

Definitional Overview (financial terms):

Assessment: Payment is associated with a specific one-time improvement (i.e. new or upgraded infrastructure or an improvement to the property).

Carrying Charge: Payment includes the member's share of the cooperative debt service, operating expenses, and necessary payments to cooperative reserve funds (often referred to as “lot rent” in a traditional manufactured home park).

Membership Fee: Payment associated with cooperative membership.

BYLAWS THE WOODS COOPERATIVE ASSOCIATION

ARTICLE ONE

*(Most common wording is in **bold**)*

- 1.1** The name of this Corporation shall be The Woods Cooperative Association, herein after referred to as the “Corporation,” located in Little River, CA, County of Mendocino, State of California.
- 1.2** The Corporation shall be governed by applicable California law. The Corporation shall also be governed by the recorded Declaration, as defined in Civil Code Section 4250; the Articles of Incorporation, as defined in Civil Code Section 4280; these Bylaws; the Occupancy Agreement; the Operating Rules, as defined in Civil Code Section 4340.

ARTICLE TWO

Purpose

- 2.1** The purpose for which this Corporation is formed is to own and operate a manufactured housing community (commonly known as “park”), herein after referred to as the “Community,” as a Corporation and be involved in other Corporation activities, on a non-profit, “cooperative” basis for the benefit of the current and future resident homeowners, [and to preserve the community’s status as a 55-and-older community].
- 2.2** The broad purpose is to gain control of the rental costs, preserve the Community for the current residents, and to keep it affordable long term for low and moderate-income individuals and families. In accordance with the purpose stated in the Corporation’s Articles of Incorporation, the Corporation will conduct its business in a manner designed to preserve the affordability of the sites within the community for low- to moderate-income homeowners.

ARTICLE THREE

Members

- 3.1 Eligibility.**
 - A.** “Member” is defined as the adult (55-years-or-older) individual(s), [recognizing that this is a 55 and over community,] without regard to their race, color, religion, sex/gender, gender identity, gender expression, sexual orientation, marital status, medical condition, military or veteran status, national origin, ancestry, disability, or any other applicable Fair Housing protected class in California, who owns and resides in a manufactured housing unit (herein after referred to as the “Home”) in the Community and the other additional adult occupants listed on the Occupancy Agreement. A person is seen as owning or co-owning a Home if he or she owns the Home directly or through his or her “living” trust. A “living” trust is any trust that is established by an individual under such terms as: (1) appoint him or herself as the trustee during his or her lifetime (and or

competency); (2) is revocable by him or her; and (3) designates him or herself as the beneficiary for his, her or their lifetime.

“Ownership” of a Home shall include, where appropriate, persons purchasing a Home under a lease purchase or contract of sale, which is current and in good standing, are brought into good standing by agreement acceptable to the Board of Directors, where the Home buyer has some established equity in the Home.

- B. Is/are in good standing with the Corporation. A “Member in good standing” is a Member whose carrying charge, assessment, and Membership Fees are current or has signed an agreement satisfactory to the Board of Directors to bring these carrying charges, assessments, and fees current.
- C. A member recognizes the importance of accepting membership responsibilities, including but not limited to participating in the governance of the Cooperative Corporation, and its operation of the community.

3.2 Membership Rights.

- A. A Member will have a perpetual right to occupy a lot within the community as long as he or she continues payment of the carrying charge and compliance with the other terms of the Member Occupancy Agreement, the Bylaws of the Corporation and the Operating Rules established by the Members, all as they may be amended from time to time. However, if a Member is evicted from the Community or moves out of the Community, that Member will lose his or her right to occupy said lot. Only one Membership interest will be assigned to a Home, and only one full vote may be exercised under a Membership interest.

3.3 Membership Obligations.

- A. All Members and Non-Members are required to pay their carrying charge. This carrying charge, initially established by the Membership of the Corporation, may be increased by a majority vote of the Corporation Board of Directors or by a majority vote of the Membership, consistent with Article 5.2 of these Bylaws, with a sixty (60) day written notice to all Members and Non-Members.
- B. A Member will participate cooperatively in the operation of the Corporation.

3.4 Enrollment of Members.

- A. Owners of Homes seeking to reside in a Home and lease a lot in the Community must become Members of the Corporation. Owners seeking Membership shall:
 - (1) Apply for Membership on a form prescribed by the Membership Committee
 - (2) Be approved for Membership by a majority vote of the Board of Directors;
 - (3) Pay in full the Membership fee;
 - (4) Execute a Member Occupancy Agreement and a Membership Agreement;
 - (5) Have an intent to occupy a Home in the Community as their primary residence;
 - and
 - (6) Commit to the purposes and policies of the Corporation including the Operating Rules and these Bylaws.
- B. Owners of Homes in place at the time the Corporation purchases the Community have the right to become Members without Board approval as per (2) above; but must fulfill all other Membership enrollment conditions (1), (3), (4), (5), (6) above.

- C. Buyers of Homes, who are approved for future membership shall be required to purchase and occupy a home before their membership becomes active.
- D. A person is considered a buyer or owner if he or she seeks to or does own or co-own a home directly or through his/her/their "living" trust (see definition at paragraph 3.1 above) or becomes the subsequent beneficiary of a trust, previously existing as a living trust, upon death of the Grantor, or upon devise or distribution from a deceased Member's estate, or any other event. If an existing Member transfers title to a home to his or her "living" trust, the trust will not be considered a new owner or buyer under this paragraph. Members transferring their Membership into a permissible "living" trust must furnish the Corporation with either a copy of said trust document **or** a letter of opinion from an attorney stating that the trust to which the title has transferred is a revocable, living trust wherein the Member(s) is (are) the trustee(s) during his/her/their lifetime, or competency, and with said Member(s) as the sole beneficiary during his/her/their lifetime

3.5 Membership Fee.

- A. The Membership Fee shall be two hundred \$200 dollars. For members who join at or before escrow closing associated with the resident/cooperative purchase of the park, 25% needs to be paid at closing, and the remaining can be paid over a period of up to two years. After the purchase of the Woods is complete, the full membership fee is due, in full, at the time of membership. In all cases the fee shall accumulate no interest. Membership Fees shall remain equal for all Members.
- B. Woods Cooperative Association Membership shall entitle the holder to occupancy of a lot in accordance with the Member Occupancy Agreement, provided that the holder also abides by the Operating Rules of the Corporation and does not interfere with the effective operation of the Corporation. The membership is not transferable, except by will or trust distribution by a permissible trust, or the rules of law that apply if someone dies without a will, to someone that would otherwise be eligible for Membership. A Membership may not be transferred to someone or some trustee or beneficiary who does not plan to own the home and reside in the Community nor shall a "living" trust continue to hold a Membership interest beyond the usual and customary time required for a wind up of a probate estate, should title have passed by that means and occupancy during such periods shall not extend to any other party not previously permitted Membership and occupancy.
- C. The Board of Directors reserves the right to use all or part of a Member's Membership Fee to pay any debt due to the Corporation, or expenses incurred as a result of a Member's actions or non-actions, in regard to the Corporation; such debts and expenses being legally the responsibility of the Member. The Member shall replenish a capital balance decreased on such account in order to remain in "good standing."

3.6 Termination and Expulsion.

- A. Any Member whose activity in the Corporation is contrary to basic cooperative principles (see copy of International Cooperative Alliance Principles attached hereto and incorporated herein by this reference) or who endangers the effective operation of the Corporation may be expelled from Membership in the Corporation by the Board of Directors. Loss of Membership carries with it loss of all Membership privileges, including the perpetual right to occupy said lot and any Member carrying charge. Written notice of the charges against each Member, and reasonable opportunity for a hearing before

the Board of Directors, shall be provided before any such expulsion. A reasonable opportunity to be heard is defined as fifteen (15) day notice. If a member submits a written request for a hearing within those 15 days, the board shall meet in Executive Session to evaluate the charges, to hear the Member's response, and to make a decision. At termination, the Corporation shall repurchase the Membership at the price the member paid, less any debts owed, and expenses incurred by and owing the Corporation on behalf of the Member, and if and when there are sufficient reserve funds as determined by the Board of Directors. An eviction of the Member shall automatically terminate his or her Membership.

- B. The Member shall have the right to appeal the board's decision to terminate Membership during the next scheduled Membership meeting and will be given a reasonable opportunity to be heard, either in person or by their attorney. Members may request a Special Meeting of the Membership within a reasonable time period, and such request will not be unreasonably denied. In the absence of a board call for a Special Meeting, the Member may do so in accordance with Article 5.3 of these Bylaws. A Member need not be expelled before being evicted. Re-application for Membership will require Board review and Membership approval before re-issuance of Certificate of Membership. The reason for the expulsion shall be clearly stated, recorded, placed in the permanent files and a copy given to the Member.
- C. Any Member who wishes to be represented by legal counsel as the result of a Corporation action must notify the Board of this fact ten (10) days in advance of the meeting. The Member shall solely be responsible for the cost of his or her attorney. In no case should the Corporation be responsible for the legal fees of the Member.
- D. Corporation shall have a lien on the Membership in order to secure payment of any sums which shall be due or become due from the holders thereof for any reason whatsoever, including any sums due under the Occupancy Agreement. Within the thirty (30) to ninety (90)-day period before the end of the fiscal year, the Corporation shall distribute to each Member a statement describing the Corporation's policies and practices in enforcing lien rights or other legal remedies for default in payment of Carrying Charges and the penalties and fees to which the Members may be subject.

3.7 Patronage Refunds

Members shall have a right to determine whether excess carrying charges collected in any given fiscal year shall be returned to Members as patronage refund or retained as additional funding for reserves or for the needs of the following year operations. The decision may be made at the time that they approve the budget for the coming fiscal year. The Corporation may refund or credit to the Member, within one hundred and twenty (120) days, dependent upon a satisfactory audit, of the end of its fiscal year; but only insofar as such refund or credit is consistent with state law or permissible under the terms and provisions of any loan terms, as applicable from time to time. Such patronage refunds are limited to a pro rata return of fees paid by Members in excess of the Corporation's needs and are not from earned income from other sources.

ARTICLE FOUR
Sale and Rental of Homes

4.1 Use of Homes.

- A. In order to unify the Members and make the Corporation stronger, all Homes within the Community must be owner-occupied. Notwithstanding other sections of these Bylaws, failure to comply with this article shall result in an eviction from the Community.

- B. Any tenancy existing in a Home at the time of the park acquisition by the Corporation may continue, and that Home shall be exempt from this owner occupancy requirement for so long as the existing tenant occupies the Home. Upon any voluntary or involuntary termination or expiration of such a tenancy for any reason, the Home may not continue to be rented out but shall become owner occupied. Tenants allowed under this section are not eligible for Membership.

- C. Rental or leasing of Homes in the Community shall not be allowed unless approved by the Board of Directors. The Board of Directors shall not approve a rental or lease unless (1) a written request is submitted by the Member alleging hardship and (2) the Board of Directors determines that a hardship exists. If an approval is granted, the decision shall specify the hardship circumstance(s) and the condition(s) of approval. The vote of the Board of Directors shall be maintained in the official records of the Corporation.

4.2 All Home Sales.

- A. Any Member or Non-Member who plans to sell or move their home out of the Community or demolish the home on site shall give written notice thirty (30) days in advance of that happening to the Board of Directors. Failure to give notice can result in thirty (30) days additional carrying charge.

- B. Notice to the Board of Directors stating the intention to sell a home in place shall contain the estimated date of sale, and the name, address, and phone number of the selling agent, if any. The transfer of the Membership to the Corporation shall be effective upon the termination of the departing Member's obligations to the Corporation under the terms of the Occupancy Agreement. The purchase by the Corporation of the Membership will immediately terminate the Member's rights and the Member shall forthwith vacate the premises.

- C. It is the responsibility of the seller of the Membership and Home to supply potential buyers with information regarding the requirement that all buyers of a Home in the Community must also purchase a Membership. Prior to the transfer of title or execution of the sales contract, pursuant to Civil Code Section 4525(a), the seller shall provide disclosures required under state law and the following documents listed below to prospective buyers of the Membership. It is the responsibility of the seller to supply potential buyers with information regarding the requirement that all buyers become members of the Cooperative. The seller shall supply the Cooperative with the names and telephone numbers of any buyers who have signed a Purchase and Sale Agreement for the Home. See the exception for certain trust transfers contained in paragraph 3.3, which applies here as well.

- D. If the Cooperative is owed money by the Owner or the Owner is in breach of any other obligation to the Cooperative, the Board of Directors may consent to the transfer, as

requested by that Owner for the sale of his/her/their home to a new buyer, but may insist that the consent or transfer documents or deed be transmitted directly to the escrow or closing agent with a Notice of Lien on the Owner's home for those amounts due and owing the Cooperative. The ownership transfer documents shall only be recorded upon payment to the Corporation of all outstanding balances due to the Corporation.

- E. If the seller is a Member, upon the selling Member's written request, the Corporation and/or its managing agent shall, within ten (10) days of receipt of request, provide potential buyers with the documents listed below. In such an instance, the Corporation may collect a reasonable fee from selling Member based on the actual costs incurred by the Corporation for the procurement, preparation, reproduction, and delivery of documents requested.
- F. A copy of the Articles of Incorporation, these Bylaws; the Operating Rules; and any other documents which govern the operation of the Corporation;
- G. A copy of the most recent financial statement and all other documents distributed in the most recent year by the Corporation to the Members;
- H. A statement from an authorized representative of the Corporation as to the amount of the Corporation's current carrying charges, the amount of any unpaid carrying charges owed by the departing Member, and the amounts of any pending increases in carrying charges, any unpaid monetary fines or penalties levied upon the Member's interest. The statement shall also provide information on the late charges, interest, and costs of collection which the Corporation may include in a lien against Membership interests and shall summarize the Corporation's policies and practices in enforcing lien rights or other legal remedies for default in payment of carrying charges by Member;
- I. A copy of any notice sent by the Board of Directors to the seller that sets forth any alleged violation of the Governing Documents, including any code violations or unapproved space alterations that remains unresolved at the time of the request;
- J. A statement of any restrictions on rental or leasing of a Member's Home;
- K. Any change in the carrying charges and fees which have been approved by the Board of Directors, but have not become due and payable as of the date of disclosure;
- L. Any construction defect information, pursuant to Civil Code Section 6100; and
- M. If requested by prospective buyer, a copy of the minutes of the board meetings, excluding minutes from executive sessions, for the previous twelve (12) months that were approved by the Board of Directors.

4.3 Sale of Member Homes

- A. For a period of thirty (30) days following the delivery of the notice to the Board, if the Member receives more than one offer for the same price upon the same terms and conditions, and one of said offers is from a low- or moderate-income family or individual, the Member shall accept the offer from the low- or moderate-income family or individual. Provided, that the Board may authorize the sale to someone other than a low- or moderate-income family or individual at the request of the selling Member in the case of a sale to a family Member or where the delay in selling would pose an unreasonable hardship for the selling Member.
- B. A low- or moderate-income family or individual shall be defined as a family or individual whose total income does not exceed 80% of the median income in the county as determined by the U.S Dept of Housing and Urban Development and published in the Federal Register

- C. The Board of Directors shall purchase the Membership Interest from said Member household by paying them an amount equal to the Member's total payment toward their Share Price, without interest, less any debt owed by the Member to the Corporation, within sixty (60) days of the removal or sale of the home, or at such later date when the purchase can be made without jeopardizing the solvency of the Corporation.

The following shall apply in all situations where Fannie Mae holds an Eligible Loan on a Home in this Corporation, or wishes to comply with Fannie Mae Requirements in anticipation of eventually becoming a Fannie Mae Approved Corporation:

- A.1 Notwithstanding any other Bylaw provision, the purchaser of a Manufactured Home who acquired title at a foreclosure sale conducted by the holder of an "Eligible Loan" (as defined by statute), or directly from the holder of an Eligible Loan, shall be exempt from any "low income" requirement.
- A. 2 Notwithstanding rights of the Corporation under state law, any holder of an Eligible Loan, which is actively pursuing the right to foreclose or which has acquired title to the Manufactured Home by purchase itself at a foreclosure sale or by deed in lieu of foreclosure, and which has paid or is paying the Corporation Carrying Charge and Other Charges owing by a Member under an Occupancy Agreement, shall not be required to advance more than six (6) months of Carrying Charge and Other Charges, and the Corporation's lien rights, as to amounts owing to it by the Member under the Occupancy Agreement or otherwise, shall be subordinate to the rights of the holder of an Eligible Loan, and amounts owing to the Corporation shall only be paid out of the excess proceeds, if any, available after transfer of the Manufactured Home to a third party, and after all amounts outstanding under the Eligible Loan, including repayment of advances of monthly Carrying Charge and Other Charges, have been paid in full.

4.4. Vacant Lots.

Any Lot in the Community that becomes vacant (other than a temporary vacancy when a Member of the Corporation replaces his or her existing manufactured Home with a new or different one), shall be leased by the Board of Directors to a low or moderate income household approved for Corporation Membership; provided, however, that if after advertising the lot for thirty (30) days, the Board does not receive an offer to lease from a low or moderate income household reasonably capable of affording the Home and living in the Community, the Board of Directors may lease the lot to any suitable household. The Board will keep a waiting list for these purposes.

ARTICLE FIVE

Membership Meetings

5.1 Meeting Location, Conduct and Quorum.

- A. Meeting Location. Meetings of the Membership shall be held at the Principal Office or place of business of the Corporation or at such other suitable place convenient to the Membership as may be designated by the Board of Directors.
- B. Conduct. Meetings shall be governed by the most current version of the Parliamentary Procedure for Manufactured Housing Community Corporations or such other generally available rules of parliamentary procedure as determined by resolution of the Board of Directors, insofar as such rules are not inconsistent with the Governing Documents or with any provision of law.

- C. Quorum. The Membership may act only at a properly called meeting of the Membership where a quorum is present. Thirty 30% percent of the current Membership, not less than 30%, shall constitute a quorum at a Membership meeting.

5.2 How the Membership Can Legally Act.

The Membership may act only at a properly called meeting of the Membership where a quorum is present. Thirty percent of the current Membership, not less than 30%, shall constitute a quorum at a Membership meeting.

- A. Each Member Household shall be entitled to one vote on each matter submitted to a vote of the Members. There shall be no fractional votes.
- B. Only people who are Members at the time that ballots are distributed shall be eligible to vote and count toward a quorum. A Member who is not in good standing (as defined by these Bylaws at 5.2) shall be ineligible to vote upon any matter, and shall not be counted toward a quorum.
- C. There shall be no voting by proxy; nor shall a proxy be counted towards the establishment of a quorum. The existence of a quorum shall be established at the beginning of each meeting and shall remain valid until the meeting is adjourned.
- D. The existence of a quorum shall be established at the beginning of each meeting and shall remain valid until the meeting is adjourned. Once a quorum has been achieved, a majority vote of Members present shall be required to approve any motion. The Members may only consider motions related to agenda items that are properly noticed before the meeting in accordance with these Bylaws.
- E. If any meeting of Members cannot be organized because a quorum has not attended, the Members who are present, either in person or by proxy, may, except as otherwise provided by law, adjourn the meeting by a vote of a majority of the votes represented either in person, to a time not less than five (5) days and not more than thirty (30) days from the time the original meeting was called. If a time and place for reconvening the adjourned meeting is not fixed by those in attendance at the original meeting or if for any reason a new date is fixed for reconvening the adjourned meeting after adjournment, notice of the time and place for reconvening the adjourned meeting shall be given to Members in the manner prescribed for regular meetings.
- F. The Operating Rules shall be adopted, amended, or repealed by at least a majority vote of the total Membership of the Corporation.
- G. These Bylaws may be adopted, amended, or repealed by at least a two-thirds majority vote in accordance with the Election Rules adopted by the Corporation.
- H. Any business required or permitted to be taken at a Membership meeting may be taken without a meeting, by means of a ballot clearly stating a Board-approved motion pursuant to the Election Rules. To be passed, the motion must be approved by a majority of the entire Membership. A copy of the motion and vote must be kept on file with the Corporation's Membership meeting minutes. Notice that such an action took place, including the nature of the action, and the availability of the resolution shall be posted or otherwise published to the Members within three (3) days.

5.3 Annual Meeting.

- A. The Annual Meeting of the Members shall be held in the month of October each year in Little River, CA, Mendocino, CA or a place designated by the Board of Directors within 10

miles of the Community. An Annual Meeting of Members is to be held at least once a year.

- B. The Board shall give written notice of the Annual Membership Meeting at least ten (10) but not more than ninety (90) calendar days before the date that such is to be held (adjusted as necessary to comply with CA Election Code). Such written notice shall be given in writing to each Member at his/her address, and posted and maintained at a common area, and shall state the place, day, and time of the meeting, as well as the agenda items or subject matter to come before it.
- C. At the Annual Meeting, the Board of Directors shall be elected by secret, written ballot of the Members in accordance with the requirements of the Election Rules. The Members may also transact such other business of the Corporation as may properly come before them.
- D. A Statement of Information must be submitted every two (2) years to the Secretary of State, the report of the examination of the prior year's finances, and the proposed annual budget of the Corporation shall be made available to each Member no later than ten (10) days before the Annual Meeting for approval by the Membership at the Annual Meeting.
- E. The Board shall recommend for the approval by Membership the annual budget with proposed future carrying charge. If Members, after meeting held or ballot conducted for said purposes, shall fail to approve a budget that meets all contractual obligations, the Board may approve such a budget without further vote of the Members.

5.3 Special Meetings of the Membership.

- A. Special meetings of the Membership may be called by the Board of Directors or by petition of at least five percent (5%) of the Members. Such Member petition may be delivered to any Board Member. The Board shall set the date, place and time of the Special Meeting, to be held within 30 days after receipt of such demand.
- B. The Secretary of the Corporation shall deliver, or mail written notice stating the place, day, hour, and purpose of the Special Meeting to each Member and post the notice in a common area not less than ten (10) days and no more than ninety (90) days in advance of the meeting date. Business at a Special Meeting of the Membership is limited to the scope of the notice provided within twenty (20) days after receipt of the request, and the meeting must be held not less than thirty-five (35) nor more than ninety (90) days after receipt of the request.

ARTICLE SIX

Board of Directors

6.1 Number and Term of Directors.

- A. The Board of Directors shall consist of five members who are in good standing with the Corporation.
- B. Directorships will not be denied to any person on the basis of race, color, religion, sex/gender, gender identity, gender expression, sexual orientation, marital status, medical condition, military or veteran status, national origin, ancestry, disability, or age or any other Fair Housing protected class in California to be eligible to serve as a Director, an individual must be a resident homeowner of a manufactured housing unit in the Community; be a Member in good standing with the Corporation; and not have a criminal conviction or plea that would either prevent the Corporation from purchasing

the fidelity bond coverage required by Civil Code section 5806 or would terminate the Corporation's existing fidelity bond coverage.

- C. All Directors shall serve for a term of two years except that at the first election, the Vice President, Treasurer, and At-Large Director will be elected for one-year terms, President, and Secretary for two year terms. No one person can serve in the same position on the Board for more than 4 years, and a maximum of 6 continuous years among positions. After 4 years in one position, and/or six continuous years in more than one position, a year off the Board is mandated until the individual may again serve on the Board.
- D. No more than one individual from each Member household may serve on the Board of Directors at any given time.

6.2 Election of Directors.

- A. The Board of Directors shall be elected by the Membership at an Annual or Special Meeting of the Corporation pursuant to the Election Rules.
- B. All newly elected Directors will take office thirty (30) days after elections or at the next Board of Directors meeting, whichever is first.
- C. Members shall elect Directors to each officer position as well as those Directors serving at large.

6.3 Powers.

- A. The Board of Directors shall be responsible for the day-to-day management and control of the Corporation operations. All policies which do not require Membership approval will be adopted and amended by the Board of Directors.
- B. No Director may act on behalf of the Corporation unless duly authorized by the Board of Directors.
- C. Any matters outside of the ordinary course of business or that involve the sale or encumbrance of assets shall require Member approval.
- D. The Board of Directors may from time to time set up committees and/or ad-hoc groups to work on specific responsibilities, with the committee members serving at the pleasure of the Board of Directors. These committees will report to the Board of Directors and operate with only as much authority as granted by the Board. Further explanation of these committees may be found in the policies of the Board of Directors.

6.4 Resignation.

Any Director may resign at any time upon giving written notice to the Board of Directors. Such resignation will take effect immediately or at the time specified. The Board of Directors will officially acknowledge the resignation in the minutes at their next meeting.

6.5 Removal.

- A. Any Director may be removed with or without cause by the affirmative vote of the majority of the Member votes cast and a successor elected to fill the vacancy thus created pursuant to an election conducted in accordance with the Election Rules provided that the number of votes cast equals or exceeds a quorum of the Members. Any Director whose removal has been proposed by the Members shall be given an opportunity to be heard at a Regular or Special Meeting of the Members duly called prior to the commencement of the election in which a successor will be selected.
- B. The Corporation may require a nominee for a board seat, and a director during their board tenure, to be current in the payment of regular and special assessments, which

- are consumer debts subject to validation. If an association requires a nominee to be current in the payment of regular and special assessments, it shall also require a director to be current in the payment of regular and special assessments
- C. The Corporation may disqualify a nominee if that person has been a member of the association for less than one year.
 - D. The Corporation may disqualify a person from nomination for nonpayment of regular and special assessments but may not disqualify a nominee for nonpayment of fines, fines renamed as assessments, collection charges, late charges, or costs levied by a third party. The person shall not be disqualified for failure to be current in payment of regular and special assessments if either of the following circumstances is true:
 - 1) The person has paid the regular or special assessment under protest pursuant to Civil Code 5665.
 - 2) The person has entered into a payment plan pursuant to Civil Code 5665
 - E. Any Director whose actions are determined to negatively affect the operation of the Corporation may be removed by a majority vote of the Members present at any regularly scheduled or Special Meeting of the Membership where a quorum is present, provided that a 10-day notice of the impending vote has been given to the Director who may be removed. Said Notice shall clearly advise that, once a quorum is established, a majority vote of the Members present will be needed to remove the Director. The notice shall state the date, time and place of the meeting where said vote will be taken and Said notice of a vote to remove shall only be made after:
 - 1) If initiated by the Board of Directors- a majority vote of the Board of Directors, or
 - 2) If initiated by a Membership Petition- after the Board of Directors receives a written petition requesting the proposed removal, signed by at least 10% of the Membership.
 - F. Said Notice shall clearly advise that, once a quorum is established, a majority vote of the Members present will be needed to remove the Director.
 - G. The notice shall state the date, time and place of the meeting where said vote will be taken.
 - H. If the Members' petition for removal of a Director does not state that the vote to remove is requested for the next regularly scheduled meeting, or if the Board of Directors lacks time to give the required notice to the Director to be removed before the next regular meeting, then the Board of Directors shall take said Petition for Removal to also be a request for a Special Membership Meeting for said purposes, and proceed in accordance with these Bylaws regarding Special Meetings, and shall set the date, place and time of the Special Meeting, to be held not less than 35 days and not more than 90 days after receipt of such Petition. The Secretary of the Corporation shall deliver or mail written notice stating the place, day, hour and purpose of the Special Meeting to each Member and post the notice in a common area not less than 10 days in advance of the meeting date.
 - I. Any Director who misses more than three (3) Board meetings in a 12 month *period* unless that Director has submitted to the Board in writing reasonable reasons for the absence (e.g. illness) may be removed from office if a majority of the Directors then in office vote for the removal. *Reasonable* will be defined by judgement of the Board of Directors.

6.6 Vacancies.

Vacancies that result from resignation or other means, including the removal of a Director by a vote of the Members, may be filled by a majority vote of the Directors present at any Regular or Special Meeting of the Board of Directors, even though they may constitute less than a quorum. The Director so appointed shall serve until a successor is elected by the Members at the next Annual Meeting to serve out the unexpired portion of the term.

6.7 Compensation.

Directors shall serve without compensation, but shall be entitled to reasonable reimbursement for expenses incurred while conducting legitimate Corporation business. Any expenses incurred must have prior approval by the Board of Directors. Receipts must accompany all requests for reimbursement. Directors may not simultaneously serve on the Board and receive compensation for services, products, or contracts, and may not be employed by the Corporation.

ARTICLE SEVEN

Officers

7.1 Roster of Officers.

The Officers of the Corporation shall consist of a ***President, Vice President, Secretary, Treasurer, and Member at Large*** and any other designated position as decided by the Membership. All Officers are Directors of the Corporation and must meet the requirements for being a Director set forth in Article 6.1.

7.2 Election and Removal of Officers.

See process for Election and Removal of Directors in Article 6.

7.3 President.

The President shall serve as chair and preside at all meetings of the Directors and Membership. He or she shall be responsible for general day-to-day administration according to the authority granted by the Board and the Membership. The President shall perform such duties prescribed by the Board or as necessary to accomplish the directives of the Board of Directors.

7.4 Vice President.

The Vice President shall preside at all meetings in the absence of the President and shall perform such duties delegated to him/her by either the Board or the President. They shall report on the activities of the President to the Board in the absence of the President. If the President resigns from or is removed from the Board, the Vice President becomes the Acting President until the next Annual Meeting.

7.5 Secretary.

The Secretary shall keep the records of the Corporation and these Bylaws. Amendments to these Bylaws shall be typed, noted, dated and maintained with these Bylaws, and copies distributed to the Membership. The Secretary shall keep a true record of the proceedings of all meetings of the Directors and Members. If the Secretary is absent from any such meetings, the chair may request that some person act as a recording secretary to take the minutes. The Secretary shall also be responsible for posting meeting notices, typing correspondence and maintaining and updating Membership and resident lists. The signature of the Secretary, or acting secretary, on minutes and actions of the Board shall serve as evidence of their authenticity.

7.6 Treasurer.

The Treasurer is responsible for overseeing the management of all Corporation funds. This is done by acting as the liaison between the Board of Directors and Property Management Company/Bookkeeper on a monthly basis. The Treasurer shall be the Chair of the Finance Committee. The Treasurer shall review and analyze monthly financial statements in order to prepare a Treasurers Report. They shall work with the Finance Committee for this analysis and review of monthly statements. The Treasurer shall be responsible to ensure that the Past Due Rent Collections Policy is enforced by Management. The Treasurer shall also ensure that all funds being spent are in accordance with the member approved Budget. All unbudgeted expenses shall be approved in accordance with Bylaws.

7.7 Member at Large.

The Member-At-Large (MAL) is the community representative on the board of directors. Typically, a MAL represents the membership on issues of interest or concern, particularly those that arise outside of a standing committee structure. The MAL listens to Membership and communicates their issues, needs and interests to the Board of Directors. This officer can identify potential problems and opportunities that are of interest to the membership, spearheads communication to and from the members, and works effectively toward common goals as a team member on the board of directors.

7.8 Powers.

All Officers of the Corporation shall, subject to these Bylaws and to any vote of the Directors, have such powers and duties as the Directors shall from time to time designate, in addition to the specific powers and duties set forth above. Such powers shall include management of the day -to-day operation of the community as well as the authority to make rules for the community.

**ARTICLE EIGHT
Board Meetings**

8.1 Regular Meetings.

Regular meetings of the Directors shall be held monthly. Notice of the time and place together with the agenda of the Board of Directors' meeting shall be posted in a public place in the Community no less than four (4) days before the meeting. The Board shall have the sole discretion to establish the agenda for all regular meetings.

8.2 Special Meetings.

Special meetings of the Directors may be held at the call of the President or any two Directors. Written notice stating the place, day, hour, and agenda of any special meeting shall be posted in a common area and communicated personally to each Board Member not less than four (4) days before the date of the meeting. In an emergency situation that could not have been reasonably foreseen that require immediate attention and possible action by the Board and that of necessity make it impracticable to provide prior notice to the Members, notice is not required.

8.3 Open Meetings.

Regular and Special Meetings of the Board of Directors shall be open to the Membership except when the Board moves to an Executive Session. Executive Sessions are used to consider litigation, matters relating to the formation of contracts with third parties, Member discipline, or personnel matters, or to meet with a Member upon the Member's request regarding the

Member's payment of Carrying Charges, specified in Civil Code Section 5665. Executive sessions shall also include a session that is requested by a Member regarding any fine, penalty, or other form of discipline to which such Member may be subject. If a Member requests such a session, that Member may attend such session despite the fact that it is an executive session. The Board may, with the approval of a majority quorum of the Board, adjourn the regular meeting and reconvene in executive session.

8.4 Notice.

Written notice stating the place, day, hour and agenda of all Board meetings, regular and special, should be posted in a common area compliant with Elections Code and these Bylaws.

8.5 Quorum.

At any meeting of the Board of Directors, a simple majority of the number of Directors then in office shall constitute a quorum for the transaction of business. A majority of those present must vote in the affirmative to pass a motion, once a quorum has been established. A Director may attend by electronic means, *if they can hear and be heard by everyone attending* the meeting, and such Director is included in a quorum count. However, 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 Members may attend the meeting and at least one person designated by the Board of Directors shall be present at the physical location.

8.6 Action without a Meeting.

Any emergency action required or permitted to be taken by the Board of Directors may be taken without a meeting if the written motion is approved and signed by all Board of Directors (unanimous written consent). Authority for such action commences when the last Director signs. A copy of the written motion with all signatures must be kept with the Board minutes.

8.7 Proxy Voting Prohibited.

Proxy voting is prohibited.

8.8 Minutes.

Minutes of all meetings of the Board of Directors, except executive sessions, shall be made available to Members within thirty (30) days of the meeting. Upon a Member's request, the minutes shall be distributed to such Member, and the Corporation may require such Member to pay for the Corporation's distribution costs. In addition to the above, any such matter discussed in executive session shall be generally noted in the minutes of the immediately following Meeting that is open to the Membership in a manner that is consistent with the intent of the executive session, namely to preserve the confidentiality of what was discussed and the opinions that were expressed during the meeting.

ARTICLE NINE
Committees

9.1 Committees.

The Board of Directors may, by resolution adopted by a majority of the Directors then in office, designate one or more committees, which can include members and one or more Directors, to serve at the pleasure of the Board.

ARTICLE TEN
Indemnification and Bond

10.1 Indemnification.

- A. The Directors, Officers and Members shall not be personally liable for the debts, liabilities or other obligations of the Corporation.
- B. The Corporation shall indemnify its Directors, Officers, employees, and agents, including persons formerly occupying any such position, to the fullest extent permitted by law, against all expenses, judgments, fines and other amounts actually and reasonably incurred by their connection with any threatened, pending, or completed action or proceedings, whether it is civil, criminal, administrative, or investigative. The Corporation shall at all times maintain in full force and effect a policy of Directors and Officers Liability Insurance.
- C. In all cases where indemnification is sought, the Corporation shall be subject to the following restrictions and requirements:
 - 1. Where the action or proceeding is brought on behalf of the Corporation or involves a self-dealing transaction, the Corporation shall not indemnify against amounts paid in settlement or judgment amounts, but shall, upon the express authorization of the Board, indemnify the Director, officer, employee or agent against expenses incurred in defense of an action arising from his or her relation to the Corporation. In order for the Board to indemnify in such cases the Board must find the person met the statutorily proscribed standard of care by acting (1) in good faith, (2) in the best interests of the Corporation, and (3) with the care of an ordinarily prudent person.
 - 2. Where the person seeking indemnification under this section has been held liable to the Corporation, or has settled his or her liability to the Corporation, the Corporation shall not indemnify against expenses without the approval of the court or the Attorney General.
 - 3. The Board shall determine whether the person seeking indemnification has acted in accordance with the standard of care set forth in subsection (a) of this section by a majority vote of a quorum consisting of disinterested Directors. The termination of any proceeding in a manner adverse to the Director seeking indemnification shall not create a presumption that such person failed to meet the standard to care.
 - 4. Where the person seeking indemnification has been successful on the merits in defense of any action or proceeding brought on behalf of the Corporation or in defense of any claim or issue involved in such action or proceeding, the Corporation shall indemnify against all expenses actually or reasonably incurred.
 - 5. The Corporation shall not advance any money to the person seeking indemnification for the purpose of defending against any action or proceeding

without the receipt of an undertaking by such person to repay all advances unless it is ultimately determined that he or she is entitled to indemnification.

10.2 Bond.

The Board shall require that all officers and employees of the Corporation handling or responsible for corporate or trust funds shall be covered by adequate fidelity bonds. Such coverage shall be obtained, and the premiums on such bonds shall be paid for, by the Corporation.

ARTICLE ELEVEN

Operations

11.1 Signing of Documents.

Unless specifically authorized by the Board of Directors or as otherwise required by law, all final contracts, deeds, conveyances, leases, promissory notes, or legal written instruments executed in the name of and on behalf of the Corporation will be signed and executed by the President and one other Director. The Board will authorize by written resolution all final documents to be so executed. No more than one individual from each Member household may have signing authority.

11.2 Disbursement of Funds.

- A. All checks disbursing funds from any of the Corporation's accounts will require the signatures of at least two Directors, or contracted agent.
- B. Any decisions that may commit expenditures of Three (\$3,000.00) thousand dollars, or more of Corporation resources per fiscal year, that does not appear in the approved annual budget, shall be made by the Membership at an Annual or Special Meeting of the Members. Capital improvement and replacement reserve expenditures that do not appear in the Member-approved Capital Improvement Plan and that exceed Five (\$5,000) thousand dollars per fiscal year, require the approval of the Membership except in cases of emergency repairs. The Board shall notify the Membership of such an emergency action at the next regular or Special Meeting of the Membership.

11.3 Ethics, Procurement and Conflict of Interest.

In addition to the requirements of these Bylaws, the Corporation through a Membership vote shall adopt, and all Director-Officers shall abide by, a Board of Directors Code of Ethics Policy, a Procurement Policy, and a Conflict-of-Interest Policy. No member of the Board of Directors may be retained by the Corporation for compensation whether as an employee, independent contractor, consultant or in any other capacity. The role of employee, contractor, or vendor is inherently a conflict of interest with the Director's role as a Board Member, and that conflict cannot be waived by the Board or Membership.

11.4 Records.

The records of the Corporation shall be kept, the Secretary shall oversee the maintenance of such records (see Section 7.5), and assure that this responsibility is transferred to newly elected Directors upon change over.

11.5 Inspection of Books and Records.

- A. Records of the Corporation shall be open to the inspection of any Member or designated representative of a Member shall have the right to access, inspect, and copy records, the Articles, and these Bylaws during reasonable business hours and as further

set in or Civil Code Section 4000 et seq. including but not limited to financial reports, accounting books and records, copies of Articles, these Bylaws, Operating Rules, and minutes of proceedings of the Members and the Board of Directors and any committee(s) of the Board of Directors. If any Member would like a copy of any of these materials, they will be charged actual copying costs.

- B. Records shall be available for inspection for the current calendar year and for each of the previous two (2) calendar years. Notwithstanding this, minutes of Member and Board meetings are subject to inspection permanently. If a committee has decision-making authority, minutes of the meetings of that committee shall be permanently subject to inspection.
- C. Every Director shall have the right at any reasonable time to inspect all records and the physical properties of the Corporation and each of its subsidiary corporations. This inspection by a Director may be made in person or by an agent or attorney, and the right of inspection includes the right to copy and make extracts of documents. All Directors should consider their fiduciary obligations to act in good faith and in a manner the Director believes to be in the best interests of the Corporation in determining what use and/or dissemination is to be made of information obtained in the exercise of the Director's inspection rights.
- D. In no event may the books, records, and minutes of proceedings and any information from them be sold, used for commercial purposes, or used for any other purpose not reasonably related to a Member's interest as a Member.
- E. A Member may opt out of the sharing of that Member's name, property address, and mailing address by delivering to the Corporation in writing a statement that the Member prefers to be contacted via the alternative process described in subsection (c) of Corporations Code Section 8330. This opt out shall remain in effect until changed by the Member.
 - 1. A request to add or remove a second address for delivery of Individual Notices, as defined in Civil Code Section 4040, to the Member pursuant to of Civil Code Section 4040(b);
 - 2. A request for Individual Notice of general notices to the Member pursuant to Civil Code Section 4045(b), or a request to cancel a prior request for Individual Notice of general notices;
 - 3. A request to opt out of the membership list pursuant to Civil Code Section 5220, or a request to cancel a prior request to opt out of the membership list;
 - 4. A request to receive a full copy of a specified Annual Budget and Report or Annual Policy Statement pursuant to Civil Code Section 5320; and
 - 5. A request to receive all reports in full pursuant to Civil Code Section 5320(b), or a request to cancel a prior request to receive all reports in full.
- F. A Member may bring an action to enforce that Member's right to inspect, copy, or receive production of Association Records, consistent with Civil Code Section 5235. The Treasurer will be responsible for ensuring that the annual financial review/audit [choose appropriate option] is completed and delivered to the Board within four months after the end of the fiscal year.

11.6 Fiscal Year.

The fiscal year of the Corporation shall be the twelve (12) month period ending the last day of December of each year. The Corporation shall cause its books to be examined within a

reasonable time after the end of each fiscal year in accordance with the audit/review requirements of state law.

11.7 Auditing.

At the closing of each fiscal year, the books and records of the Corporation shall be audited by a Certified Public Accountant. Based on such reports, the Corporation will furnish the Members with an annual financial statement including the income and disbursements of the Corporation no later than one hundred twenty (120) days after the close of the fiscal year. The Corporation will also supply the Members, as soon as practicable after the end of each calendar year, with a statement showing each Member's pro rata share of the real estate taxes and mortgage interest paid by the Corporation during the preceding calendar year.

11.8 Annual Budget and Report.

The Treasurer will be responsible for ensuring that the Annual Budget and Report are completed and distributed. Within the thirty (30) to ninety (90) day period prior to the start of each fiscal year, the Corporation shall distribute the Annual Budget and Report. The Annual Budget and Report shall be delivered in accordance with Civil Code Section 5320.

- A. A Carrying Charge and Reserve Funding Disclosure Summary form, prepared pursuant to Civil Code Section 5570, shall accompany each Annual Budget and Report or summary of the Annual Budget and Report that is delivered pursuant to this section.
- B. A review of the financial statement of the Corporation shall be prepared and distributed within one hundred twenty (120) days of the end of each fiscal year in accordance with Civil Code Section 5305.

Within the thirty (30) to ninety (90) day period prior to the start of each fiscal year, the Board shall distribute the Annual Policy Statement. The Annual Policy Statement shall be prepared in accordance with Civil Code Section 5310. The Annual Policy Statement shall be delivered in accordance with Civil Code Section 5320.

11.9 Annual Notice to Corporation.

In accordance with Section 4041 of the Civil Code, every Member shall annually provide written notice to the Corporation of the following:

- A. The address or addresses to which notices from the Corporation are to be delivered.
- B. An alternate or secondary address to which notices from the association are to be delivered.
- C. The name and address of his or her legal representative, if any, including any person with power of attorney or other person who can be contacted in the event of the Member's extended absence from the Home.
- D. Whether the Lot Space is owner-occupied, rented out, developed but vacant, or undeveloped.

The Corporation shall solicit these annual notices from each Member at least thirty (30) days prior to making its own required disclosures under Civil Code Section 5300; and shall enter the data into its books and records. If the Member fails to provide the notices set forth in this Section, the Home address shall be deemed the address to which notices are to be delivered.

11.10 Notification Regarding Minutes.

Within the thirty (30) to ninety (90) day period prior to the start of each fiscal year, the Board of Directors will distribute a statement that Members have the right to have copies of the minutes

of meetings of the Board and include information on how and where such copies may be obtained.

11.11 Notice of Members' Rights Regarding Carrying Charges, Foreclosure, Meetings and Payments.

As part of the Annual Policy Statement, the Corporation shall distribute to each Member the notice required by Civil Code Section 5730, which shall be printed in at least twelve (12) point type.

11.12 Reserve Studies.

At least once every three (3) years, and if required by Civil Code Sections 5500 to 5560, the Board of Directors shall conduct a study of the reserve requirements of the Corporation. This reserve requirement study shall include a visual inspection of the accessible areas of the major components of the Community that the Corporation is obliged to repair, replace, restore, or maintain.

11.13 The Board of Directors shall, on a monthly basis review the following:

- A. A current reconciliation of the Corporation's operating accounts;
- B. A current reconciliation of the Corporation's reserve accounts;
- C. The current year's actual operating revenues and expenses compared to the current year's budget;
- D. An income and expenses statement for the Corporation's operating and reserve account;
- E. The check register, monthly general ledger, and delinquent receivable reports;
- F. The latest account statements for the Corporation's operating and reserve accounts.

The information reviewed by the Board shall be included in the minutes for the Board meeting at which the review was conducted.

11.14 Notice to Members of Use of Reserves.

The Board shall comply with Civil Code Sections 5510- 5520 pertaining to the expenditure of replacement reserve funds. If the Board approves the expenditure of reserve funds for litigation, the Corporation shall promptly send members notice of such expenditure.

11.15 Submission of Information to Secretary of State.

The Corporation shall comply with Civil Code Section 5405 pertaining to submission of information to the California Secretary of State.

11.16 Dissolution.

In the event of dissolution of the Corporation, the assets, after payment of the Corporation's debts and expenses, shall be distributed in the following manner:

- A. Assets held by the Corporation upon a valid condition requiring return, transfer, or conveyance, which condition has or will occur by reason of the dissolution, shall be returned, transferred, or conveyed in accordance with the condition.
The face value, or the amount equal to the Membership Fee paid minus any outstanding obligation to the corporation, whichever is lower, shall be returned to the Members.
- B. Any surplus remaining after the distributions in paragraph A may be distributed as a contribution to any corporation, association or other nonprofit association to which contributions are deductible from income tax under current Internal Revenue Service regulations.

ARTICLE TWELVE

Amendments

As this is a Limited Equity Housing Cooperative, these Bylaws may be amended only by the affirmative vote of at least two-thirds (2/3) of the Members in an election conducted in accordance with the Election Rules (part of the Operating Rules) adopted by the Corporation consistent with Civil Code Section 5100 et seq. and as required by Civil Code Section 817(e). No amendments shall be approved unless the number of votes cast constitutes a quorum and the number of Members voting in favor of the amendments constitutes a two-thirds majority of votes cast. Amendments may be proposed by the Board or by petition signed by at least twenty percent (20%) of the Members. A description of any proposed amendment shall accompany the notice of any Regular or Special Meeting at which such proposed amendment is to be presented to the members to begin the ballot voting process that is specified in the Election Rules..

ARTICLE THIRTEEN

Dispute Resolution

13.1 Process. Before the Corporation or a Member may institute legal action for declaratory or injunctive relief, or before the Corporation may begin unlawful detainer proceedings against a Member, the parties shall endeavor to resolve the matter through the use of the following two-tiered process. Notwithstanding the foregoing sentence, the Corporation may institute legal action without engaging in the dispute resolution process outlined in this section where (1) the Corporation is pursuing delinquent carrying charges (including collection costs, interest, late charges and attorneys' fees), lien rights, judicial foreclosure, unlawful detainer or membership termination or (2) the Corporation's legal claim would be barred by the applicable statute of limitations or statute of repose unless legal action was instituted in a timely manner.

13.2 Meet and Confer.

- A. Except as otherwise provided in these Bylaws and except for disputes regarding Carrying Charges, in the event of a dispute between a Member and the Corporation concerning his or her rights, duties and liabilities under the Governing Documents, Civil Code Section 4000 et seq., Corporations Code Section 5110 et seq., the Member or Corporation may make a written request to meet (provided, however, alternate means of requesting to meet and confer may be allowed for Members unable to submit a written request).
- B. In the event the Member makes such request, the Corporation's designee shall promptly meet with the Member at a mutually convenient time and place. In the event the Corporation makes such request, the Member may, but is not required to, meet with the Corporation's designee at a mutually convenient time and place. At such meeting, if any, the Corporation and Member shall make a good faith effort to resolve the dispute. Such Meet and Confer Program must conform to requirements set forth in Civil Code Section 5915.
- C. Any resolution of such dispute shall be memorialized in writing and signed by the Member and by the Corporation's designee. Such resolution shall be judicially enforceable provided that it: (1) does not conflict with local, state, or federal law or the Governing Documents; and (2) is consistent with the authority granted to the Corporation's designee by the Board or is ratified by the Board. The Member may not be charged a fee to participate in the Meet and Confer Program. If reasonable, the

Corporation shall make use of available local dispute resolution programs involving neutral third parties to the maximum extent possible.

13.3 Alternative Dispute Resolution.

In situations involving declaratory or injunctive relief, or unlawful detainer proceedings, and where the Meet and Confer Program was entered into but unsuccessful, the Corporation will offer to submit the dispute to a form of ADR such as mediation or arbitration, binding or non-binding. The Corporation will initiate the process by serving, by personal delivery, first-class mail, or other means reasonably calculated to provide notice of a request for resolution. Such request shall include (1) a brief description of the dispute between the parties, (2) a request for ADR and the type of ADR requested (mediation or arbitration, binding or non-binding), (3) a notice that the party receiving such request is required to respond thereto within thirty (30) days of receipt or it will be deemed rejected. If ADR is rejected by the Member or the Member does not respond to such request within the allotted timeline, the Corporation may initiate legal action. If ADR is accepted by the party upon whom the request is served, ADR shall be completed within ninety (90) days of receipt by the Corporation of the acceptance, unless extended by written stipulation signed by both parties. The cost of ADR shall be borne equally by the Member and the Corporation. If such request is served before the end of the applicable time limitation for commencing an enforcement action, then the applicable time limitations shall be tolled for the period that the ADR process is ongoing in accordance with Civil Code Section 5945.

ARTICLE FOURTEEN

Operating Rules

14.1 The Operating Rules, pursuant to Civil Code Sections 4340 et seq., are the rules adopted by the Board that apply to the management and operation of the Community or the conduct of the business and affairs of the Corporation. The Operating Rules shall be in writing, reasonable, and permitted by the Articles of Incorporation and these Bylaws.

ARTICLE FIFTEEN

Occupancy Agreement

15.1 The terms and provisions of the Member Occupancy Agreement shall apply to all Members regardless of whether a Member has executed any particular form of Occupancy Agreement, provided that if a Member has executed an Occupancy Agreement within one (1) year of the date of these Bylaws, the version of the Occupancy Agreement they executed shall govern until one (1) year from the date of their executed Occupancy Agreement, after which the provisions of the version of the most current Occupancy Agreement shall govern.

15.2 The Heir of a Woods Cooperative Association home may apply to be a member of the association or sell the home. The Heir has 60-90 days after the death of the Member to apply for membership or sell the home. The Heir must have proper legal documentation.

15.3 If the Heir has proper legal documentation and is coming from a distance of 100 miles the Heir has the right to occupy the residence in order to comply with legal requirements in dealing with the estate. The Heir must have board approval prior to occupying the residence.

ARTICLE SIXTEEN

Rules of Procedure

In case of any question not covered in these Bylaws, adopted Board policies, or California law, the guidelines in “**Parliamentary Procedure for Manufactured Housing Community Corporations**” as

published by the *Management Guide* © 2003, 2007, 2016 ROC USA, LLC or the foundation document, *The Standard Code of Parliamentary Procedure, Fourth Edition*, by Alice Sturgis, 2001) shall prevail.

CERTIFICATION

I hereby certify that these Bylaws were adopted by the Membership of Woods Cooperative Association at its meeting held on August 3, 2021

Sheila Kloppe
Secretary, Woods Cooperative Association

International Cooperative Alliance Principle
1st Principle: Voluntary and Open Membership

Co-operatives are voluntary organizations, open to all persons able to use their services and willing to accept the responsibilities of membership, without gender, social, racial, political or religious discrimination.

2nd Principle: Democratic Member Control

Co-operatives are democratic organizations controlled by their members, who actively participate in setting their policies and making decisions. Men and women serving as elected representatives are accountable to the membership. In primary co-operatives members have equal voting rights (one member, one vote) and co-operatives at other levels are also organized in a democratic manner.

3rd Principle: Member Economic Participation

Members contribute equitably to, and democratically control, the capital of their co-operative. At least part of that capital is usually the common property of the co-operative. Members usually receive limited compensation, if any, on capital subscribed as a condition of membership. Members allocate surpluses for any or all of the following purposes: developing their co-operative, possibly by setting up reserves, part of which at least would be indivisible; benefiting members in proportion to their transactions with the co-operative; and supporting other activities approved by the membership.

4th Principle: Autonomy and Independence

Co-operatives are autonomous, self-help organizations controlled by their members. If they enter to agreements with other organizations, including governments, or raise capital from external sources, they do so on terms that ensure democratic control by their members and maintain their co-operative autonomy.

5th Principle: Education, Training and Information

Co-operatives provide education and training for their members, elected representatives, managers, and employees so they can contribute effectively to the development of their co-operatives. They inform the general public - particularly young people and opinion leaders - about the nature and benefits of co-operation.

6th Principle: Co-operation among Co-operatives

Co-operatives serve their members most effectively and strengthen the co-operative movement by working together through local, national, regional and international structures.

7th Principle: Concern for Community

Co-operatives work for the sustainable development of their communities through policies approved by their members.

These principles can be found on the International Cooperative Alliance website at <http://www.ica.coop/al-ica>.