

FIRST AMENDED AND RESTATED BYLAWS
OF
ATCHISON VILLAGE MUTUAL HOMES CORPORATION

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

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**FIRST AMENDED AND RESTATED BYLAWS
OF
ATCHISON VILLAGE MUTUAL HOMES CORPORATION**

The Atchison Village Mutual Homes Corporation (“Corporation”) has been organized to purchase, operate, and manage housing projects on a nonprofit basis, in the interest of and for the housing of its Members. In connection with such projects, the Corporation shall provide, on a nonprofit basis, such community facilities, services and benefits as may be necessary or convenient for the welfare of its Members. These First Amended and Restated Bylaws supersede and replace in their entirety the original By-Laws, dated March 10, 1993, as amended from time to time. The Corporation is not subject to the Davis Stirling Common Interest Development Act (“Davis Stirling Act”), according to a court judgment. While the Corporation has voluntarily opted to include certain provisions of the Davis Stirling Act, such inclusion does not subject the Corporation to the Davis Stirling Act.

ARTICLE I

MEMBERS

Section 1. Number of Members

(a) The membership of the Corporation shall not be more than 450 Members. The inclusion of more than one (1) name on a Certificate of Membership shall constitute a single membership for all purposes and entitle the holder(s) thereof to one vote. The total membership in this Corporation shall consist of the total number of outstanding Certificate of Memberships listed on the files of the Corporation at any given time.

(b) Spouses and domestic partners cannot hold an interest in more than one (1) Certificate of Membership.

Section 2. Definition of Membership

(a) Membership in the Corporation shall be comprised of those Natural Persons (as defined in Article XVII below) or trustees of the living trusts owning a Certificate of Membership duly issued by the Corporation, provided that the original settlor of the living trust is still alive. Once the original settlor is deceased, successor trustee(s) under the living trust can apply for membership, pursuant to the procedures outlined in Article I, Section 5, Transfer of Memberships, below. In the event that said successor trustee(s) does not qualify for membership, the successor trustee(s) shall have the right to sell the membership. Each Certificate of Membership shall entitle the Member to the right of the perpetual use of one (1) Unit in said Project as the residence of said Member, pursuant to the Mutual Ownership Contract, these Bylaws and amendments thereto, and the Rules duly adopted by the Board.

(b) To assure the fulfillment of the corporate purpose to purchase, operate, and manage the housing project on a nonprofit basis in the interest of and for the housing of its

Members, a Member must occupy his or her residence in the Project no later than ninety (90) days after he or she has become a Member. The failure to occupy the 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 each Member's Mutual Ownership Contract.

(c) Except as herein provided to the contrary in these Bylaws, the Unit afforded to said Member must be used as the Member's "principal residence." According to IRS Treasury Regulation section 1.121-1(b)(2), whether property is used as a "principal residence" depends upon relevant factors such as (i) place of employment; (ii) principal place of abode of the taxpayer's family members; (iii) the address listed on the federal and state tax returns, driver's license, automobile registration, and voter registration card; (iv) the mailing address for bills and correspondence; (v) the location of the taxpayer's banks; and (vi) the location of religious organizations and recreational clubs with which the taxpayer is affiliated.

(d) All Units are the property of the Corporation. Occupancy under the terms of the Mutual Ownership 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 (6) 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 Unit during such a long period of non-residence before the commencement of the extended absence. Prior to the expiration of the six (6) month period, the Member must seek Board approval for any extension of such absence.

Any Unit left empty or with no Member in residence for longer than six (6) 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 and the membership shall be terminated. Prior to termination, the Corporation must provide written notice of termination to the Member and give the Member thirty (30) days to obtain a written agreement to avoid termination. Once the membership is terminated, the Corporation shall repair and auction the Unit in accordance with its "Rehab and Auction of Unit" Rules as amended by the Board from time to time.

(f) The maximum number of residents permitted per Unit is two persons per bedroom plus one other person. Therefore, maximum occupancy in a one-bedroom Unit is three (3) persons, maximum occupancy in a two-bedroom Unit is five (5) persons, and maximum occupancy in a three-bedroom Unit is seven (7) persons.

Section 3. Priority of Membership 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. Rights of Members 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 each matter coming before the membership of the Corporation.

Section 5. Method of Application In the event of transferring a membership by inheritance or gift, each Member shall follow the procedure set forth in the Rules entitled "Internal Procedures for Reviewing Membership Applications," as amended by the Board from time to time. In the event of auctioning a Unit, the Corporation shall follow the procedure set forth in the Rules entitled "Rehab and Auction of Unit."

Section 6. Certificate of Membership A new Certificate of Membership shall be signed by the Corporation and entered in the membership book in accordance with the Rules entitled "Internal Procedures for Reviewing Membership Applications," as amended by the Board from time to time. Each Member shall annually update their contact information. If no update is provided, the current contact information provided to the office shall be deemed valid for the delivery or mailing of any and all bills, complaints, notices and other documents to the Members.

Section 7. Certificates Transferable Certificates of Membership are transferable in accordance with the Rules entitled "Internal Procedures for Reviewing Membership Applications," as amended by the Board from time to time. A surviving adult relative or partner who has not already accepted the Member's Mutual Ownership Contract before that Member's death will be entitled to membership by complying with the procedure and application set forth in the Rules entitled "Internal Procedures for Reviewing Membership Applications," as amended by the Board from time to time.

Section 8. Termination of Membership 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. Notice and Hearing Procedure

(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) Material violation of any provision of the Member's Mutual Ownership Contract, Bylaws, amendments thereto and/or the Rules.

(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 notice of termination in writing, directed to the Member, and it shall cause such notice to be served upon the Member by first-class mail, certified mail or personal delivery. The notice shall: (i) state the grounds upon which it is issued; (ii) provide at least thirty (30) days' notice of the date, time and place for the Board's hearing to terminate membership and notice to cure the violation within thirty (30) days; (iii) include a statement that the Member has the right to attend the hearing and present evidence; and (iv) be signed by the President, Vice-President or Corporation's attorney.

(2) Each Member has the right to choose an open or closed hearing. If the Member fails to choose, the Board will conduct a closed hearing. 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 or her own behalf and to cross-examine witnesses who testify against him or her. He or she may be represented by an attorney if he or she so desires.

(3) At the end of the hearing, the Board shall ask the Member to leave and shall meet in executive session to render a determination. Within fifteen (15) days of such hearing, the Board shall send written notice of its determination by first-class mail, certified mail or personal delivery.

(4) If the Board determines that the membership shall be terminated, the Corporation shall provide documentation to its attorney to terminate the membership.

(5) If a Member fails to vacate said Unit and refuses to deliver the Mutual Ownership Contract, 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) The Corporation shall repair and auction the Unit and collect the following amounts (the determination of such amounts by the Corporation to be conclusive): (i) any amounts due to the Corporation from the Member under the Mutual Ownership Contract; (ii) the cost or estimated cost of all deferred maintenance (anything beyond normal wear and tear), including painting, redecorating, floor finishing, and such repairs and replacements as are deemed necessary by the Corporation to place the Unit in suitable condition for another occupant; (iii) monthly dues and assessments for a reasonable amount of time until either the membership is transferred or one year, which shall be deemed a reasonable amount of time, whichever comes first; and (iv) legal and other expenses incurred by the Corporation in connection with the default of such Member and the resale of his or her membership. In the event the terminated Member for any reason should fail for a period of ten (10) days after demand to deliver to the Corporation his or her endorsed Certificate of Membership, said Certificate of Membership shall forthwith be deemed to be canceled and may be reissued by the Corporation to a new purchaser.

Section 10. Conduct of Members The Member agrees that the Unit shall be used solely as the Member's principal residence, and will refrain from:

(a) Carrying on any business from the premises without written permission of the Corporation;

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

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

(d) Inscribing or affixing any sign, political or otherwise, to the outside of the building. No sign or billboard of any kind shall be displayed to the public view on or from any Unit, except: (i) signs approved by the Board; (ii) signs required for legal proceedings; (iii) a flag of the United States, subject to any federal, state, City or County restrictions as to size and as to time, place, and manner of display; and (iv) noncommercial signs or posters no larger than nine (9) square feet in size and noncommercial flags or banners no larger than fifteen (15) square feet in size, displayed on or in an Owner's Unit.

Section 11. Payment of Property Taxes by Members

The Corporation shall calculate each Unit's obligation to reimburse the Corporation for property taxes as the total of:

(a) The amount on any Contra Costa County property tax bill attributable to the Unit assigned to the membership, plus

(b) One four-hundred-and-fiftieth (1/450th) 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 Unit assigned to a specific membership. All charges that cannot be allocated to a specific Unit will be included in this calculation.

Each Unit's annual property tax obligation shall be divided into twelve (12) monthly payments, to be paid to the Corporation, pursuant to the terms of the Mutual Ownership Contracts. The Corporation will add the amount of the monthly payment for taxes attributable to the Unit to the monthly assessment owed by the Member(s) of each Unit. 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 outgoing 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 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 supersede all other provisions in these Bylaws and/or in the Mutual Ownership Contracts deemed in conflict with this Section.

ARTICLE II

MEETINGS OF MEMBERS

Section 1. Regular Meetings

The annual meeting of the Members for director elections shall be held on the fourth Wednesday in May of each year or on another date designated by the Board, upon proper written notice to all Members. Notice to the Members shall be sent by email (if the Member consented to email transmission), first-class mail or personal delivery at least ten (10) days before the annual meeting. However, when the notice and agenda for the annual meeting includes any proposed amendment of the Articles of Incorporation, Bylaws, or Mutual Ownership Contract, such notice and agenda shall be sent by first-class mail or personally delivered not less than thirty (30) days before the date of the annual meeting. If a document is delivered by first-class mail, delivery is deemed to be complete on deposit into the United States mail.

Section 2. Special Meetings

A special meeting of the Members shall be called by the President whenever he or she deems it necessary, or when so directed by resolution of the Board of Directors, or upon a petition signed by at least five percent (5%) of the voting Members (pursuant to California Corporations Code section 7510(e)); 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 designated by the Secretary-Treasurer, to each Member of the Corporation within twenty (20) days of receipt of said petition; provided, however, that when the agenda includes any proposed amendment of the Articles of Incorporation, Bylaws, or Mutual Ownership Contract, such notice and agenda shall be mailed or delivered not less than thirty (30) days before the date of the special meeting.

Failure on the part of the officers or directors to call the special 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 Bylaws.

Section 3. Admissions to Meetings Only Members may attend open meetings of the Board or the Members, unless prior approval for any non-Members is obtained from the Board. The Board may meet in closed executive session to consider litigation, matters relating to the formation of contracts with third parties, Member discipline, personnel matters, or to meet with a Member, upon the Member's request, regarding the Member's payment of assessments.

Section 4. Voting Privilege Only Members of record on the 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 this Article II.

Section 5. Membership Quorum The presence at the meeting, either in person or by ballot, of at least fourteen percent (14%) of the total voting power of the Corporation (63 out of 450 votes) shall constitute a quorum for any membership action. Pursuant to California Corporations Code section 7513, the Corporation may take action by written ballot without a meeting and any related material may be sent by first-class mail or by email if a Member has provided written consent to email transmission. That ballot shall (a) set forth the proposed action, (b) provide an opportunity to specify approval or disapproval of any proposed action, and (c) provide a reasonable time within which to return the ballot to the Corporation. The accompanying solicitation letter shall provide the voting deadline and indicate the number of responses needed to meet the quorum requirement and, with respect to ballots other than for the election of directors, shall state the percentage of approvals necessary to pass the measure submitted.

Section 6. Adjourned Meetings Any regular or special meeting of the Members may be adjourned to another date and time and the adjournment may be considered as the same meeting until its business is completed.

Section 7. Voting Procedures 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. Members shall vote by mail through absentee ballots following guidelines of California Corporations Code section 7513 or superseding statute.

Section 8. Presiding Officer at Meetings The President, or in his/her absence, the Vice-President, or in absence of the President and Vice-President, a chairperson elected by the Members present, shall call the meetings of the Members to order, and shall act as the presiding officer thereof.

Section 9. Secretary-Treasurer at Meetings 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.

Section 10. Order of Business at Annual Meetings 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 11. Voting Conducted by Chairperson of Meeting Except as otherwise provided in Sections 5, 7 and 10 of this Article II, the voting at any membership meeting may be conducted in such manner as the chairperson of such meeting may designate.

ARTICLE III

DIRECTORS

Section 1. Corporate Powers, Tenure The powers, business and affairs of the Corporation shall be exercised, conducted and controlled by a Board of eleven (11) directors, who must have been Members for at least one year prior to election. At the election following adoption of these Bylaws, the five (5) directors receiving the five top highest number of votes shall be elected for a term of two years and the six (6) directors receiving the next top six highest number of votes shall be elected for a term of one (1) year. At subsequent elections thereafter, each director shall serve a term of two (2) years.

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

Section 3. Compensation 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.

Section 4. Board Quorum 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. However, 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. Chairperson of Committees At the discretion of the Board, the chairperson of any committee may or may not be a Board member. The Permanent Committees (as defined in Definitions of Terms), shall, however, be chaired by a Board member. The Board may appoint an "Emergency Committee" consisting of two (2) directors who serve at the discretion of the Board to fill an immediate need or to respond immediately on behalf of the Corporation.

Nomination and Election of Directors

The Board shall adopt voting and election rules on how elections shall be conducted.

Section 6. Nomination and Voting for Board Members

(a) **Qualifications of Directors.** Directors (1) must be Members or, in the case of a Member that is an entity, an officer, director, principal, or authorized representative of the entity; (2) may not have been declared of unsound mind by a final order of court; and (3) may not have been convicted of a felony; and (4) must be current in the payment of assessments. Members from the same Unit may not serve on the Board at the same time.

(b) **Qualification of Candidates.** Candidates (1) must be Members prior to the close of nominations; (2) be current in all assessment payments; and (3) not have a past criminal conviction that would either prevent the Corporation from purchasing the fidelity bond coverage or terminate its existing fidelity bond coverage. No more than one (1) Member from any particular Unit may serve on the Board at the same time.

(c) **Nomination Procedure**

(1) At the regular nomination meeting held annually during the month of February each calendar year, the Board shall appoint a Nominating Committee of three (3) non-Board members. Nominating Committee members must not be on the current Board,

must not be candidates for the next Board, and must not be related to or share a household with a current Board member or candidate for the next Board.

(2) Nominations of candidates to the Board of Directors may be made by a Nominating Committee or by self-nomination. Any Member who satisfies the qualifications set forth in these Bylaws may place his or her name in nomination for election to the Board by giving written notice to the Corporation's manager. Notice of self-nomination must be received prior to the published deadline for nominations. Nominations may be made from the floor of the nomination meeting.

(3) For thirty (30) 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.

(4) The Committee shall confirm each nominee's willingness to serve if elected.

(5) The Committee shall submit the final list of nominees (after verifying their qualifications) to the Secretary-Treasurer for posting in the Corporation's office for at least thirty (30) days prior to the annual election day.

(6) If, as of the published deadline for nominations, the number of qualified candidates nominated does not exceed the number of directors to be elected, then the individuals nominated and qualified to be elected may be declared elected on a date determined by the Board, in which case written notice of the election results shall be given to the Members without the need for mailing ballot packages.

(d) Election Procedure

(1) 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).

(2) The Nominating Committee shall select at least twelve (12) qualified Members to tabulate and verify the ballots.

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

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

Section 7. Directors Assume Office On the first Monday following the election of the directors, the new directors shall assume office to transact business of the Corporation.

Section 8. Location of Board Meetings 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 Board Meetings 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. The notice and agenda shall be mailed, or delivered in person, to be received at the address of the directors not less than forty-eight (48) hours before the meeting, unless a waiver is signed by every director for the transaction of business in the absence thereof.

Section 10. Registration of Addresses of Each Director Each director shall register his or her mailing address and email address with the Secretary-Treasurer, and all notices and agendas of meetings mailed, delivered, or emailed to such address shall be valid notices thereof.

Section 11. Powers of Board of Directors The Board of Directors shall have full power and authority to make necessary Rules not inconsistent with the law, the Articles of Incorporation or these Bylaws, 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. Types of Board Meetings

(a) 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. The notice and agenda shall be provided at least four (4) days before the regular meeting and two (2) days before the executive session meeting by first-class mail, email or posting in a prominent location that is accessible to all Members.

(b) The Board may meet by teleconference in which a majority of the Board members in different locations are connected by electronic means, through audio or video or both. Except for a meeting that will be held solely in executive session, the notice of the teleconference meeting shall identify at least one physical location so that Members may attend the open portion of the teleconference meeting and at least one Board designee shall be present at that location. Participation by Board members in a teleconference meeting constitutes presence at that meeting as long as all Board members participating in the meeting are able to hear one another and Members. In the event of a natural catastrophe, pandemic, or other casualty, no physical location needs to be identified and

the Board may conduct the meeting with the Members remotely by video conference or by telephone conference.

(c) An emergency meeting of the Board may be called by the President or by any two (2) directors other than the President if there are circumstances that could not have been reasonably foreseen which require immediate attention and possible action by the Board and which of necessity make it impracticable to provide notice as required herein.

Section 13. Report of Board Meeting 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. Minutes of all open meetings of the Board and Members are available to Members within thirty (30) days of such meeting. The Member shall submit a written request to the Corporation to obtain a copy of minutes from an open meeting. Closed executive session minutes are not subject to a Member's inspection because of the confidential information contained in them related to litigation, personnel matters, disciplinary actions against Members, and termination of membership. The Board's action is generally noted in the next open meeting of the Board or Members.

Section 14. Removal of a Director

(a) Any one or more of the directors may be removed with or without due cause by the written consent of at least fifty percent plus one (50% + 1) 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 Certificate of Membership, and residing in the Unit, shall be counted as one consent for that Unit. Only one signature, per Certificate of Membership, 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. Upon receipt, the Board of Directors shall appoint six (6) non-Board members, three (3) from the petitioners, and three (3) from whose names do not appear on the petition, to assist the Secretary in verifying and tallying the signatures. Once the signatures have been verified, the Board shall schedule a special meeting within twenty (20) days receipt of the 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. A special meeting of the membership shall be called, not later than thirty (30) days 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 or her office, upon verification of sufficient signatures for recall, may constitute grounds for termination of membership under Article I, Section 9 of these Bylaws.

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.

(b) Regular attendance at monthly Board meetings by directors is an essential requirement of the position; so much so that absence from more than three (3) regular Board meetings within any one twelve (12) 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 Corporation 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.

Section 15. Insurance The Board of Directors has the responsibility to procure adequate insurance for the Corporation.

ARTICLE IV

OFFICERS

Section 1. Executive Officers The executive officers of the Corporation shall be a President, who shall serve as chairperson of the Board of Directors, a Vice-President, and a Secretary-Treasurer. The President and Vice-President are each limited to terms of ten (10) years maximum.

Section 2. President and Vice-President The President and Vice-President shall be appointed by the Board of Directors among the directors 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 their successors are elected.

Section 3. Secretary-Treasurer The Board of Directors shall also annually elect a Secretary-Treasurer who need not be a Board member but may be the person employed as the manager of the Corporation and who shall hold office for one (1) year and until a

successor is elected, subject to removal by the Board of Directors at any time, with or without cause.

Section 4. Appoint and Remove Agents and Employees 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 compensation of the Secretary-Treasurer shall also be fixed by the Board of Directors.

Section 5. Removal of President and/or Vice-President The President and/or the Vice-President of the Corporation may be removed from their positions as officers (but not as Board Members), with or without cause, by a vote of seven (7) or more Board members.

ARTICLE V

PRESIDENT

Section 1. The President shall act as chairperson of the Board. He or she shall preside at all meetings of the Board and of the Members, except as provided in Article II, Section 8.

Section 2. The President shall call special meetings of the Board and the Members.

Section 3. The President shall perform all duties, as directed by the Board when duly assembled, to ensure that all orders and resolutions of the Board 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 or her by the Board. Should the President and the Vice-President both be absent from any Board meeting, the directors shall select from among themselves a person to act as chairperson of the meeting.

ARTICLE VII

SECRETARY-TREASURER

Section 1. The Secretary-Treasurer shall keep the minutes of all the meetings of the Members and the Board in books for that purpose. He or she shall attend to the giving and serving of notices of all meetings of the Members and the Board. He or she shall be the custodian of the corporate seal of the Corporation and, when so ordered by the Board, 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 Bylaws and such other books and papers as the Board 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. The Board may delegate any of the duties of the Secretary-Treasurer under this Article VII to a manager, bookkeeper, office staff and/or Board recorder.

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 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. He or she shall disburse or cause to be disbursed, the funds of the Corporation as may be directed by the Board, taking proper vouchers for such disbursements. He or she shall render to the President and to the Board, whenever they may require, accounts of all his or her transactions as Secretary-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, subject to the control of the Board of Directors.

ARTICLE VIII

VACANCIES

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

ARTICLE IX

NONPROFIT REQUIREMENTS

The Corporation must exercise prudent financial management to meet appropriate funding levels for the long-term maintenance needs of the Project. The Board must annually adopt and distribute to the members a "Reserve Funding Plan," in the format set forth in California Civil Code section 5570, which includes a schedule of the date and amount of any change in assessments that would be needed to sufficiently fund the reserves for the repair and replacement of all major components in the Project.

ARTICLE X

AUDITING

Section 1. The Auditing Committee shall be elected by the Members of the Corporation at their regular annual meeting. Vacancies in said Committee shall be filled by the other candidates in order of their number of votes. If none are available, then by the Members at the next regular meeting of the Members following the occurrence of the vacancy, or at a prior special meeting of the Members called for that purpose.

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. The Auditing Committee shall work with the professional auditor to perform its duties described herein.

ARTICLE XI

FISCAL YEAR

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

The seal of the Corporation shall be circular in form and there shall be inscribed thereon: "Atchison Village Mutual Homes Corporation, Incorporated October 16, 1956 – Richmond, California."

ARTICLE XIII

IMPROVEMENTS TO UNITS

Section 1. Prior approval from the Board or Planning Committee is required for any of the following improvements to a Unit: (1) any construction work that could impact the bearing walls, utilities, electrical wiring or plumbing; and (2) any demolition including but not limited to removing walls, hardwood floors and tiles. The Member shall submit an architectural review application attached to the Corporation's standard operating procedures, as amended by the Board from time to time.

Section 2. After permission for improvements is obtained in writing from the Board or Planning Committee, the Member shall apply for and receive in writing permission from the City of Richmond for any modification of the premises. Such written 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 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 Bylaws and, at the discretion of the Board of Directors, be grounds for termination of membership under Article I, Section 9 of these Bylaws.

ARTICLE XIV

CORPORATION RECORDS AND MEMBER'S DISCLOSURE

Section 1. Pursuant to California Corporations Code section 1601, the Corporation's accounting books and records and minutes shall be open to inspection upon the written request of a Member at any reasonable time during usual business hours, for a purpose reasonably related to such person's interests as a Member. Every director shall have the absolute right at any reasonable time to inspect and copy all books, records and documents of every kind and to inspect the physical properties of the Corporation.

Section 2. The Corporation shall provide the following documents to a prospective purchaser of a perpetual use in a Unit at the time of screening and before any execution of the Mutual Ownership Contract:

(a) A copy of the Mutual Ownership Contract, Bylaws and amendments thereto, and relevant Rules;

(b) A copy of the annual budget report;

(c) A true statement in writing obtained from an authorized representative of the Corporation as to the amount of the Corporation's current assessments and fees, any assessments levied upon the Member's Unit that are unpaid on the date of the statement, and any monetary fines or penalties levied upon the Member's Unit and unpaid on the date of the statement. The statement obtained from an authorized representative shall also include true information on late charges, interest, and costs of collection, as of the date of the statement;

(d) A copy or a summary of any notice previously sent to the Member that sets forth any alleged violation of the Rules, Bylaws and amendments thereto and/or the Mutual Ownership Contract ("Governing Documents") that remains unresolved at the time of the request. The notice shall not be deemed a waiver of the Corporation's right to enforce the Governing Documents against the Member or the prospective purchaser of the perpetual use with respect to any violation. This paragraph shall not be construed to require the Corporation to inspect a Member's Unit;

(e) Any change in the Corporation's current assessments and fees which have been approved by the Board, but have not become due and payable as of the date disclosure is provided pursuant to this Article;

(f) If there is a provision in the Bylaws or Mutual Ownership Contract that prohibits the rental or leasing of any of the Units to a renter, lessee or tenant, a statement describing the prohibition; and

(g) If requested by the prospective purchaser, a copy of the minutes of Board meetings, excluding meetings held in executive session, conducted over the previous twelve (12) months, that were approved by the Board.

ARTICLE XV

ADOPTION OF RULES

Section 1. The Board shall send by first-class mail or email a notice of any proposed Rules (“Rule Change”) to the Members at least twenty-eight (28) days before making the Rule Change. The notice shall include the text of the proposed Rule Change and a description of the purpose and effect of the proposed Rule Change. The Rule Change must be consistent with these Bylaws, the Articles of Incorporation, the Mutual Ownership Contract and applicable law.

Section 2. The Board may adopt the Rule Change at a duly-noticed open meeting of the Board only after consideration of any comments by the Members and shall send by first-class mail or email any final Rule Change to the Members within fifteen (15) days of adoption.

ARTICLE XVI

AMENDMENTS

Section 1. These Bylaws may be repealed or amended, and new Bylaws may be adopted without a meeting by absentee ballots or written consents signed by fifty percent plus one (50% + 1) 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, above.

The Board of Directors may also resolve to repeal or amend these Bylaws and adopt new Bylaws, provided, however, that the membership shall ratify such changes through verifying petitions described in Article III, Section 14, above.

Section 2. In the event of a conflict between these Bylaws and any Mutual Ownership Contract, these Bylaws shall prevail.

ARTICLE XVII

DEFINITION OF TERMS

The following initially capitalized items have the meanings set forth below whenever used in these Bylaws:

1. “**Articles**” shall mean the Articles of Incorporation of the Corporation, as amended from time to time.
2. “**Board**” or “**Board of Directors**” shall mean the governing body of the Corporation.
3. “**Bylaws**” shall mean these Bylaws of the Corporation, as amended from time to time.
4. “**Certificate of Membership**” means official documents issued by the Corporation to its members that provide evidence of how much of an ownership stake they have in the Corporation.
5. “**Common Area**” shall mean the open areas of the Atchison Village property, which are not part of any Unit assigned to a specific membership.
6. “**Corporation**” shall mean the Atchison Village Mutual Homes Corporation, a California nonprofit corporation.
7. “**Governing Documents**” shall mean the Rules, Bylaws, Mutual Ownership Contract and any amendments thereto.
8. “**Member**” shall mean the Natural Person to whom a Certificate of Membership has been issued. When a Certificate of Membership is issued to more than one person for a single Unit, the term “Member” shall refer collectively to the group of persons who have a perpetual use of that Unit.
9. “**Member in Good Standing**” shall mean a Member who is not delinquent in any assessments or who is not subject to any disciplinary action after notice and a hearing by the Board.
10. “**Mutual Ownership Contract**” shall mean each contract signed by a Member and the Corporation granting that Member a perpetual use of a Unit.
11. “**Natural Person**” shall mean an individual human being, as opposed to a legal person, which may be a private (i.e., business entity or non-governmental organization) or public (i.e., government) organization. A “Natural Person” for a living trust is the trustee.

12. **“Permanent Committees”** shall mean the Auditing Committee, Nominating Committee, Planning Committee, Fact Finding Committee, and Screening Committee.
13. **“Project”** shall mean the entire real property described herein, including all structures and improvements erected thereon
14. **“Rules”** shall mean the Rules, Regulations, Policies and Procedures adopted and amended by the Board from time to time regulating the general management and operation of the Project, the conduct of the business and affairs of the Corporation, and the alteration of the Units. The Rules include the documents entitled “Rehab and Auction of Unit” and “Internal Procedures for Reviewing Membership Applications,” as amended by the Board from time to time.
15. **“Unit”** shall mean a dwelling place where the Member has the right to perpetual use while the Member is in good standing. Each “Unit” consists of the area bounded by the interior unfinished surfaces of its perimeter walls, bearing walls, floors, ceilings, windows and interior portions of window frames and trim, doors (including windows in doors) and interior portions of door frames and trim, and includes both the portions of the building so described and the airspace so encompassed.