (5) If a member fails to vacate said unit and refuses to deliver said Contract and Membership certificate, the corporation is empowered to take all legal action to carry out the ruling of the Board of Directors.
- (6) In all respects, the purposes for enforcing these provisions by legal process, and for this purpose only, there shall exist a relationship of "landlord and tenant" and all parties shall have the rights and obligations set forth by law relating to unlawful detainer and similar remedies so available by statute.
- (7) A terminated member shall receive the net proceeds of sales, as provided by Paragraph 12 of the Membership Contract, as amended (Article XVII By-Laws): Within thirty (30) days following notice of termination, such member may sell to the Corporation at book equity value, or may sell to an approved purchaser at fair market value, at the option of the Corporation, offset by any sum of money owed by said member, cost of necessary repairs to said dwelling and legal costs and attorney's fees as incurred and/or determined by court.

Section 10. Conduct of members. The member agrees that the dwelling unit shall be used solely as the member's private residence, and will refrain from:

(a) Carrying on any business from the premises without written permission of the corporation.

(b) Inscribing or affixing any sign on the outside of the building without permission of the Board of Directors.

(c) Making or permitting any unlawful, improper, noisy or offensive use in and about the premises.

(d) Making any disturbing noises in or around the building or operating or using any mechanical or electrical equipment as such time or at such volume or in a manner as to constitute a disturbance to others.

Section 11 Commencing with the fiscal year that begins January 1, 2008, AVMHC shall calculate each membership unit's obligation to reimburse the Corporation for property taxes as the total of:

1. The amount on any Contra Costa County Property Tax bill attributable to the dwelling unit assigned to the membership, plus
2. one four-hundred-and-fiftieth of the amount assessed on any Contra Costa County Property Tax bill for any and all common areas included in the bill to the Corporation. As used in this Section, the term "common area" means any and all portions of the Atchison Village property included in the tax bill to the Corporation, which are not part of any dwelling unit assigned to a specific membership. All charges that cannot be allocated to a specific unit will be included in this calculation.

Each membership unit's annual property tax obligation shall be divided into 12 monthly payments, to be paid to AVMHC, pursuant to the terms of the Mutual Ownership Contracts. The Corporation will add the amount of the monthly payment for taxes attributable to the membership to the monthly assessment owed by the owner(s) of each membership. The members will pay their tax assessment with and as part of the assessment due each month pursuant to these Bylaws and the members' Mutual Ownership Contracts.

The Corporation shall include the total amount of the property tax billed to the Corporation in its annual budget, and pay the bill on or before its due date. All tax monies paid shall be booked by the Corporation separately as property tax payments collected and shall be allocated to a Property Tax Accrual Account.

Upon the transfer of a membership, the out-going member shall be responsible for payment of all property taxes and assessments attributable to the unit as calculated up to the date of transfer of the membership, and the new member shall be responsible for all property taxes and assessments due in connection with the membership unit as set forth in this provision from and after the date of the transfer of the membership.

The provisions of this Section shall prevail over and supercede all other provisions in these Bylaws and/or in the Mutual Ownership Contracts deemed in conflict with this Section.

(Amended by members' petition on July 25, 2007)

ARTICLE II

Meetings of Members

Section 1. A regular meeting of members shall be held annually on the fourth Wednesday in April and the fourth Wednesday in May. Written notice of each such meeting, together with the agenda thereof, shall be mailed or otherwise delivered by the Secretary-Treasurer, or by a person or persons designated by the Secretary-Treasurer, or by a person or persons designated by the Secretary-Treasurer, to each member of the Corporation not less than ten (10) days before the date of meeting; provided, however, that when the agenda includes any proposed amendment of the Articles of Incorporation, By-Laws, or Mutual Ownership Contract such notice and agenda shall be so mailed or delivered not less than thirty (30) days before the date of the meeting.

Section 2. A special meeting of the members shall be called by the President whenever he or she deem it necessary, or when so directed by resolution of the Board of Directors, or upon a petition signed by at least twenty per cent (20%) of the voting members; such petition shall be delivered to any one of the officers, or to a director in the absence of officers. Written notice of such meeting, together with the agenda thereof, shall be mailed or otherwise delivered by the Secretary-Treasurer, or by a person or persons designated by the Secretary-Treasurer, to each member of the Corporation not less than three (3) days before the date of the meeting; and said meeting shall be set not more than seven (7) days from the date of filing said petition; provided, however, that when the agenda includes any proposed amendment of the Articles of Incorporation, By-Laws, or Mutual Ownership Contract, such notice and agenda shall be mailed or delivered not less than thirty (30) days before the date of the meeting.

Failure on the part of the officers or directors to call the meeting at the time and date requested by the members shall entitle the members calling for the meeting to fix the time and date of such meeting, and give notice in the manner provided for in the By-Laws.

Section 3 Admission to meetings shall be open to members of the Corporation only; identification may be required.

Section 4. Only members of record on Corporation's membership books as of a date fifteen (15) days immediately preceding the date of the meeting shall have the right to vote at such meeting; subject, however, to the provisions of Section 7 of the Article.

Section 5. The presence of at least fourteen per cent (14%) of the total membership shall constitute a quorum for the transaction of business at any membership meeting of the Corporation, except that when the By-Laws, or the Articles of Incorporation are to be

amended; for the removal of a Director or Directors; an action taken upon the question of the dissolution of the Corporation, or upon any action permitted or authorized by the Mutual Ownership Contract the presence of fifty per cent (50%) of the membership shall be necessary to constitute a quorum. (Fourteen percent of 450 is sixty-three (63)).

(Note: Amended by Board of Directors, May 1, 1985)

Section 6. Any regular or called meeting of the members may be adjourned from day to day or from time to time and the adjournment may be considered as the same meeting until its business is completed.

Section 7. (a) Each member is entitled to one (1) vote in any election and at any membership meeting of the Corporation. In the case of a membership held in joint ownership by two (2) or more persons, any one (1) of such persons may cast the vote of such ownership. There shall be no voting by proxy. Voting by absentee ballots, following guidelines of the State of California, shall be allowed.

(Note: Amended by Board of Directors, March 10, 1993)

(b) Whenever these By-Laws provide for written consent on any petition, such 'consent' shall be deemed a 'vote' as used in this section. Such a petition shall not be construed as 'voting by proxy or by mail'.

(Note: Amended by Board of Directors, April 21, 1969)

Section 8. The President, or in his/her absence, the Vice-President, or in absence of the President and Vice-President, a chairman elected by the members present, shall call the meetings of the members to order, and shall act as the Presiding Officer thereof.

Section 9. The Secretary-Treasurer or Assistant Secretary-Treasurer of the Corporation shall act as a Secretary at all meetings of the members, and in the absence of both the Secretary-Treasurer and the Assistant Secretary-Treasurer, the Presiding Officer may appoint any person to act as Secretary.

(Note: Amended by the Board of Directors on April 21, 1969)

Section 10. (a) On the day of the regular annual meeting of the members held on the fourth Wednesday in May in each year, the members entitled to vote shall elect by ballot a board of directors as constituted by the Articles of Incorporation and the By-Laws of this Corporation. Procedure for nomination of Directors is set forth in Article III, 6 (a).

(b) Election of the Board of Directors and regular annual meeting of members shall be held on the fourth Wednesday of May in each calendar year. Procedure for Election of Directors is set forth in Article III, S6 (b).

Section 11. The order of business at the annual meeting following the election of the Board of Directors shall be as follows:

- (a) Pledge to the Flag
- (b) Reading notice of the meeting and proof of mailing

- (c) Reading of minutes of previous meeting
- (d) Report of Officers and Committees
- (e) Unfinished business
- (f) New business
- (g) Announcement of election results
- (h) Introduction and installation of new Board of Directors
- (i) Recess: the new Board of Directors shall retire to elect officers
- (j) Introduction of new officers
- (k) Nomination and election of Auditing Committee
- (l) Good and welfare of the Corporation
- (m) Adjournment

Provided, that the presiding officer or members present may vary the order of business according to Robert's Rules of Order.

Section 12 . Except as otherwise provided in Section 7 and 10 of this Article, the voting at any membership meeting may be conducted in such manner as the chairman of such meeting may designate.

ARTICLE III

Directors

Section 1. (a) The Corporate powers, business and affairs of the Corporation shall be exercised, conducted and controlled by a board of eleven (11) directors who shall be members of the Corporation.

(b) TENURE OF OFFICE: Each Director shall hold office for a period of one (1) year.

(Note: Article III, Section 1 (b) was amended by written consent of over 50% of the members. Dated 4/16/68)

Section 2. Any vacancy on the Board of Directors caused by the death, resignation, disability or removal shall be filled by the majority of the remaining members thereof, though less than a quorum. Any director so appointed shall hold office until his/her successor is elected at the end of the term of said Director.

(Note: Article III Section 2 was amended by the Board of Directors February 20, 1968)

Section 3. No compensation, remuneration of any kind or in any form shall be paid to any director for his/her services as such, provided, however, that directors may be reimbursed for actual expenses incurred in behalf of, or for the benefit of, the Corporation.

No Director shall contract with the Board for services to be rendered to the Corporation, or hold a paying position with the Corporation. This section shall not apply to

the appointment or election of a Director to act as Secretary-Treasurer as provided by Article IV, Section 3.

(Note: Amended by the Board of Directors, April 21, 1969)

Section 4. A majority of the Board of Directors shall constitute a quorum for the transaction of business, and every act or decision made or done by a majority of the directors present at a meeting at which a quorum is present when duly assembled, shall be valid as an act of the Board of Directors; but a majority of those present at the time and place of any stated or special meeting, although less than a quorum, may adjourn the same from day to day or from time to time, without further notice, and until a quorum shall attend, and when a quorum shall attend, any business may be transacted which might have been transacted at the meeting had the same been held on the day on which the same was originally called appointed.

Section 5. At the discretion of the Board, the chairman of any committee may or may not be a board member. The permanent committees, Planning, Fact Finding, and Screening, shall, however, be chaired by a Board member.

Nomination and election of Directors:

Section 6. (a) Nomination Procedure:

- (i) At the regular nomination meeting held annually on the fourth Wednesday in April of each year, a Nominating Committee of three (3) non-Board members present shall be nominated from the floor and elected.
- (ii) At that meeting, the members present may make nominations for Directors from the floor.
- (iii) For five (5) days following the meeting, the Committee shall accept further nominations from the members and may also make additional nominations. Nominations made in the absence of nominees shall only be made over nominee's signature.
- (iv) The Committee shall confirm each nominee's willingness to serve if elected.
- (v) Election Day shall be designated as the fourth Wednesday of May in each calendar year.
- (vi) The final list of nominees, including those nominated from the floor, those nominated by the members for five (5) days, and those nominated by the Committee, shall be submitted to the Secretary-Treasurer for posting in the Corporation's office for at least twenty (20) days prior to the annual election day.

(b) Election Procedure

(ii) Polls shall be open between the hours of 7:30 A.M. to 7:30 P.M. (Any person waiting in line to vote at 7:30 P.M. shall be entitled to cast his or her ballot).

(iii) The nominating committee shall select at least twelve (12) qualified members to tabulate and verify the ballots.

(iv) An annual election meeting shall follow the close of the polls on said date.

(v) The Nominating Committee shall announce the results of said election.

Section 7. On the first Monday following the election of the Directors, the directors shall assume office for the purpose of the transaction of business.

Section 8. All meetings of the Board of Directors shall ordinarily be held at the office of the Corporation in the City of Richmond, County of Contra Costa, State of California.

Section 9. Special meetings of the Board of Directors may be called at any time on the order of the President, or on the order of two directors. Notice and agenda shall be mailed, or delivered in person, to be received at the address of the Directors not less than one (1) day before the meeting, unless a waiver is signed by every Director for the transaction of business in the absence thereof.

Section 10. Each Director shall register his/her address with the Secretary-Treasurer, and all notices and agendas of meetings mailed, delivered or telegraphed to such address shall be valid notices thereof.

Section 11 The Board of Directors shall have full power and authority to make necessary rules and regulations not inconsistent with the law, the Articles of Incorporation or these By-Laws, to borrow money on behalf of the Corporation, including the power and authority to borrow money from any of the members, directors or officers of the Corporation, and otherwise to incur indebtedness on behalf of the Corporation, and to authorize the execution of promissory notes or other evidences of indebtedness of the Corporation, and to agree to pay interest thereof; to sell, convey, alienate, transfer, assign, exchange lease or otherwise dispose of, mortgage, hypothecate and otherwise encumber the property, real and personal, and the franchises of the Corporation; on behalf of the Corporation; and generally do and perform, or cause to be done or performed, any and every act which the Corporation may lawfully do and perform.

No director in his/her individual capacity shall attempt to deal with members of the Corporation, employees or others on behalf of the Corporation, unless specifically authorized to do so by the Board of Directors.

Section 12. Regular meetings of the Board of Directors shall be held at least once a month, at the time and date mutually agreed upon by the directors. Notice and agenda shall be mailed, or delivered in person, to be received at the address of the directors, not less than three (3) days before the meeting.

Section 13. Reports to the Board of Directors: At every regular or special meeting of the members, a report of the Board meetings shall be read. However, in any event, a report of the Board of Directors' actions shall be made at the annual meeting of the Corporation. A copy of such annual report shall be mailed to each member with the notice of the annual meeting.

Section 14. Removal of a Director

(a) Any one or more of the directors may be removed with or without due cause by fifty per cent (50%) of the total membership at any regular or special meeting, or by the written consent of at least sixty per cent (60%) of the total membership. Any vacancy will be filled as per Article III, Section 2.

Said 'written consent' shall be presented in a petition entitled "Removal of Director(s)".

The signature of any one person listed on the membership certificate, and residing in the unit, shall be counted as one 'consent' for that unit. Only one signature, per membership certificate, shall be counted. A member may sign only his or her own name, and said signature shall be deemed valid if it reasonably identifies the person so signing.

A petition for 'Removal of Director(s)' shall be presented in person and filed with the President, Secretary, or any officer, who shall issue a receipt to the member(s) presenting the petition. Said receipt shall state the date and time of presentation, and the number of pages contained in said petition.

After filing the petition, no signature shall be added or removed.

A special meeting of the Board of Directors for the presentation of the petition to the Board, shall be called within four (4) days from the filing of petition. Should the President refuse, or fail, to call said meeting, said meeting may be called by any other officer or any two (2) Board members, and the Secretary is directed to hereby send out notices calling said meeting.

After presentation and filing the petition, the Board of Directors shall direct the Secretary-Treasurer to verify said petition. The Board of Directors shall appoint six (6) non-Board members, three (3) from the petitioners, and three (3) from whose name do not appear on the petition, to assist the Secretary in verifying and tallying the signatures. A special meeting of the Board of Directors shall be set, within three (3) days following, to receive the report of the Secretary. A special meeting of the membership shall be called,

not later than one (1) week after said petition was presented to the Board for acceptance, for the purpose of advising the membership of the results of said recall petition.

A refusal on the part of a Director to vacate his/her office, upon verification of sufficient signatures for recall, may constitute grounds for eviction and termination of membership under Article I, Section 9 of these By-Laws.

Any 'recalled Director' wishing to contest the validity of the recall petition may do so at his or her own expense. In the event any legal action is taken to contest the validity of the recall petition, or to remove a Director from office, the successful litigant shall be entitled to reasonable attorney's fees and legal costs to be fixed by the court.

(Note: Amended by the Board of Directors on April 21, 1969)

(b) Regular attendance at monthly Board Meetings by Board members is an essential requirement of the position; so much so that absence from more than three regular Board meetings within any one twelve month term – regardless of reason – will constitute an automatic resignation for the rest of the term. Any such vacancy is to be filled, as the first order of business, by the remaining Board members at the beginning of the fourth missed meeting of the term.

Any Board member replaced for a fourth absence in one term will be free to run for re-election for any future term, without prejudice, since many unforeseen circumstances – such as sickness or changes in work shifts – may have caused the excessive absences. However, valid the reasons for the absences may be, they deprive the Village of leadership that can only come from attendance at the meetings. Therefore all Board positions should be filled at all times by members able to attend regularly.

(Note: Amended by Board of Directors March 10, 1993)

Section 15 The Board of Directors shall require that the Secretary-Treasurer, Manager and every individual acting as an officer or employee of the Corporation who handles in any way any of the Corporation funds or securities amounting to One Thousand Dollars (\$1,000) or more in any one year shall be required to furnish an adequate bond by a responsible bonding company, and the cost of said bond shall be borne by the Corporation.

Section 16 Every director shall have the absolute right to seek and obtain pertinent information in connection with the affairs of the Corporation, and to inspect all books, records, documents of every kind, and the physical properties of the Corporation.

ARTICLE IV

Officers

Section 1 The executive officers of the Corporation shall be a President, who shall serve as Chairman of the Board of Directors, a Vice-President, and a Secretary-Treasurer.

The combined total time any one member can serve as President and/or Vice-President shall be limited to a maximum of ten annual terms, or partial terms.

(Note: Amended by Boards of Directors, March 10, 1993)

Section 2 The President and Vice-President shall be elected by the Board of Directors from their own number at the first meeting after the organization of the Corporation, and thereafter at the first meeting at the annual election of directors, as provided for in Article II, Section 11 (i), and they shall hold office for one (1) year and until his or her successor is elected, subject to removal by seven (7) or more members of the Board of Directors.

Section 3 The Board of Directors shall also annually elect a Secretary-Treasurer who need not be a member of the Board of Directors, but may be the person employed as the manager of the Corporation and who shall hold office for one (1) year and until their successors are elected, subject to removal by the Board of Directors at any time, with or without cause.

Section 4 The Board of Directors shall appoint and remove agents and employees of the Corporation, as they deem proper, and fix the duties and remuneration of the same. The corporation of the Secretary-Treasurer shall also be fixed by the Board of Directors.

(Note: Amended by the Board of Directors on April 21, 1969)

Section 5 The President and/or the Vice-President of the Corporation may be removed, with or without cause, by seven (7) or more members of the Board of Directors.

(Amended by the Board of Directors on April 21, 1969)

Section 6 The Board of Directors elected on August 27, 1957 shall elect at its first meeting a President, Vice-President, and a Secretary-Treasurer in conformity with the provisions of this Article; provided, however, that these officers shall hold office only until the next annual election for a Board of Directors on the fourth Wednesday of May 1958.

ARTICLE V

President

Section 1 The President shall be the chief executive officer of the Corporation and act as Chairman of the Board of Directors. He/she shall preside at all meetings of the Board of Directors, and of the members, except as provided in Article II, Section 8.

Section 2 The President shall call special meetings of the Board of Directors and of the members of the Corporation.

Section 3 The President shall perform all duties, as directed by the Board of Directors when duly assembled, to insure that all orders and resolutions of the Board of Directors are carried into effect.

ARTICLE VI

Vice-President

Section 1 The Vice-President shall be vested with all powers and perform all duties of the President in case of the absence or disability of the President.

Section 2 The Vice-President shall perform all other duties as may be assigned to him by the Board of Directors. Should the President and the Vice-President both be absent from any Board meeting, the Directors shall select from their number a person to act as chairman of the meeting.

ARTICLE VI

Secretary-Treasurer

Section 1 The Secretary-Treasurer shall keep the minutes of all the meetings of the Members and the Board of Directors in books for that purpose. He or she shall attend to the giving and serving of notices of all meetings of the Members and of the Board of Directors and otherwise. He or she shall be the custodian of the corporate seal of the Corporation and, when so ordered by the Board of Directors, shall affix the seal to certificates of membership, deeds, bonds, contracts, and other obligations and instruments. He or she shall keep and have charge of the journal of the meetings of the Board of Directors and of the Members, the certificate record book, the book of By-Laws and such other books and papers as the Board of Directors may direct. He or she shall in general, perform all the duties incident to the office of Secretary-Treasurer, subject to the Control of the Board of Directors.

Section 2 In case of the absence of the Secretary-Treasurer, or his or her refusal or neglect to act, notices may be given and served by the President, or by the Vice-President, or by any person thereunto authorized by the President, or the by the Vice-President or by the Board of Directors, or as provided for in Article II, Section 2.

Section 3 The Secretary-Treasurer shall keep or cause to be kept, full and accurate accounts of receipts and disbursements in books to be kept for that purpose. He or she shall receive and deposit, or cause to be received and deposited, all moneys and other valuables of the Corporation, in the name and to the credit of the Corporation, in such depositories as may be designated by the Board of Directors. He or she shall disburse or cause to be disbursed, the funds of the Corporation as may be directed by the Board of Directors, taking proper vouchers for such disbursements. He or she shall render to the President and to the Board of Directors, whenever they may require, accounts of all his or her transactions as Treasurer and of the financial duties incident to the office of Secretary-Treasurer, including making full and accurate reports of all matters pertaining to his or her office to the members at the annual meeting and making all reports required by law, and doing such other acts as required by law, and doing other acts as are required, subject to the control of the Board of Directors.

ARTICLE VIII

Vacancies

Section 1 If the office of the President, Vice-President, or Secretary-Treasurer, becomes vacant by reason of death, resignation, removal or otherwise, the Board of Directors shall elect a successor, who shall hold office for the unexpired term and until his or her successor is elected.

ARTICLE IX

Non-Profit Requirements

Section 1 Dwelling units and other services and necessities shall be made available to the members of the Corporation at no profit to the Corporation or its members. The charges therefore, as determined by the Board of Directors, shall be sufficient to enable the Corporation to meet its property purchase amortization payments on such property as may be purchased, pay fixed and operating expense, build up necessary reserves, including a general reserve for contingencies and special reserves for repairs, maintenance, replacements and vacancies.

ARTICLE X

Auditing

Section 1 A committee of three (3) persons shall be chosen from among the members of the Corporation by the Board of Directors to serve as an auditing committee until the first annual meeting of the members of the Corporation. Thereafter, said committee shall be elected by the members of the Committee at their regular annual meeting. Vacancies in said committee shall be filled by the members at the next regular meeting of members following the occurrence of the vacancy, or at a prior special meeting called for that purpose. Members of the Board of Directors shall not be eligible to serve on the Auditing Committee. It shall be the duty of the Auditing Committee to make an audit of the books of the Corporation quarterly, giving a written report thereof to the members.

Section 2 The board of Directors shall employ a certified public accountant, or licensed public accountant of the State of California, who shall not be a member of the Corporation, to audit the books of the Corporation prior to each annual meeting. A copy of said accountant's report of audit shall accompany each notice of the annual meeting. Said report shall also be read at the annual meeting by the Secretary-Treasurer.

ARTICLE XI

Fiscal Year

Section 1 The fiscal year of the Corporation shall begin on the first day of January and end on the 31st day of the following December.

ARTICLE XII

Seal

Section 1 The fiscal year of the Corporation shall provide a suitable seal for the Corporation, which shall be in circular form and which shall contain the following inscription:

**Atchison Village Mutual Homes Corporation,
Incorporated October 16, 1956 – Richmond, California.**

ARTICLE XIII

Improvements to Dwelling Units

Section 1 When any improvement on his/her dwelling is contemplated by a member, he shall petition the Board of Directors in writing for permission to proceed. If the Board is agreeable to the proposed improvement, it shall notify the member in writing. If the member later wishes to leave the project or to sell his perpetual use, the enhancement in value due to the improvement so made shall be considered in determining the fair market value of the perpetual use.

Section 2 After permission for improvements is obtained in writing from the Board of Directors, the member shall apply for and receive in writing permission from the City of Richmond for any modification of the premises. Such writtend permission shall be filed with the office of the Corporation before commencement of any work. Any improvement so made without the written consent of the Board of Directors and the City of Richmond shall subject the member to any penalties, costs and removal of any construction so made. The failure to comply with any requirement of the Board of Directors shall constitute a material violation of these By-Laws and, at the discretion of the Board of Directors, be grounds for termination of membership under Article I, Section 9 of these By-Laws.

SECTION XIV

Dissolution

Section 1 Upon dissolution, the assets of the Corporation shall be distributed as follows:

FIRST: By payment of all debts of the Corporation, including the expenses of dissolution.

SECOND: By payment to each member of an amount equal to all the amounts paid by such member, including those amounts credited to the amortization of principal indebtedness pursuant to his or her mutual ownership contract.

THIRD: By donating any remaining assets to the school fund of the State of California.

If, upon dissolution of the Corporation, after payment of debts, assets are not sufficient to refund the principal payments of all members as provided in sub-paragraph "second" above, then in such event, such assets shall be pro-rated among the members on basis of their respective equities.

ARTICLE XV

Copy of Articles of Incorporation and By-Laws for Members

Section 1 The Articles of Incorporation and the By-Laws of the Corporation shall be printed and mimeographed together in booklet form and a copy thereof shall be made available for each member of the Corporation. Supplements to such booklet, containing all amendments to the Articles of Incorporation and By-Laws, shall be compiled from time to time and furnished to each member.

ARTICLE XVI

Amendments

Section 1 These By-Laws may be repealed or amended, and new By-Laws may be adopted by a vote of over fifty per cent (50%) of the membership at any regular meeting or at any special meeting called for that purpose, or by written consents signed by over fifty per cent (50%) of the members. The procedure for verifying petitions received from the members, for amendments under this section, shall be the same as set forth in Article III, Section 14, as amended.

(Note: amended by Board of Directors on April 21, 1969)

The Board of Directors may also repeal or amend these By-Laws and adopt new By-Laws; provided, however, that the Board of Directors shall not have power to change the authorized number of directors or to reinstate or amend any provision repealed, added or amended by the membership.

Section 2 Unless otherwise provided for, the Articles of Incorporation may be amended, or new Articles added by the vote or written consent of fifty-one per cent (51%) of the members, and the resolution of the Board of Directors, adopted either before or after the consent of the members.

ARTICLE XVII

Amendment of Mutual Ownership Contract

Paragraph 12 of the Mutual Ownership Contract which has been executed by the Corporation and its members is hereby amended to read as follows;

In the event the member wishes to leave the project or to sell his perpetual use, he shall give written notice thereof to the Corporation. The Corporation shall then have an

option to purchase the member's perpetual use for an amount equal to the then fair market value of the perpetual use of members, less the unpaid balance of the purchase price stated in Paragraph 4, above. If the Corporation desires to exercise said option, it must so notify the member in writing within thirty (30) days from the date of the notice given by the member, as above provided. The Board of Directors of the Corporation shall determine the fair market value of the member's perpetual use, and its determination shall be final, in the absence of collusion or arbitrariness. If the Corporation does not exercise its option to purchase the member's perpetual use, the member shall be free to sell such perpetual use to any person who is accepted by the Corporation. Said sale shall be accomplished by an assignment of this Mutual Ownership Contract.

ARTICLE XVIII

Definition of Terms

As used in these By-Laws, the Articles of Incorporation and Membership Contract, the terms used herein are defined solely for the purpose of clarification.

1. "Corporation": Atchison Village Mutual Homes Corporation
2. "Dwelling" shall refer to a unit assigned to a member for residential purposes.
3. "Immediate family" shall refer to parents, children or siblings of a member who reside with the member as a permanent family unit.
4. "Member" shall refer to the person or persons to whom a membership certificate has been issued.
5. "Membership certificate" issued to a qualified applicant designating the person or persons as a member of the Corporation.
6. "Perpetual use" equivalent to "membership certificate" entitling member to physical residence in a dwelling unit so long as said member continues in good standing with the Corporation.
7. "Registered mail" whenever used herein, "Certified mail" shall be the equivalent to "registered mail".
8. "Residence" shall refer to the physical occupancy of a dwelling unit as the sole dwelling place of the member and his family.
9. "Unit": a dwelling place whose ownership is in the Corporation – allowing a member to use same while the member is in good standing.

ADDENDUM TO THE BYLAWS
OF
ATCHISON VILLAGE MUTUAL HOMES CORPORATION

EFFECTIVE NOVEMBER 1995

NONDISCRIMINATION POLICY

This amendment represents the continuing policy of the membership and leadership of the cooperative homeowner's association known as Atchison Village Mutual Homes Corporation.

This paragraph will be inserted in the beginning of the By-Laws on the next drafting and included in the application for membership to the State of California.

Atchison Village Mutual Homes Corporation is an equal opportunity housing association. Atchison Village Mutual Homes Corporation does not discriminate against applicants or members because of race, color, religion, sex, sexual orientation, national origin, age, physical or mental disability, parental or marital status, nor veteran status. All rules and regulations regarding discrimination in housing as applicable to a cooperative homeowners' association are practiced by this Corporation and are incorporated herein by virtue of this statement. *[Amended, November 1995]*