

BYLAWS OF WALNUT HOUSE COOPERATIVE

- the 10/11/82 version as amended up through September 2018 -

Under the applicable laws of the State of California, the Articles of Incorporation, and these Bylaws, the residents of 1740 Walnut Street, Berkeley, California, hereby form and establish a limited equity housing cooperative.

ARTICLE 1: NAME AND PURPOSE

1.1 Name

The name of the corporation shall be Walnut House Cooperative.

1.2 Purpose

The purpose of this Cooperative corporation is to provide its members with limited equity housing and community facilities, if any, on a nonprofit basis consistent with applicable provisions of the California code, the Articles of Incorporation, and these Bylaws. It shall be nondiscriminatory. Membership shall be accepted and maintained for any qualified individual without regard to race, age, creed, color, sex, sexual orientation, or national origin.

ARTICLE II: MEMBERSHIP

2.1 Member.

Each member shall have a membership interest in the Cooperative. Each member shall pay assessments, perform work participation requirements, have voting rights, and other rights and duties as provided for in these Bylaws and the Articles of Incorporation. Members are required to abide by the provisions of these Bylaws, including the proprietary lease and the house rules. Failure to adhere to these requirements may result in adverse action against a member as specified in the various governing instruments; such a failure is a breach of contract and could result in termination of both proprietary lease and membership.

2.2 Membership Interest

A membership interest constitutes an ownership interest in the Cooperative coupled with an exclusive right of possession of a unit pursuant to a proprietary lease. Neither the ownership interest nor the possessory interest shall be separable one from the other, and any purported sale, conveyance, transfer, pledge, encumbrance, grant of a security interest in or other disposition of the ownership interest in the Cooperative made without the possessory interest in the unit, or of the possessory interest in the unit made without the ownership interest in the Cooperative, is void.

2.3 Ownership Interest in the Cooperative

The cost of a member's ownership interest in the Cooperative shall be the amount of the down payment made by the Cooperative for the building located at 1740 Walnut Street, divided by the number of units in accordance with their size and quality. An ownership interest in the Cooperative may increase in value by an amount of interest not to exceed the limit set by state law and determined by the Board each year. It may be further increased by certain approved improvements as defined in Section 5.15. A membership shall at no time benefit from equity gain. The latter shall devolve solely to the Cooperative as a whole. (See Article IX)

2.4 Assessments of Members.

- (a) Monthly carrying charges, specified in the proprietary lease, shall consist of portions of the mortgage commensurate with the size and quality of each unit, plus an assessment for operating and other expenses as determined by the Board. The assessments shall not be equal if any one member will derive as much as 10% more than any other member in the value of common services supplied by the Cooperative. In that event, the assessment against each member may be determined according to a formula or schedule under which the assessments against the various membership interests bear a relationship which is equitably proportionate to the value of the common services furnished to the respective membership interests.
- (b) The Board may not, without the vote of a majority of the membership interests other than the subdivider, impose a regular annual assessment per membership interest which is more than 20% greater than the regular assessment for the immediately preceding fiscal year.

- (c) (1) In any fiscal year, the Board may not, without the vote of a majority of the membership interests other than the subdivider, levy special assessments to defray the costs of any action or undertaking on behalf of the Cooperative which in the aggregate exceed 5% of the budgeted gross expenses of the Cooperative for that fiscal year.
- (2) Except as provided in (3) hereof, every special assessment shall be levied upon the same basis as that prescribed for the levying of regular assessments.
- (3) The provisions hereof with respect to special assessments do not apply in the case where the special assessment against a member is a remedy utilized by the Board to reimburse the Cooperative for costs incurred in bringing the member and his or her membership interest into compliance with provisions of the governing instruments for the Cooperative.
- (d) (1) Regular assessments against the membership shall commence on the date of execution of the first proprietary lease.
- (2) Voting rights attributable to membership interests shall not vest until assessments against those interests have been levied by the Cooperative.

2.5 Work Participation Requirement

"Work Participation Requirement" (WPR) means that amount of time which each member is required to contribute to the management and maintenance of the Cooperative. Included, subject to approval by the Board, is every kind of activity related to the operation of the Cooperative, such as committee work, attendance at general membership meetings, communications, keeping of accounts, and physical labor. As members sign up to volunteer performance of tasks posted on the bulletin board by committees, they assume responsibility for the prompt performance of the work. Completion of tasks will be indicated by submitting a "time-slip" to the participation recorder. Each committee is responsible for checking the adequacy of task performance and see to it that quality standards are maintained. The Board will issue more specific guidelines for work participation and may require a minimum number of hours of participation time once the Cooperative has gained sufficient experience to know what time commitments are required and what portion of that time members want to spend in volunteer work.

2.6 Membership Application

The Management Committee shall formulate procedures, subject to approval by the Board, by which new members are selected, and shall recommend to the Board new applicants for membership. The Management Committee will seek and consider applications from persons who are interested in being part of a cooperative effort to control and operate the property; want to be part of a democratic community where people know and assist one another; can pay for the cost of their membership interest; have a history of financial and personal responsibility; can afford to pay the assessment carrying charges (generally no more than 35% of gross income). In seeking applicants, the committee shall pursue a vigorous and active affirmative action policy, inviting people with diverse racial, ethnic, age, sexual preference backgrounds, and physical handicaps. On the basis of the information obtained, including a check of references and interviews of suitable candidates, the Management Committee or a selection committee it may designate, will recommend acceptance of particular candidates to the Board. The Management Committee (or its selection subcommittee) shall develop specific guidelines for the selection process. These guidelines must be approved by the membership and by the Board.

Once accepted, applicants will have first refusal in case of openings with priority based on the earliest date at which application was received. In the absence of a waiting list, the Management Committee shall advertise vacancies as widely as possible, and rank applicants with respect to the above guidelines and supplemental guidelines that may have been approved by the members of the Cooperative.

2.7 Acceptance of Members

The Board shall approve new members after receiving recommendations from the Management Committee.

ARTICLE III: MEMBERSHIP CERTIFICATES

3.1 Certificates

Membership certificates issued by the Cooperative shall state that the Cooperative is a nonprofit mutual benefit

corporation which may not make distributions to its members except upon dissolution and except as provided for in Article IX.

3.2 Notice of Restrictions

The Cooperative shall give notice to the transferee of the transfer restrictions provided for in Sections 6.5 and 6.6.

3.3 Replacement Certificate

The Cooperative may issue a new membership certificate, in the place of any certificate hereto issued, alleged to have been lost, stolen, or destroyed.

ARTICLE IV: MEMBERSHIP MEETINGS, WRITTEN BALLOTS AND VOTING RIGHTS

4.1 Membership Meetings

Members shall meet regularly but no less frequently than biannually. The biannual meetings shall be held (1) within thirty (30) days of the first day of the Cooperative's fiscal year and (2) within thirty (30) days of the first day of the seventh month of that same fiscal year. For purposes of establishing the meeting dates, the first day of the fiscal year shall be April 1. All meetings shall be held at 1740 Walnut Street unless otherwise designated in the notice of the meeting.

4.2 First Meeting of Members

The first meeting of the members shall be held within 45 days after transfer of the first membership interest to a member.

4.3 Special Meetings

The Board shall promptly call a special meeting of the members upon:

- (a) written request of 5 of the members
- (b) a vote for such meeting by a majority of a quorum of the Board

4.4 Notice of Meetings

- (a) All members who have a membership interest and have been approved by the Board as of the close of business on the business day preceding the day on which notice is given, or, if notice is waived, at the close of business on the business day preceding the day on which the meeting is held, are entitled to notice of a meeting of members.
- (b) Written notice of regular and special meetings shall be given to members by the Board not less than ten (10) nor more than ninety (90) days before the date of any meeting at which the members are required or permitted to take any action. The notice shall specify the place, day and time of the meeting and (1) in the case of a special meeting, the general nature of the business to be transacted, and no other business may be transacted, or (2) in the case of the regular meeting, those matters which the Board, at the time the notice is given, intends to present for action by the members and any other business that may properly be brought before the meeting. The notice of any meeting at which directors are to be elected shall include the names of all those who are nominees and whose names have been duly presented to the Board or the secretary of the Board at the time the notice is given to members.
- (c) Notice of a members' meeting or any report shall be given either personally or by placing a notice on or under the door where the member resides, addressed to a member at the address of such member appearing on the books of the Cooperative and by posting such notice in the entryways and the laundry room. An affidavit of giving of any notice or report in accordance with the provisions of these Bylaws, executed by the secretary, or anyone else duly designated by the Board, shall be prima facie evidence of the giving of the notice or report.
- (d) Upon request for a special meeting of the members, the secretary shall cause notice to be given to the members entitled to vote that a meeting will be held at a time fixed by the Board not less than thirty-five (35) or more than ninety (90) days after the receipt of the request. If the notice is not given within twenty (20) days after receipt of the request, the person entitled to call the meeting may give notice.

- (e) When a members' meeting may be adjourned to another time or place, notice need not be given of the adjourned meeting if the time and place thereof are announced at the meeting at which the adjournment is taken. At the adjourned meeting the Cooperative may transact any business which might have been transacted at the original meeting. No meeting can be adjourned for more than forty-five (45) days. Any adjournments for lack of a quorum must be approved by a vote of a majority of members present and shall be to a date not less than five (5) days and not more than thirty (30) days from the original meeting date. If a time and place for the adjourned meeting is not fixed by those in attendance at the original meeting or if for any reason a new date is fixed for the adjourned meeting after adjournment, notice of the time and place of adjourned meeting shall be given to members in the manner prescribed for regular meetings
- (f) The transactions of any meeting of members however called and noticed, and wherever held, are as valid as though performed at a meeting duly held after regular call and notice, if a quorum is present in person, and if, either before or after the meeting, each of the persons entitled to vote, not present in person, signs a written waiver of notice or a consent to the holding of the meeting or an approval of the minutes thereof. All such waivers, consents, and approvals shall be filed with the Cooperative records or made a part of the minutes of the meeting. Attendance of a person at a meeting shall constitute a waiver of notice of and presence at such meeting, except when the person objects, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened and except that attendance at a meeting is not a waiver of any right to object to the consideration of matters required to be included in the notice but not so included, if such an objection is expressly made at the meeting. Neither the business to be transacted nor the purpose of any regular or special meetings of members need be specified in any written waiver of notice, consent to the holding of the meeting or approval of the minutes thereof, except as provided in subsection (g).
- (g) Any approval of the members regarding (1) removal of a director and reduction of the number of director, (2) filling of vacancies on the Board, (3) contracts or transactions in which a director has a material financial interest, or (4) amendments to the Articles of Incorporation shall be valid only; if (i) the general nature of the proposal so approved was stated in the notice of the meeting or in any written waiver of notice, or (ii) there was unanimous approval of those entitled to vote.
- (h) A court may find that notice not given in conformity with this section is still valid, if it was given in a fair and reasonable manner.

4.5 Quorum

- (a) At any meeting of the members, the presence in person of members representing fourteen (14) membership (interest) shares constitutes a quorum.¹
- (b) In the absence of a quorum, any meeting of members may be adjourned from time to time by the vote of a majority of the votes represented in person, but no other business may be transacted. Any adjournment for lack of a quorum by those in attendance shall be to a date not less than five (5) and not more than thirty (30) days from the original meeting date. If a time and place for the adjourned meeting is not fixed by those in attendance at the original meeting, or if for any reason a date is fixed for the adjourned meeting after adjournment, notice of the time and place of the adjourned meeting shall be given to members in the manner prescribed for regular meetings.

4.6 Written Ballots

The members are prohibited from taking any action by written ballot without a meeting.

4.7 Voting Rights

- (a) For the purpose of voting, each membership interest shall have one vote regardless of the number of members or occupants residing in the unit.
- (b) If the membership interest stands of record in the names of two (2) or more persons, whether members of a partnership, joint tenants, tenants in common, husband and wife as a community property, tenants by the entirety, or otherwise, unless the Secretary of the Cooperative is given written notice to the contrary signed and sworn to by all persons owning such membership interest, then acts with respect to voting shall have the

¹ Reduced from 67-3/4% at the 10-21-90 GM

following effect:

- (1) If only one (1) person votes, such act binds all, or
 - (2) If more than one (1) person votes, the act of the majority so voting binds all. A tie vote is recorded as an abstention.
- (c) All votes once cast are final.

4.8 Approval by Members

Unless otherwise provided by statute, the Articles of Incorporation, or Bylaws, approval by the members upon voting means an affirmative vote of 66 and 2/3% of the membership interest represented at a duly held meeting at which a quorum is present. A tie vote shall be considered a defeat or rejection of the proposal. Before submitting any action to a vote, the members and sublessees, along with adult resident nonmembers, will make every effort to resolve all issues through a consensus process which is described more fully in the House Rules.

4.9 Proxies

- (a) Every person entitled to vote a membership may authorize in writing another individual to act by proxy. But no one individual may vote more than one membership. No proxy shall be voted after the expiration of eleven (11) months from the date thereof unless otherwise provided, except that the maximum term of any proxy shall be three (3) years from the date of execution. The proxy shall continue in full force and effect until revoked by the member prior to the vote. Such revocation may be effected by a writing delivered to the Cooperative stating that the proxy is revoked or by a subsequent proxy executed by the person executing the prior proxy and presented to the meeting, or as to any meeting by attendance at such meeting and voting in person by the person executing the proxy. The dates contained on the forms of proxy presumptively determine the order of execution, regardless of the postmark dates on the envelopes in which they are mailed.
- (b) A proxy is not revoked by the death or incapacity of the maker or the termination of a membership as a result thereof unless, before the vote is counted, written notice of such death or incapacity is received by the Cooperative.
- (c) Unless otherwise provided in the Articles or Bylaws, the proxy of a member which states that it is irrevocable for the period specified therein, notwithstanding subdivision (b) when it is held by any of the following or a nominee of any of the following:
 - (1) A person who has purchased or has agreed to purchase the membership.
 - (2) A creditor or creditors of the Cooperative or the member who extended or continued credit to the Cooperative or the member in consideration of the proxy if the proxy states that it was given in consideration of such extension or continuation of credit and the name of the person extending or continuing the credit; or
 - (3) A person who has contracted to perform services as an employee of the Cooperative, if the proxy is required by the contract of employment and if the proxy states that it was given in consideration of such contract of employment, the name of the employee and the period of employment contracted for.

Notwithstanding the period of irrevocability specified, the proxy becomes revocable when the agreement to purchase is terminated; the debt of the Cooperative or the member is paid; or the period of employment provided for in the contract of employment has terminated. In addition to the foregoing paragraphs (1) through (3), a proxy of a member may be made irrevocable (notwithstanding subdivision (b) if it is given to secure the performance of a duty or to protect a title, either legal or equitable, until the happening of events which, by its terms, discharge the obligations secured by it).

- (d) A proxy may be revoked, notwithstanding a provision making it irrevocable, by a transferee of a membership without knowledge of the existence of the provision unless the existence of the proxy and its irrevocability appears on the certificate representing the membership.
- (e) Subdivision (a) notwithstanding:
 - (1) No amendment of the Articles or Bylaws repealing, restricting, creating or expanding proxy rights may be adopted without approval by the members.

- (2) No amendment of the Articles or Bylaws restricting or limiting the use of proxies may affect the validity of a previously issued irrevocable proxy during the term of its irrevocability, so long as it complied with applicable provisions, if any, of the Articles or Bylaws at the time of its issuance, and is otherwise valid under this section.
- (f) Anything to the contrary notwithstanding, any revocable proxy covering matters requiring a vote of the members regarding removal of directors; filling of a vacancy on the Board, conflict of interest of Board members, paragraph (1) of subdivision (e) of this section; amendment to the Articles of Incorporation; sale of, lease or other disposal of Cooperative assets; merger; amendment of merger agreement; or voluntary dissolution; is not valid as to such matters unless it sets forth the general nature of the matter to be voted on.

ARTICLE V DIRECTORS AND MANAGEMENT

5.1 Powers of the Board.

Subject to member approval, the Board has the full authority to act on all policies affecting the Cooperative.

- (a) The Board shall be responsible for the overall financial affairs of the Cooperative. Specifically, this includes but is not limited to:
 - (1) Ensuring that all books and accounts are kept current and accurate.
 - (2) Ensuring that reserve funds are maintained at necessary levels.
 - (3) Reviewing plans for, and approving or disapproving, alterations or improvements to members' units, as these terms are defined in Section 5.15.
 - (4) Properly investing surplus funds in a manner that will provide maximum benefits to members, in accordance with financial security and cooperative principles.
 - (5) Taking reasonable and equitable action in the event that any member falls in arrears or payments or embarks on any other activity that could have fiscal consequences for other members.
 - (6) Reviewing and studying any plans that could result in the outlay of funds in excess of those required by normal expenses and maintenance costs.
 - (7) Making such adjustments in members' assessments as may be necessary from time to time.
 - (8) Prepare budgets and financial statements for the Cooperative.
- (b) The Board is hereby empowered to:
 - (1) Call the first general membership meeting within thirty (30) days of incorporation of the Cooperative.
 - (2) Call at least two general membership meetings a year for the purpose of nominating and electing directors to replace those whose terms are ending.
 - (3) Call at any time special meetings of the members in order to discuss, explain, or present issues of concern to all.
 - (4) Appoint members to standing Management and Maintenance Committees. Whenever possible, these members should be volunteers. Appointments shall be subject to approval by the membership.
 - (5) Appoint members to temporary Committees as needed.
 - (6) Approve applicants for new membership after receiving recommendations from the Management Committee, in accordance with established procedures for the admission of new members.
 - (7) Approve house rules, including work participation requirements and grievance procedures.
 - (8) Execute adverse actions against member, such as the collection of fines or termination of membership, in accordance with established procedures.
 - (9) Represent the membership in all dealings with agencies, groups, or individuals who are not members of the Cooperative.
 - (10) Approve contracts for goods and/or services and direct the payment of funds for expenditures, for the

common areas, and facilities of the Cooperative.

- (11) Contract for casualty, liability, and other insurance on behalf of the Cooperative.
 - (12) Pay taxes and assessments which are or could become, a lien on the common area or a portion thereof.
 - (13) Direct the development of procedures for resolving grievances.
 - (14) Enforce applicable provisions of the Articles of Incorporation, Bylaws, and other instruments for the ownership, management and control of the Cooperative.
 - (15) Delegate powers to the Committees as set forth below. In case any officer is unable to fulfill his or her duties, the Board may delegate all or any of the powers of this officer to any officer or director.
 - (16) With reasonable notice, enter into any member's apartment unit as necessary in connection with maintenance or emergency repair for the benefit of the Cooperative.
 - (17) Elect officers of the Board.
 - (18) Formulate rules of operation for the common areas and facilities owned and controlled by the Cooperative.
- (c) The powers of the Board shall not include:
- (1) The authority to contribute Cooperative funds to any group or organization without approval of the membership.
 - (2) The authority to take adverse action against any member who refuses appointment to any Committee, except insofar as such refusal is covered by procedures set out in the Bylaws or House Rules.
 - (3) The authority to make any loan of money or property to or guarantee the obligation of:
 - (A) Any director or officer of the Cooperative or its subsidiary, or
 - (B) Any person upon the security of membership of the Cooperative, unless the loan or guaranty is otherwise adequately secured, except by the approval of the members, regardless of limitations or restrictions on voting rights, other than the memberships held by the benefited director, officer or member.
 - (4) The authority to take any action that violates these Bylaws, the Articles of Incorporation, the members' proprietary leases, or any other rule established pursuant to these Bylaws.
- (d) The Board shall be prohibited from taking any of the following actions, except with the approval of the members.
- (1) Entering into a contract with a third person wherein the third person will furnish goods or services for the common area or the Cooperative for a term longer than one year with the following exceptions:
 - (A) A contract with a public utility company if the rates charged for the materials or services are regulated by the Public Utilities Commission provided, however, that the term of the contract shall not exceed the shortest term for which the supplier will contract at the regulated rates.
 - (B) Prepaid casualty and/or liability insurance policies not to exceed three years duration provided that the policy permits short rate cancellation by the insured.
 - (2) Incurring aggregate expenditures for capital improvements in any fiscal year in excess of 5% of the budgeted gross expenses of the Cooperative for that fiscal year.
 - (3) Selling during any fiscal year property of the Cooperative having an aggregate fair market value greater than 5% of the budget gross expenses of the Cooperative for that fiscal year.
 - (4) Paying compensation to members of the governing body or to officers of the Cooperative for services performed in the conduct of the Cooperative's business provided, however, that the Board may cause a member or officer to be reimbursed for expenses incurred in carrying on the business of the Cooperative.
 - (5) Using the equity of the Cooperative for any purpose permitted under S 33007.5 (d) (1) of the Health and Safety Code without the approval of the membership.

- (6) Filling of a vacancy on the Board created by removal of a Board member.

5.2 Composition.

The Board of directors shall consist of five (5) member directors elected by the members².

5.3 Term of Office.

The term of office of a director shall begin immediately upon election or appointment, and each director so elected or appointed shall hold office until a successor is elected or appointed and enters upon the discharge of duties or until the director resigns, is disqualified or is removed from office. ³Directors shall serve two-year terms, with two directors elected in even-numbered years and three directors elected in odd-numbered years. Directors may not serve more than two consecutive elected terms or more than six years in any ten-year period. Members residing in the same unit may not serve as directors simultaneously. The Resident Manager may not serve as a director.

5.4 Election and Appointment of Directors.

- (a) The first election of the Board shall be conducted at the first meeting of the Cooperative. All elected positions on the Board shall be filled at that time.
- (b) The Board shall adopt reasonable election and nomination procedures consistent with the following provisions.
- (c) Any member may nominate a member for election to the Board. Nominations may be made by written request or at any meeting of the membership or Board.
- (d) Directors shall be elected by 2/3 vote of the members.
- (e) Each member shall have the right to cast as many votes as there are directors to be elected⁴ Cumulative voting is not allowed.⁵
- (f) <Repealed>⁶
- (g)⁷ Voting for directors shall be by secret written ballot.

² Provision requiring an outside Board member removed at 10-21-90 GM. The following text was deleted: "... and one (1) nonresident, nonmember director. The nonresident nonmember director shall be appointed by the Board, but such appointment shall be subject to approval of the membership if such approval is requested by any member.

³ At 10/21/90 GM, all of 5.3 after the first sentence was added. It replaced the following, "In order to assure continuity at any given time, the Board shall consist of three (3) directors serving two-year terms, and three (3) directors serving one-year terms. The nonresident director shall serve a one-year term. Directors may not serve consecutive terms."

⁴ At 11-18-07 GM, the following text related to cumulative voting was removed: " provided that in the election of two or more directors, every member may cumulate such members' votes and give one candidate a number of votes equal to the number of directors, every member may cumulate such members' votes and give one candidate a number of votes equal to the number of directors to be elected, multiplied by the number of votes to which the member is entitled or distribute the member's votes on the same principal among as many candidates as the member thinks fit."

⁵ This sentence added at 11-18-07 GM.

⁶ At 11-18-07 GM, the following wording was repealed: " No member shall be entitled to cumulate votes for a candidate or candidates unless such candidate's name or candidates' names have been placed in nomination prior to the voting and the member has given notice at the meeting prior to the voting of the member's intention to cumulate votes. If any one member has given such notice, all members may cumulate their votes for candidates in nomination."

⁷ At 10/21/90 GM, the previous section 5.g. was deleted, and 5.h was renumbered to be 5.g. The deleted section was, "The nonresident director shall be appointed by the Board at the first Board meeting convened after the annual election of the Board members or after the nonresident Board member position becomes vacant. The appointment of the nonresident nonmember direct shall be subject to the approval of the membership if such approval is requested by any member."

(h) <renumbered to be 5.g>

5.5 Meetings.

- (a) Meetings of the Board may be called by President, Vice-President, Secretary or any two directors. On issues of concern to the entire Cooperative, five (5) or more members may call a meeting of the Board.
- (b)⁸ Regular meetings of the Board shall be held at least once a month at 1740 Walnut Street, Berkeley, CA. Notice of the time and place of a regular meeting, with agenda, shall be publicly posted at a prominent place in the common area five (5) days before the meeting and shall be communicated to Board members not less than five (5) days prior to the meeting.
- (c) Special meetings of the Board shall be called by written notice signed by the President of the Cooperative or by any two members of the governing body other than the President. The notice shall specify that time and place of the meeting and the nature of any special business to be considered. Notice shall be posted in a manner prescribed for notice of regular meetings and shall be sent to all governing body members not less than 72 hours prior to the scheduled time of the meeting provided however that notice of the meeting need not be given to any governing body member who signed a waiver or notice or written consent to holding of the meeting.
- (d) Except for those portions of meetings held in executive session, regular and special meetings of the Board shall be open to all members of the Cooperative.⁹ The Board may discuss only litigation in executive session, and only if the Board has received prior authorization from 2/3 of all members for each such litigated matter. The Board shall announce both its decision to go into executive session and the general nature of the matters to be discussed immediately before doing so. Such matters may be discussed in executive session only to the extent that the Cooperative's interests would be adversely affected if discussed in open session. The minutes of each executive session shall be as specific as possible without violating the confidential nature of the session. The Board may not enact any rule or regulation in executive session.
- (e)^{10, 11} Subject to Section 5.17 of these Bylaws, any decision of the Board must be agreed to by at least three (3) of the directors present at a meeting. The meeting must be duly held with a quorum present. A meeting at which a quorum is initially present may continue to transact business notwithstanding the withdrawal of directors, if any action taken is approved by at least three (3) directors, or such greater number as is required by statute, the Articles or Bylaws.
- (f)^{12, 13} If fewer than four (4) directors approve any decision, then any director absent from a meeting may object and the Board will hold up the decision and reconsider. Any absent director(s) will be notified of any decision by another director within 48 hours (or other reasonable time agreed upon in advance). The absent director must notify the president, vice-president, or secretary of any objection within 48 hours of being notified of the Board's action. If a director is not available at the Coop at the time, reasonable attempts will

⁸ Section 5.5(b) revised at 10/21/90 GM. The first sentence had read, "Regular meetings of the Board shall be held at 1740 Walnut Street, Berkeley, CA during the first week of every month on a day that the Board specifies." The second sentence was shortened by removing the following text from the end: "...unless the time and place of the meeting is fixed by the Bylaws."

⁹ All material about executive sessions added at 8/30/98 GM. Previously only said "Regular and special meetings of the Board shall be open to all members of the Cooperative"

¹⁰ The old section 5.5(e) was eliminated at the 10/21/90 GM. It had been redundant as it was exactly the same as 5.7, "Quorum."

¹¹ The new section 5.5(e) is a revision of the former 5.5(f) and was adopted at the 10/21/90 GM.

¹² The old section 5.5(f) was revised and renumbered to be 5.5(e). It had read, "Subject to Section 5.17 of these Bylaws, every act or decision approved by two-thirds (2/3) of the directors present at a meeting duly held at which a quorum is present is the act of the Board. A meeting at which a quorum is initially present may continue to transact business notwithstanding the withdrawal of directors, if any action taken is approved by at least a majority of the required quorum for such meeting, or such greater number as is required by statute, the Articles or Bylaws. The provisions of this section also apply to Committees of the Board."

¹³ The wording of section 5.5(f) was adopted at the 10/21/90 GM. It includes the last sentence of the prior 5.5(f), most of which served as the basis for the new 5.5(e).

be made to notify her/him of decisions. If two directors are absent and cannot be reached, then the secretary or another director will post notice within 48 hours of any such decisions and the Board will be required to reconsider if two or more non-director members object in writing to the president, vice-president, or secretary within 48 hours of posting the decision. If reconsideration is required, the Board must post notice of its final decision to either change its decision or leave it as originally decided. The provisions of this section also apply to Committees of the Board.

5.6 Conduct of a Meeting.

All meetings of the Board shall be conducted according to "Roberts Rules of Order" unless provided otherwise by a majority of the directors of the Board.

5.7 Quorum.¹⁴

Three (3) directors shall constitute a quorum of the Board.

5.8 Action by Board Without Meeting.

- (a) The Board may take actions without a meeting if all of its members consent in writing to the action to be taken. Such written consent shall be filed with the minutes of the proceedings of the Board.
- (b) If the Board resolves by unanimous written consent to take action, an explanation of the action taken shall be posted at a prominent place or places within the common area within three (3) days after the written consents of all Board members have been obtained.

5.9 Officers.

- (a) Officers of the Cooperative shall be a president, vice-president, secretary and treasurer (or secretary-treasurer). Except for secretary-treasurer, no officer shall hold more than one office. All officers shall be selected by the Board and shall be residents and members of the Cooperative.
- (b) The duties of the individual officers are as follows:
 - (1) The president shall preside over all meetings of the members and the Board, shall call regular and special meetings of the Board, shall see that orders and resolutions of the Board are carried out; the president or a designate authorized by the Board shall sign all proprietary leases, mortgages, deeds and other written instruments, and shall co-sign all checks and promissory notes, other than those issued for routine expenditures.
 - (2) The vice-president shall act for the president in the event of the president's absence, inability, or refusal to act, and shall exercise and discharge such other duties as may be required by the Board.
 - (3) The secretary shall record the votes and keep the minutes of all meetings of the membership; he or she shall be responsible for keeping all records pertaining to the Board current and accurate.
 - (4) The treasurer shall have the responsibility to receive and deposit in appropriate bank accounts all monies of the Cooperative; to disburse funds as directed by the Board or other authority designated herein; to co-sign all checks and promissory notes of the Cooperative if required by the Board; to keep proper books of account to receive from the Management Committee a monthly balance sheet and operating statement to be distributed to directors at monthly meetings; to provide proper books of account for an independent semi-annual report to the membership derived from the independent audit; and to coordinate the preparation of an annual report to members in which the percentage appreciation on down payment shall be set up to the legal limit with appropriate justification in support of the figure; to provide the Board a statement of accounts at such time as the Board may request; and, upon reasonable request exhibit the Cooperative books of account and all securities, vouchers, papers and documents in custody of the treasurer to any member or designee of the Board. The Board may require the treasurer to give a bond for the faithful discharge of duties in such sum and form with such surety as the Board may determine. The cost of the bond shall be paid for by the Cooperative.

¹⁴ The previous wording was, "A majority plus one (5 votes) shall constitute a quorum of the Board." This had been based on a Board consisting of 5 member-directors and 1 non-member director. The new wording was adopted at the 10/21/90 GM.

- (c) Any officer may resign at any time by giving thirty (30) days written notice to the Board.
- (d) Any officer may be removed at any time, either for cause or without cause, by the approval of two-thirds (2/3) vote of the remaining directors. The notice or waiver of notice shall specify that the Board shall consider the removal of the officer at the Board meeting. Termination of an officer's membership shall result in automatic removal from office.
- (e) Any vacancy in an office shall be filled for the unexpired portion of the term by the Board within thirty (30) days of the occurrence of the vacancy.
- (f) Officers shall not receive compensation for their services as officers, unless such payment has been pre-authorized. The members may fix the compensation of officers for the ensuing year. Such compensation may be a salary or a fixed amount for each meeting attended. An officer shall be allowed his or her reasonable expenses when engaged in the business of the Cooperative. Such expenses shall be subject to audit, allowed and paid as other claims against the Cooperative.
- (g) The terms of each officer shall be set by the Board and shall not exceed the duration of that officer's directorship.

5.10 Standing Committees.

The Cooperative shall have two (2) standing Committees, a Management Committee and a Maintenance Committee. They shall be composed of three (3) voluntary members appointed by the Board to serve staggered terms of one year, except only in the first year, when, in addition to one one-year term, there shall be one term of nine months and one term of six months for the purpose of commencing the stagger. Members who serve the two shortened terms shall be eligible to succeed themselves. Members serving full terms shall not serve consecutive terms. Appointment to these Committees is subject to approval of the membership if a member requests such approval. Failure of a Committee member to assume an equitable portion of the work of the Committee may result in removal from the Committee in accordance with the procedures specified in Section 5.16.

5.11 Management Committee.

- (a) Purpose. The Management Committee shall be responsible for the day-to-day operation and management of the building.
- (b) Duties, responsibilities and powers.
 - (1) The members of the Committee shall meet periodically at a time and place of their choosing, but no less than one time per month. Meeting times and places shall be publicly posted for the convenience of interested members with agenda, if any, three days before, except in the case of emergency meetings, when posting is not required.
 - (2) The responsibilities of the Committee are to:
 - (A) Establish the house rules, subject to the approval of the Board and the membership.
 - (B) Develop procedures for routine building maintenance and submit a management plan to the Board at the beginning of each year.
 - (C) Collect rents and any special funds approved by the Board.
 - (D) Pay routine bills associated with management.
 - (E) Prepare monthly financial reports for the board.
 - (F) Establish procedures for the implementation of alterations and improvements as these terms are defined below.
 - (G) Review work participation records and make appropriate recommendations to the Board.
 - (H) Resolve problems related to day-to-day operation of the building, as needed.
 - (I) Formulate procedures, subject to the approval of the Board, by which new members are selected.
 - (J) With the approval of the Board, set limits on the number of occupants in each unit and establish control over the pet population.
 - (K) Recommend to the Board resources for professional management review and management

assistance that may be needed.

- (L) Take any other action deemed proper and necessary to secure the general well-being of the Cooperative, and assume other responsibilities as designated by the Board.
- (3) The Committee is empowered to:
 - (A) Recommend to the Board new applicants for general membership in accordance with accepted procedures.
 - (B) Authorize the disbursement of funds for normal operating expenses including emergency maintenance or repair.
 - (C) Solicit the voluntary participation of members in accomplishing necessary tasks of the Committee.
 - (D) In the event of insufficient voluntary participation, direct the participation of members in accomplishing the necessary tasks of the Committee. Such assignment must be accomplished by procedures that ensure fair and equal treatment for all members.
- (4) These powers do not include:
 - (A) The authority to disburse funds for any non-recurring expense, except in emergencies.
 - (B) The authority to take adverse action against any member for refusal or failure to participate, except when such refusal or failure is covered by established rules.

5.12 Maintenance Committee.

- (a) Purpose. The Maintenance Committee shall be responsible for maintaining public areas such as halls, laundry, sidewalk, backyard, and public utilities, such as heat, hot water, and external and hallway lighting, and maintenance of other facilities that are not the responsibility of individual members.
- (b) Duties, responsibilities and powers.
 - (1) The members of the Committee shall meet periodically at a place and time of their choosing, but no less than one time per month. Meeting times and places shall be publicly posted for the convenience of interested members (except in the case of emergency meetings, when posting is not required).
 - (2) The responsibilities of this Committee are to:
 - (A) Establish a maintenance plan, including description of maintenance-related tasks, specifying their location, nature, and expected results of completion, as well as appropriate time requirements, including the maximum amount of time that can be charged against a particular task. All such descriptions are subject to approval by the membership and by majority vote of the Board;
 - (B) Establish procedures by which maintenance-related complaints of members are acted upon in a prompt and timely fashion;
 - (C) Establish accounting procedures by which work-participation hours are logged;
 - (D) Schedule major maintenance and renovation and recommend to the Board how these are to be implemented.
 - (E) Provide an adequate supply of maintenance-related items;
 - (F) Establish procedures and rules governing use of tools, ladders or other cooperatively-owned items;
 - (G) Take any other maintenance-related actions deemed proper and necessary to ensure the general well-being of the Cooperative;
 - (3) This Committee is empowered to:
 - (A) Establish maintenance schedules in accordance with needs and task descriptions;
 - (B) Solicit voluntary participation in maintenance-related tasks;
 - (C) Keep schedules and log the time put in by each member, adult non-member resident, or sublessee;
 - (D) Request, in the event of insufficient voluntary participation, that the Management Committee direct participation in necessary tasks;
 - (E) Establish, with the Management Committee, a maintenance fund for normal expenses.

- (4) These powers do not include the authority to direct any member to perform any particular task.

5.13 Grievances.

“Grievance” means any complaint or allegation of violation of the Bylaws, Articles of Incorporation or House Rules that one member wishes to lodge against another member, including officers and committee members or that the Board may initiate against a member. The Board or members may recommend termination of membership as provided for in Section 6.2 or may impose monetary penalties, temporary suspension of a members’ rights in the Cooperative or any other appropriate discipline provided that the procedure for such action is fair and reasonable and provided further that any member adversely affected is given fifteen (15) days notice by the Board of the adverse action with reasons and the opportunity to be heard, orally or in writing by the Board, not less than five (5) days before the effective date of the penalty or disciplinary action.

Any notice required under this section shall be given personally or by mail, first class or registered sent to the last address of the member shown on cooperative records.

5.14 Tenants, Sublessees, Other Nonmember Adult Residents.

- (a) Tenants. Within three (3) months of purchasing the building, the Cooperative shall have no tenants, unless the Board grants an exception in order to safeguard a tenant against undue hardship.
- (b) Sublessees.
 - (1) Sublessees shall submit to the same screening process as applicants for membership.
 - (2) No unit shall be sublet for a period exceeding a year. The Board shall have authority to make exceptions to this rule.
 - (3) Any payments or other arrangements for subletting must be approved by the Board.
 - (4) During their tenancy, sublessees shall have the same rights and obligations as members, except they shall not hold office.
 - (5) The member who is subleasing shall execute a written proxy in the name of the sublessee for the period of the sublease. The sublessee with a written proxy shall have the same voting rights as a member. (See Section 4.7.)
 - (6) Sublessees shall not hold office or be elected to the Board.
- (c) Other Adult Nonmember Nonsublessee Residents. Any nonmember nonsublessee resident of 1740 Walnut Street over the age of 18 years shall perform WPR and shall have the right to participate in membership meetings. An adult nonmember resident other than a sublessee shall not be required to pay assessments nor shall they hold office.

5.15 Improvements, Alterations, and Major Repairs.

- (a) Definitions. For the purposes of these Bylaws, the following terms are hereby defined:
 - (1) “Improvement” shall mean a non-routine, non-cosmetic change in a unit that is paid for by a member(s) and that results in an increase in the monetary value of the unit.
 - (2) “Alteration” shall mean a non-routine, non-cosmetic change in a unit that is paid for by a member(s) but does not increase the monetary value of the unit.
 - (3) “Major repairs” shall mean a non-routine, on-cosmetic repair of a unit that is deemed properly paid for by the Cooperative.
- (b) Improvements. Any member may propose an improvement to his or her unit. Such a proposal must be made in writing; it must specify the exact nature of the change to be made, the cost (including reasonable costs for labor), and the degree to which the change will affect other members. The proposal must be submitted to the Management Committee in writing and be approved by the Board.
- (c) Alterations.
 - (1) The procedures for effecting alterations shall be the same as for making improvements. No proposed

alteration may be approved if it can be shown that it will decrease the value of a unit.

- (2) If there is a disagreement as to whether a proposed change is an improvement or an alteration, such disagreement shall be resolved by a vote of the Board. In case the Board is unable to decide, the change shall be considered an alteration.
- (d) Major repairs. A member who believes his or her unit is in need of major repairs shall propose such repairs to the Board. If the Board disagrees and holds that the individual member is, in fact, seeking Cooperative funds for an alteration or improvement, then this disagreement shall be resolved by approval of the membership if the member so request.

5.16 Resignation or Removal of Directors, Officers or Committee Members.

- (a) Resignation. Any director, officer or Committee member may resign at any time by giving thirty (30) days written notice to the Board.
- (b) Removal. Any director, officer, or Committee member may be removed for cause. Such removals shall be processed by means of the formal grievance procedure and approved by the membership and the Board. Any director who fails to attend three consecutive Board meetings without good reason may be subject to removal. Unless the entire Board is removed from office by the vote of members of the Cooperative, no individual Board member shall be removed prior to the expiration of his or her term of office if the votes cast against removal would be sufficient to elect the Board member if voted cumulatively at an election at which the same total number of votes were cast and the entire number of Board members authorized at the time of the most recent election of the Board member were then being elected.
- (c) Replacement. On the creation of a vacancy new Committee members may be appointed by the Board, subject to the conditions for such appointments described above. Replacement of Board members or officers shall be accomplished according to the same electoral practices that would be used for the election of individuals to these positions. The replacement Board member shall serve the unexpired portion of the term and be eligible for reelection.

5.17 Conflicts of Interest.

- (a) No contract or other transaction between the Cooperative and one (1) or more of its directors, or between the Cooperative and any domestic or foreign corporation, firm or association in which one (1) or more of its directors has a material financial interest, is either void or voidable because such director or directors or such other corporation, business corporation, firm or association are parties or because such director or directors are present at the meeting of the Board or a Committee thereof which authorizes, approves or ratifies the contract or transaction, if:
 - (1) The material facts as to the transaction and as to such director's interest are fully disclosed or known to the members and such contract or transaction is approved by the members in good faith with any membership interest owned by any interested director not being entitled to vote thereon; or
 - (2) The material facts as to the transaction and as to such director's interest are fully disclosed or known to the Board or Committee, and the Board or Committee authorizes, approves or ratifies the contract or transaction in good faith by a vote sufficient without counting the vote of the interested director or directors and the contract or transaction is just and reasonable as to the Cooperative at the time it is authorized, approved, or ratified; or
 - (3) As to contracts or transactions not approved as provided in paragraph (1) or (2) of this subsection, the person asserting the validity of the contract or transaction sustains the burden of proving that the contract or transaction was just and reasonable as to the Cooperative at the time it was authorized, approved, or ratified.

A mere common directorship does not constitute a material financial interest within the meaning of this subsection. A director is not interested within the meaning of this subsection in a resolution fixing the compensation of another director as a director, officer, or employee of the Cooperative, notwithstanding the fact that the first director is also receiving compensation from the Cooperative.

- (b) No contract or other transaction between the Cooperative and any corporation, business corporation or association of which one (1) or more of its directors are directors is either void or voidable because such

director or directors are present at the meeting of the Board or a Committee thereof which authorizes, approves or ratifies the contract or transaction, if:

- (1) The material facts as to the transaction and as to such director's other directorship are fully disclosed or known to the Board or Committee, and the Board or Committee authorizes, approves or ratifies the contract or transaction in good faith by a vote sufficient without counting the vote of the common director or directors or the contract or transaction is approved by the members in good faith; or
- (2) As to contracts or transactions not approved as provided in paragraph (1) of this subsection, the contract or transaction is just and reasonable as to the Cooperative at the time it is authorized, approved or ratified.

Subsection (b) does not apply to contracts or transactions covered by subsection (a).

Article VI - Termination of Membership

6.1 Limitations on Grievance Procedures.

Although the grievance procedures may provide for a recommendation for termination of membership, no officer, director, or Committee member, alone or in combination with each other, shall have the right to recommend termination of a member. Rather, the facts of the case shall be presented to the entire membership in accordance with the following procedures.

6.2 Termination of Membership.

- (a) Cause for termination of membership. Cause for termination of membership shall include failure to fulfill W.P.R.; nonpayment of assessments; serious or repeated violation of the proprietary lease, house rules, Bylaws and Articles; serious or repeated interference with the rights of other tenants; serious or repeated destruction of the project and other good cause as specified in the notice for proposed termination. Only a judgement of a court or a decision arising out of arbitration can cause a forfeiture or abridgement of a member's right to full use and enjoyment of his or her apartment unit.
- (b) Procedures. A notice for proposed termination of membership shall be made in writing by the Board or by the Management Committee to the Board. If the Board proposes the action or accepts the Management Committee's recommendation, the Board shall give the member adversely affected fifteen (15) days notice of the proposed termination with reasons and the opportunity to be heard orally or in writing, by the members not less than five (5) days before the effective date of the Notice of Proposed Termination.

Within five (5) days of receipt of the notice of proposed termination, the member adversely affected must request to be heard in writing to the Board. If no request is made, the proposed termination shall be effective on the date specified in the notice. Upon written notification that the member wishes to be heard or submission of written objections, the Board will call a membership meeting to be set not less than five (5) days before the effective date of the proposed termination. The membership shall conduct a hearing and a review of the written submissions. A two-thirds vote of the membership interests shall be required to sustain the proposed termination. The member shall be notified in writing that the membership sustained the proposed termination. If the membership fails to sustain the notice of proposed termination, the member shall be informed in writing that the Board has withdrawn its proposed termination.

The adversely affected member shall have the right to vote at the membership meeting unless the member's right to vote has been suspended in accordance with Section 5.13.

Any notices required under this section shall be given personally to the President of the Cooperative or to the member or by mail, first class or registered, sent, if to the tenant, to the last address of the member shown on the Cooperative's records and, if to the Cooperative, to the President.

After the effective date of the proposed termination or, if a hearing is requested after the member has been notified in writing that a two-thirds vote of the membership interest has sustained the proposed termination, the member adversely affected shall be served with a Notice of Termination in accordance with § 1161 of the California code of Civil Procedure. The notice from the Board sustaining the proposed termination and the notice of termination in accordance with § 1161 C.C.P. may be combined.

If a court or an arbitrator causes a forfeiture of the member's right to the full use and enjoyment of his or her

unit or orders the eviction of the member, the member shall be required to deliver to the Cooperative his or her membership certificate and proprietary lease, subject to Section 6.5 (Transfer Value Restrictions) and 6.6 (Transfer Restrictions).

Amendment of This Section. Any amendment of this section shall be personally given to each member or shall be mailed to each member by first class mail. Such notice shall constitute an amendment to the member's Proprietary Lease. The notice shall provide that the amendment to the Proprietary Lease shall be effective within 30 days.

6.3 Cancellation of Membership

- (a) If a member wishes to cancel his or her membership, he or she must notify the Management Committee or the Board at least sixty (60) days prior to the expiration of the current term of the member's Proprietary Lease. The sixty (60)-day notice requirement may be waived by the Board. During the sixty-day period or such short period as permitted by the Board, the member shall deliver to the Cooperative his or her membership certificate and proprietary lease.
- (b) A selection Committee appointed for the purpose shall proceed to find a replacement for the departing member according to procedures described in the House Rules.

6.4 Survivor Rights.

Nonmember heirs shall inherit only the monetary value of the share. Any nonmember heir who wishes to occupy the unit of the deceased shall have to submit to the same admission procedure as any other new member.

6.5 Transfer Value Restrictions.

Upon the sale, conveyance, transfer, pledge, encumbrance, grant of a security interest in or other disposition of a membership interest, or any interest therein, whether voluntary or by operation of law, no member may receive or realize consideration or value for the membership interest in an amount exceeding the transfer value, which shall be the consideration or value paid for the membership interest by a member plus the value, determined by the Board of the time of completion, of any capital improvements made to the member's unit by the member or at the member's expense with the prior written approval of the Board, such consideration or value increasing each year at a compound rate of interest as determined annually by the Board, less any assessments duly levied by the Board during the current term of the member's Proprietary Lease unpaid by the member and unmitigated by the Cooperative, less any assessments unpaid as of the date the member vacates the unit; any amounts necessarily expended to repair damages, if any, and put the member's unit into marketable condition as reasonably determined by the Board, including amounts attributable to cleaning, painting, cleaning or replacing worn carpeting and draperies, making necessary structural, mechanical, electrical and plumbing repairs and repairing or replacing fixed appliances, but not including amounts attributable to reasonable wear and tear; provided, however, that in no event may the transfer value exceed the lower of

- (a) The fair market value of the membership interest; or
- (b) The consideration or value paid for the membership interest by the member who first occupied the unit increased by no more than 10% per year, compounded annually, of such initial consideration or value plus the value, determined by the Board as of the time of completion, of any capital improvements made to the member's unit by the member or at the member's expense, with the prior written approval of the Board.

6.6 Transfer Restrictions.

No member may sell, convey, transfer, pledge, encumber, grant a security interest in or otherwise dispose of a membership interest, or any interest therein, except to the Cooperative at a price not exceeding the transfer value; provided, however, that a member, with the prior written consent of the Board, may pledge, encumber, or grant a security interest in a membership interest for the purpose of securing financing to purchase the membership interest or to refinance indebtedness otherwise incurred to purchase the membership interest; provided further, however, that any lender, pledgee or other person acquiring a security interest in the membership interest pursuant to this section shall not sell, convey, transfer, pledge, encumber, grant a security interest in or otherwise dispose of the membership interest, or any interest therein, except to the Cooperative at a price not exceeding the transfer value. The Cooperative shall acquire any membership interest offered for sale, conveyance, transfer or disposition at a price not exceeding the transfer value, or the Cooperative may, at the discretion of its Board, assign its right to acquire a

membership interest to any person or persons accepted by the Board as qualified for membership in the Cooperative. In the event of a sale, conveyance, transfer, pledge, encumbrance, grant of a security interest in, or other disposition of a membership interest, or any interest therein, whether voluntary or by operation of law, in contravention of this section, the Cooperative shall have the right to acquire the membership interest, and all interests therein, from the member or any transferee, or both, as their respective interests may appear, at a price not exceeding the transfer value. Any resale of a membership interest by the Cooperative to any person or persons accepted by the Board as qualified for membership in the Cooperative shall be at the price incurred by the Cooperative in acquiring the membership interest, not exceeding the transfer value.

Article VII - Indemnification of Agents

7.1 Indemnification.

- (a) For the purposes of this section, "agent" means any person who is or was a director, officer, employee or other agent of the Cooperative or is or was serving at the request of the Cooperative as a director, officer, employee or agent of another foreign or domestic corporation, partnership, joint venture, trust or other enterprise, or was a director, officer, employee or agent of a foreign or domestic corporation which was a predecessor corporation of the Cooperative or of another enterprise at the request of such predecessor corporation; "proceeding" means any threatened, pending, or completed action or proceeding, whether civil, criminal, administrative, or investigative; and "expenses" includes without limitation attorneys' fees and any expenses of establishing a right to indemnification under subsection (d) or paragraph (3) of subsection (e).
- (b) The Cooperative shall have power to indemnify any person who was or is a party to any proceeding by reason of the fact that such person is or was an agent of the Cooperative, against expenses, judgements, fines, settlements and other amounts actually and reasonably incurred in connection with such proceeding if such person acted in good faith and in a manner such person reasonably believed to be in the best interests of the Cooperative and, in the case of a criminal proceeding, has no reasonable cause to believe the conduct of such person was unlawful. The termination of any proceeding by judgement, order, settlement, conviction or upon a plea of nolo contendere or its equivalent shall not, of itself, create a presumption that the person did not act in good faith and in a manner which the person reasonably believed to be in the best interests of the Cooperative or that the person had reasonable cause to believe that the person's conduct was unlawful.
- (c) The Cooperative shall have power to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action by or in the right of the Cooperative, to procure a judgement in its favor by reason of the fact that such person is or was an agent of the Cooperative, against expenses actually and reasonably incurred by such person in connection with the defense or settlement of such action if such person acted in good faith, in a manner such person believed to be in the best interests of the Cooperative and with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances.
- (d) No indemnification shall be made under this subsection:
 - (1) In respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the Cooperative in the performance of such person's duty to the Cooperative, unless and only to the extent that the court in which such proceeding is or was pending shall determine upon application that, in view of all the circumstances in the case, such person is fairly and reasonable entitled to indemnity for the expenses which such court shall determine;
 - (2) Of amounts paid in settling or otherwise disposing of a threatened or pending action, with or without court approval; or
 - (3) Of expenses incurred in defending a threatened or pending action which is settled or otherwise disposed of without court approval.
- (e) To the extent that an agent of the Cooperative has been successful on the merits in defense of any proceeding referred to in subsection (b) or (c) or in defense of any claim, issue or matter therein, the agent shall be indemnified against expenses actually and reasonably incurred by the agent in connection therewith.
- (f) Except as provided in subsection (e), any indemnification under this section shall be made by the Cooperative only if authorized in the specific case, upon a determination that indemnification of the agent is proper in the

circumstances because the agent has met the applicable standard of conduct set forth in subsection (b) or (c) by:

- (1) A majority vote of a quorum consisting of directors who are not parties to such proceeding;
 - (2) Approval of the members with the persons to be indemnified not being entitled to vote thereon; or
 - (3) The court in which such proceeding is or was pending upon application made by the Cooperative or the agent or the attorney or other person rendering services in connection with the defense, whether or not such application by the agent, attorney or other person is opposed by the Cooperative.
- (g) Expenses incurred in defending any proceeding may be advanced by the Cooperative prior to the final disposition of such proceeding upon receipt of an undertaking by or on behalf of the agent to repay such amount unless it shall be determined ultimately that the agent is entitled to be indemnified as authorized in this section.
- (h) No indemnification or advance shall be made under this section, except as provided in subsection (e) or paragraph (3) or subsection (f) in any circumstance where it appears:
- (1) That it would be inconsistent with a provision of the Articles, Bylaws, a resolution of the members or an agreement in effect at the time of the accrual of the alleged cause of action asserted in the proceeding in which the expenses were incurred or other amounts were paid, which prohibits or otherwise limits indemnification; or
 - (2) That it would be inconsistent with any condition expressly imposed by a court in approving a settlement.
- (i) The Cooperative shall have power to purchase and maintain insurance on behalf of any agent of the Cooperative against any liability asserted against or incurred by the agent in such capacity or arising out of the agent's status as such whether or not the Cooperative would have the power to indemnify the agent against such liability under the provisions of this section.
- (j) This section does not apply to any proceeding against any trustee, investment manager or other fiduciary or any employee benefit plan in such person's capacity as such, even though such person may also be an agent as defined in subsection (a) of the Cooperative. The Cooperative shall have power to indemnify such trustee, investment manager or other fiduciary to the extent permitted by subsection (f) of Section 207 of the Corporations Code.

Article VIII - Required Records and Reports and Rights of Inspection

8.1 Books and Records.

- (a) The Cooperative shall keep:
- (1) Adequate and correct books and records of account;
 - (2) Minutes of the proceedings of its members, Board and Committees of the Board; and
 - (3) A record of its members giving their names and unit numbers.
- (b) Minutes shall be kept in written form. Other books and records shall be kept either in written form or in any other form capable of being converted into written form.
- (c) The above listed documents, books and records shall be made available for inspection by any member at such place within 1740 Walnut Street as the Board shall designate.

8.2 Financial Statements.

- (a) Financial statements for the Cooperative shall be regularly prepared and distributed to all members as follows:
- (1) A pro forma operating statement (budget) for each fiscal year shall be distributed not less than 60 days before the beginning of the fiscal year.
 - (2) A balance sheet -- as of an accounting date which is the last day of the month closest in time to six

months from the date of closing of the first sale of an interest in the subdivision -- and an operating statement for the period from the date of the first closing to the said accounting date, shall be distributed within 60 days after the accounting date. This operating statement shall include a schedule of assessments received and receivable identified by the number of the membership interest and the name of the member assessed.

- (3) An annual report consisting of the following shall be distributed within 120 days after the close of the fiscal year.
 - (a) A balance sheet as of the end of the fiscal year.
 - (b) An operating (income) statement for the fiscal year.
 - (c) A statement of changes in financial position for the fiscal year.
 - (d) Any information required to be reported under Section 8.3.
 - (e) A statement of the place where the names and addresses of current members are located.
- (b) Ordinarily the annual report referred to in (a) (3) above shall be prepared by an independent accountant for any fiscal year in which the gross income to the Cooperative exceeds \$75,000.
- (c) If the report referred to in (a) (3) above is not prepared by an independent accountant, it shall be accompanied by the certificate of an authorized officer of the Association that the statements were prepared without audit from the books and records of the Cooperative.

8.3 Annual Statement of Interested Persons and Indemnification Transactions.

- (a) The Cooperative shall furnish annually to its members and directors a statement of any transaction or indemnification of a kind described in subsection (d) or (e), if any such transaction or indemnification took place. If the Cooperative issues an annual report to all members, this subsection shall be satisfied by including the required information in the annual report.
- (b) Except as provided in subsection (c), a covered transaction under this section is a transaction in which the Cooperative or its subsidiary was a party, and in which either of the following had a direct or indirect material financial interest:
 - (1) Any director or officer of the Cooperative or its subsidiary.
 - (2) Any holder of more than ten percent (10%) of the voting power of any subsidiary of the Cooperative. For the purpose of subsection (d), an "interested person" is any person described in paragraph (1) or (2) of this subsection.
- (c) Transactions approved by the members of the Cooperative, under subsection (a) of Section 4.12, are not covered transactions. For the purpose of subsection (b), a mere common directorship is not a material financial interest.
- (d) The statement required by subsection (a) shall describe briefly:
 - (1) Any covered transaction (excluding compensation of officers and directors) during the previous fiscal year involving more than forty thousand dollars (\$40,000), or which was one of a number of covered transactions in which the same interested person had a direct or indirect material financial interest, and which transactions in the aggregate involved more than forty thousand dollars (\$40,000).
 - (2) The names of the interested persons involved in such transactions, stating such person's relationship to the Cooperative, the nature of such person's interest in the transaction and, where applicable, the amount of such interest; provided, that in the case of a transaction with a partnership of which such person is a partner, only the interest of the partnership need be stated.
- (e) The statement required by subsection (a) shall describe briefly the amount and circumstances of any indemnifications or advances aggregating more than ten thousand dollars (\$10,000) paid during the fiscal year to any officer or director of the Cooperative pursuant to Section 7.1, provided that no such report need be made in the case of indemnification approved by the members under subsection (f) (2) of Section 7.1.

8.4 Availability of Records in Written Form.

If any record subject to inspection pursuant to this article is not maintained in written form, a request for inspection

is not complied with unless and until the Cooperative at its expense makes such record available in written form.

8.5 Inspections.

Any inspection under this article may be made in person or by agent or attorney and the right of inspection includes the right to copy and make extracts.

8.6 Subsidiary Records.

Any right of inspection created by this article extends to the records of any subsidiary of the Cooperative.

8.7 Prohibited Limitations on Rights.

The rights of members provided in this article may not be limited by contract or the Articles of Incorporation or Bylaws.

8.8 Inspection of Membership Rolls.

- (a) Unless the Cooperative provides a reasonable alternative pursuant to subsection (c), a member may do either or both of the following as permitted by subsection (b):
 - (1) Inspect and copy the record of all the members' names, unit numbers and voting rights, at reasonable times, upon five (5) business days' prior written demand upon the Cooperative, which demand shall state the purpose for which the inspection rights are requested; or
 - (2) Obtain from the secretary of the Cooperative, upon written demand and tender of a reasonable charge, a list of the names, unit numbers and voting rights of those members entitled to vote for the election of directors, as of the most recent record date for which it has been compiled or as of a date specified by the member subsequent to the date of demand. The demand shall state the purpose for which the list is requested. The membership list shall be made available on or before the later of ten (10) business days after the demand is received or after the date specified therein as the date as of which the list is to be compiled.
- (b) The rights set forth in subsection (a) may be exercised by:
 - (1) Any member, for a purpose reasonably related to such person's interest as a member. Where the Cooperative reasonably believes that the information will be used for another purpose, or where it provides a reasonable alternative pursuant to subsection (c), it may deny the member access to the list.
 - (2) Any two members for a purpose reasonably related to the members' interest as members.
- (c) The Cooperative may, within ten (10) business days after receiving a demand under subsection (a), deliver to the person or persons making the demand a written offer of an alternative method of achieving the purpose identified in said demand without providing access to or a copy of the membership list. An alternative method which reasonably and in a timely manner accomplishes the proper purpose set forth in a demand made under subsection (a) shall be deemed a reasonable alternative, unless within a reasonable time after acceptance of the offer the Cooperative fails to do those things which it offered to do. Any rejection of the offer shall be in writing and shall indicate the reasons the alternative proposed by the Cooperative does not meet the proper purpose of the demand made pursuant to subsection (a).

8.9 Members' Rights of Inspection.

The accounting books and records and minutes of proceedings of the members and the Board and Committees of the Board shall be made available for inspection upon the written demand on the Cooperative of any member at any reasonable time, for a purpose reasonably related to such person's interests as a member.

8.10 Directors' Rights of Inspection.

Every director of the Cooperative 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 Cooperative.

8.11 Membership Lists.

- (a) The membership list is a corporate asset. Without consent of the Board, a membership list or any part thereof may not be used by any person for any purpose unrelated to a member's interest as a member. Without

limiting the generality of the foregoing, without the consent of the Board a membership list or any part thereof may not be:

- (1) Used to solicit money or property unless such money or property will be used solely to solicit the vote of the members in an election to be held by the Cooperative, or
 - (2) Used for any purpose which the user does not reasonably and in good faith believe will benefit the Cooperative, or
 - (3) Used for any commercial purpose or purpose in competition with the Cooperative, or
 - (4) Sold to or purchased by any person.
- (b) As used in this section, the term membership list means the record of all the members' names and unit numbers.

8.12 Procedures for Obtaining Copies of Requested Documents.

The Board shall establish reasonable rules with respect to:

- (a) Notice to be given to the custodian of the records by the member desiring to make the inspection.
- (b) Hours and days of the week when such an inspection may be made.
- (c) Payment of the cost of reproducing copies of documents requested by a member.

Article IX - Distribution Restrictions

9.1 Definition of Corporate Equity.

The term "corporate equity" means the excess of the Cooperative's assets valued at current fair market value over the sum of (i) any outstanding indebtedness contracted in the acquisition, construction, alteration, rehabilitation or maintenance of the property, (ii) all other liabilities of the Cooperative incurred in the ordinary course of its business activities undertaken in furtherance of its corporate purposes, (iii) the current fair market value of any assets held by the Cooperative upon a valid condition requiring transfer, conveyance or return, which condition has occurred or is reasonably likely to occur; and (iv) the aggregate transfer value of all the Cooperative's membership interests currently valued.

9.2 Definition of Distribution.

The term "distribution" means any

- (i) payment of money or the distribution of property by the Cooperative without consideration to any member whether out of earnings, profits, gains or capital,
- (ii) offset of credit by the Cooperative without consideration against the liability of any member for dues, fees, assessments, carrying, occupancy or maintenance charges, fines, penalties, late charges or other costs (the "carrying charges") or other financial obligations of a member to the Cooperative based upon membership status, or
- (iii) expenditure of funds by the Cooperative for debt service, expenses, costs, losses, liabilities, reserves, or capital improvements in an amount exceeding the aggregate of the carrying charges assessed against and collected from the members; provided, however, that an expenditure of funds by the Cooperative in any year exceeding the carrying charges shall not be deemed a distribution if made
 - [a] to cover an occasional loss to the Cooperative under circumstances which were unforeseen and reasonably and in good faith can be regarded as unforeseeable,
 - [b] to cover carrying charges allocated to units which are vacant, or
 - [c] out of funded reserves for a valid and proper purpose.

9.3 Distribution Restrictions.

- (a) The Cooperative shall not make any distribution except to (i) offset or credit against the liabilities of the members for future carrying charges the amount of any previous carrying charges assessed against and

collected from the members in excess of the Cooperative's expenditures for debt service, expenses, costs, losses, liabilities, reserves, or capital improvements, (ii) acquire any membership interest offered for sale, conveyance, transfer or disposition to the Cooperative at a price not exceeding the transfer value; (iii) repay any indebtedness of the Cooperative owed to a member; (iv) redeem and retire each membership interest at a price not exceeding the transfer value upon the dissolution and liquidation of the Cooperative; (v) pay to any member pursuant to Section 9.6 such member's share of any insurance proceeds or condemnation awards in an amount, however, not exceeding the transfer value of the membership interest; or (vi) make a down payment assistance loan to a new member pursuant to Section 9.4.

- (b) In accordance with Section 216 of the Internal Revenue Code of 1954, as amended, no member shall be entitled (either conditionally or unconditionally) to receive any distribution not out of earnings and profits of the Cooperative except on a complete or partial liquidation of the Cooperative; provided, however, that this subsection (b) shall not be construed as authorizing any distribution not otherwise authorized pursuant to subsection (a) of this subsection.

9.4 Restrictions on Cooperative Equity.

Corporate equity shall be held in trust by the Cooperative for the public or charitable purposes of acquiring, constructing, owning, operating, maintaining, and preserving affordable housing for persons of low- or moderate-income, and encouraging, assisting and supporting the foregoing purposes. Corporate equity may be employed or utilized by the Cooperative to (i) expand or improve the property by acquisition, construction, rehabilitation, refurbishing or remodeling; (ii) acquire and improve additional property; (iii) make a down payment assistance loan to any new member to assist the member in meeting the cost of acquiring a membership interest, subject, however, to the sole discretion of the Board and further subject to such terms and conditions as the Board shall determine and specify; and (iv) encourage, assist, and support the public or charitable purposes of acquiring, constructing, owning, operating, maintaining and preserving affordable housing for persons of low- or moderate-income.

9.5 Distributions on Dissolution.

Upon the dissolution and liquidation of the Cooperative, corporate assets to the extent available shall be allocated and distributed or set aside for distribution in accordance with the following order or priorities:

- (a) payment of all debts and liabilities of the Cooperative;
- (b) transfer, conveyance, or return of any assets held by the Cooperative upon a valid condition requiring the transfer, conveyance, or return, which condition has occurred or will occur;
- (c) distribution to each member in satisfaction of all membership rights of an amount not exceeding the transfer value of the member's membership interest; and
- (d) distribution, without regard to priority and subject to the discretion of the Board, to any other limited equity housing cooperative, any nonprofit fund, foundation, association or corporation which has established its exemption from federal income taxation pursuant to Section 501(c) (3) or Section 501(c) (4) of the Internal revenue Code of 1954, as amended, the State of California, or any department or agency thereof, or any unit of local government, or any agency thereof, all subject to the requirement that the distribution shall be received, held, administered, exchanged or expended for public or charitable purposes.

9.6 Distributions on Condemnation or Casualty Loss.

If all or any part of a unit is acquired by eminent domain, or is damaged or destroyed and the Cooperative decides not to repair or replace such unit, the member having the exclusive right of occupancy of such unit shall receive a distribution of the condemnation award or insurance proceeds, respectively, attributable to such unit in an amount not exceeding the transfer value of the member's membership interest.

Article X - Amendment of Bylaws and Articles of Incorporation

10.1 Interim Arrangements and Bylaw Amendments.

- (a) For the period commencing with the first general meeting, the membership of the cooperative, the interim Board and standing Committees shall be established under these Bylaws.
- (b) Commencing with the incorporation of the Cooperative, and for a period of eighteen (18) months thereafter,

these Bylaws shall be considered interim in nature. It shall be subject to approval of the membership if any member so requests. For that period, any member can suggest an amendment to the Board and the Board shall review it and then submit it to the members for their approval in accordance with Section 10.2(d) and 10.2(e).

- (c) Twelve (12) months after the date of incorporation of the Cooperative, the Board shall solicit voluntary participation in a Bylaws Review Committee. This Committee shall be charged with determining whether these Bylaws need such substantial revision that the current version needs to be totally reformulated.

10.2 Amendments to Bylaws.

After eighteen (18) months from the incorporation of the cooperative, these Bylaws may be amended only as follows:

- (a) A member must prepare a proposed amendment in writing, accompanied by the rationale for the proposal, and submit it to the Management Committee.
- (b) The Management Committee then reviews and comments on the proposal and submits it to the Board with recommendations for approval or disapproval.
- (c) The Board then reviews and comments upon the Management Committee submissions, and in turn submits the proposal with recommendations to the membership by written notice.
- (d) For any amendment to these Bylaws to be effected, it must be approved by at least 66-2/3% of all members.
- (e) Notwithstanding the above, the percentage of a quorum or of the voting power of the Cooperative or of members necessary to amend a specific clause or provision in the Articles or Bylaws shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause.

10.3 Amendments of the Articles of Incorporation.

Amendments of the Articles of Incorporation shall require the vote or written assent of at least a bare majority of the Board and at least 66-2/3% of the members.

LATE PAYMENT POLICY

Approved at Membership meeting, 2/26/95

Our present rules ask us to pay our monthly carrying charges on the first and not later than the 5th of each month. All payments should be made by that date. The following procedures will be followed in cases of late payment of carrying charges as of March, 1995.

1. On the 5th of each month the bookkeeper shall place a printed reminder notice in the boxes of units that have not paid by the 4th of the month.

2. Members who believe that they cannot pay by the 10th of the month should tell the bookkeeper *before the 6th of the month in person* when, during the month, they will pay what is due. They shall confirm this in writing.

3. Members who have not paid by the 10th of the month *and have not notified the bookkeeper as outlined above*, will be charged a \$10.00 late payment fee and the bookkeeper will notify the member accordingly, with a copy to the treasurer. In such a case the treasurer will ask the member to commit in writing to either pay the amount due by the end of the month or meet with a committee (see #4 below) in an effort to work out an arrangement over a longer period. If no agreement is completed by the 15th of the month, the treasurer will refer the matter to the Board which should declare the member's account delinquent and take appropriate action.

4. Members who have not paid their carrying charges in full by the 30th of the month must meet with the treasurer and a committee appointed by the Board before the 5th of the following month to sign an agreement that specifies how and when payment will be made so that all payments will be up to date within 60 days of the original due date. Any arrangements requested to exceed this date must be approved by the Board. Unless there are exceptional circumstances and a substantial part of the arrears has been paid at the end of 60 days, the Board should not authorize any delinquency extending beyond 90 days of the original due-date.

5. Full payment shall include 1% per month on any portion of the month on the unpaid balance due, with the interest to begin accruing after a member falls 30 days in arrears.

6. The Treasurer shall provide the following reports to the Board:

(a) By the 15th of each month submit a report listing any members unpaid carrying charges up to the end of the preceding month, as well as the amount of time payments are in arrears.

(b) A notice of a failure of a member to abide by a payment agreement, to be given to the Board within five days of such failure,

(c) A notice if a member expects to be unable to make up an arrears within the sixty days of the default, to be given to the Board within five days of receipt of such information.

RESIDENT MANAGER JOB DESCRIPTION
(adopted October 2000; still in effect September 2018)

TO MAINTAIN GENERAL ORDER AND NEATNESS IN THE BUILDING:

1. Inspect the halls, storage areas, and other indoor/outdoor common areas, replacing burned-out light bulbs, restocking supplies, picking up trash, tidying, assuring the key locker has all keys, assuring fire doors are closed, looking for fire or other hazards, checking phone machine for messages (route appropriately), monitoring personal items in common space, and any problems with pets.
2. Monitor use of emergency parking, contact owners of cars apparently violating the policy and report to the Board frequent or flagrant violations of the policy.
3. Mail area tidiness: tidy the mail table, moving prior day's junk mail into lower cubbyhole and recycling/discarding items in that area. Sort personal mail/magazines if no one can be found to do this as work participation or if it remains undone.
4. Manage, repair and purchase supplies/equipment for the following storage areas: mail cabinet, laundry room, hall closets, wet bar, office, back room, area under back stairwell, garages 6 & 11, boiler room.
5. Assure that all cleaning equipment is in good repair.
6. Assure garbage pickup, keep garbage area clean. Call the city if garbage is not picked up. Replace lids and sweep up debris after pickups.
7. Monitor bulletin board etiquette, returning to people who posted them any items containing personal attacks or items that are outdated.
8. Adjust timers on the hall light circuit and light at the bottom of the stairwell to compensate for outages and for seasonal changes in day length.
9. Distribute hall-cleaning reminders 5 days before the day members are to clean. Issue any necessary follow-up reminders.
10. Monitor inappropriate propping open of fire doors and report serious violations to the Board.
11. Be the first person called for emergency entry into apartments, garages, locked co-op files.
12. Assure that there are enough key keepers to assure access to key locker at any time. Specify these people on the phone list and make sure they know how to keep the key locker complete and secure.
13. If pets are a problem for other members, try to resolve the problem with the pet's owner. Refer problem to Board if necessary.
14. Monitor violations of co-op's policy on Use of Common Space as per Blue Book of Co-op policies.
15. Keep the following items current and update/post/distribute as appropriate: phone list, hall cleaning schedule, car list, garage list, key locker list, bulletin board policy, labels on doorbells/mailboxes, mail cabinet.

16. Coordinate rental of garages: notify residents of available space, find outside renters when necessary and handle signing of rental agreement and monthly collection of rent. Notify Board if a member cannot get desired storage space or if any garage is not able to generate its targeted revenue.

TO ASSURE PROPER FUNCTIONING OF THE BUILDING AND ITS EQUIPMENT:

17. Attend Maintenance meetings and report on all open items. Give monthly reports on completed repairs.
18. Repair requests: receive requests for routine and emergency repairs and
 - a) Refer to Maintenance Committee if major and not urgent
 - b) Perform repair yourself if minor and within your competence level
 - c) Help member or recruit other members to help
 - d) Hire outside help (Repairs costing more than \$300 must first be approved by Maintenance convenor except in an emergency).
 - e) Keep a log of requests/repairs in Co-op's Maintenance database.
19. In conjunction with Maintenance Committee, maintain Maintenance record files, placing invoices, receipts, bids, etc. into appropriate files (apartment file and general subject files) in locked 2 drawer cabinet.
20. Prepare a member skills list of residents with special skills.
21. Maintain a list of outside repair resources.
22. Post 24 hour notices of utility shutdowns on both sides of front and rear doors.
23. Keep airshafts free of debris and keep dryer vent to NE airshaft unclogged.
24. Maintenance schedule:
 - a) Maintain and update maintenance schedule.
 - b) Perform/arrange for performance of tasks on the schedule
 - c) Report unperformed tasks to Maintenance Committee
 - d) Follow boiler maintenance schedule given to us by Pacific Heating (Schedule includes arranging for two Pacific Heating servicings per year and RM flushing boiler weekly in the heating season).
25. Supervise workers hired to do repairs, giving them access to the site, assuring work is of adequate quality, seeing that debris is cleaned up, and giving required entry notices. Maintain a supply of temporary parking permits for repair people.
26. Coordinate workdays in conjunction with Maintenance Committee:
 - a) Schedule workdays as needed.
 - b) Post the dates well in advance and post specific tasks as soon as possible.
 - c) Integrate periodic maintenance needs and projects with special projects.
 - d) Find volunteers to do workday shopping, refreshments, potluck and cleanup.
 - e) After the workday, coordinate debris clean up including trips to the dump.

GENERAL DUTIES

27. Arrange for coverage of duties when out of town or unavailable.
28. Give at least 6 weeks' notice when planning to quit RM job and help to train successor(s).

WALNUT HOUSE COOPERATIVE CONFLICT RESOLUTION

All previous policies regarding conflict resolution and grievance procedures are replaced with the following provisions, which are additions to the co-op's "Policies and House Rules" and will be inserted into the "blue binders" (this is not an amendment to the bylaws):

Background

Some strong disagreements and mutual dislike between some members occur in most groups, but the morale and spirit of any community is strongly affected by the civility with which individuals interact, especially when they are in conflict. As defined by the dictionary, civil means polite, courteous befitting a developed social community; civilized. Over our almost 18 years of functioning as a cooperative, extreme uncivil behavior caused some members to leave because they felt verbally attacked or insulted by others or felt that there were no resources to help them deal with another member or the Co-op as an organization. Other members have withdrawn from participation in Co-op affairs because of such concerns. Besides such attacks, some lack of civility persists in our co-op as some members even refuse to return a friendly greeting when passing in the hall.

Personal attacks on the bulletin board are prohibited, but they occasionally occur and are often left up for days. While we passed and have generally followed a rule in recent years forbidding personal attacks in meetings, disagreements outside meetings have led to serious conflicts. While our bylaws provide for sanctions, including termination (see below), these sanctions are cumbersome and are unlikely to be used except in extreme cases. Over the years, we have tried internal and external mediation with variable results. Formal grievances have sometimes been filed with the Board, but the Board has no procedures to insure impartial hearings of concerns. Sometimes, non-board members have intervened and taken sides in disputes.

We propose the attached guidelines for addressing conflicts through which members and the Co-op can address problems in ways that feel safe and fair to all involved. The proposal includes an Ombudsman procedure, an elaboration of an approach that was used years ago informally by Alan Robb, an original, emphatic and highly respected member, who helped several members to resolve their conflicts.

Please see grievance procedure as described in the Bylaws.

WALNUT HOUSE COOPERATIVE

GUIDELINES FOR CONFLICT RESOLUTION

- 1) Try to work out a solution directly with the others involved as soon as possible.
- 2) Keep these helpful conflict resolution tactics in mind:
 - a) Try to separate how you feel about the issue from your feelings about the person.
 - b) Address the problem or the person's actions rather than the person's character.
 - c) Avoid and discourage public discussions that deal with contestants' personal characteristics. (In meetings, the facilitator is to cut off personal attacks).
 - d) Follow these same guidelines when posting items on the bulletin board or when distributing written materials. (All Board members shall be responsible for monitoring such communications, removing them from the bulletin board and then discussing them with the author).
- 3) If you cannot work out a solution directly, contact a Co-op Ombudsman.* This person's role is to help you through the conflict resolution process. (If there is no Ombudsman and the parties involved are willing to have their conflict mediated by trained mediators at Berkeley Conflict Resolution Service, they should contact a Board member for more information.)
- 4) The Ombudsman will report to the Board about the status of the conflict situation without revealing any personal details. The Board will protect the interests of the Co-op at all times but will not serve as a mediating body in the conflict.
- 5) The Ombudsman will help you and the others involved in the conflict choose among available resources. You may want to try more than one option. These include:
 - a) Internal Co-op mediation with the 2 (or more) trained Ombudsmen as mediators.
 - b) Mediation by trained mediators at Berkeley Conflict Resolution Service. (The Co-op will pay for this service which costs about \$25 per person).
- 6) These guidelines will apply to both (i) grievances as defined in the Co-op's bylaws and (ii) other conflicts or grievances, where the parties elect to use these guidelines. Please note that grievances or conflicts outside the scope of the bylaws are not subject to the provisions of that section.

* Each Co-op Ombudsman is a Co-op member who is trained in conflict resolution skills by the Berkeley Conflict Resolution Service or some other qualified agency. If possible, there should be at least two Ombudsmen in the Co-op at all times. The Board will identify good Ombudsman candidates and ask if they are willing to be trained and undertake the related duties. Candidates for Ombudsman should be respected members of the Co-op who have shown that they are able to be neutral, sensitive to people's feelings, non-judgmental and good facilitators of group process. After completing conflict resolution training, each Ombudsman will be appointed by the Board for a term of one year. Terms may be renewed after the Board's annual review of the Ombudsman's performance. The evaluation process will examine members' reactions to the Ombudsman's performance (fairness, sensitivity, helpfulness) and the Ombudsman's record of success in helping to resolve conflicts. Funding (if any) for training the Ombudspersons will be provided by the co-op.

Coop Safety and Security Policy and Guidelines

Safety and security issues facing the Coop include preventing theft and property destruction, personal safety, as well as disaster preparedness (fire, earthquake, weather, terrorism, etc.). In order to better ensure the safety and security of Coop Members, members are asked to adhere to the following security and safety policy guidelines:

A. Access to the Building

Each member is responsible for monitoring entry into the building and for the actions of their guests. Members and their guests should adhere to the following guidelines:

1. Make sure doors close and lock behind you when you enter or exit the building.
2. Do not buzz people into the building unless you have verified their identity via the entry telephone and only if you will take responsibility for them as your guest.
3. Do not leave doors propped open unless you are in sight of the door and can monitor who has access to the building (if you leave a door propped open and you can't see it, then someone undesirable may enter the building without anyone knowing it).
4. First floor residents need to keep their windows secured in the manner to be determined by the Maintenance Committee when they are not at home.
5. It is recommended that members keep their airshafts secured while they are not in their apartments for their own security.

B. Door Locks and Keys

1. The Maintenance Committee will research and identify the best types of locks and keys for our situation to be installed if replacement becomes necessary in the future.
2. The resident manager will keep track of who is in possession of all copies of keys to the outside doors.

C. Ongoing Maintenance Items

The Maintenance Committee will include the following items related to safety and security in any regularly scheduled (ongoing and when units change hands) maintenance surveys of units and common areas of the building:

1. Make sure the buzzers in units that allow entry into the building work.
2. Make sure windows have functioning locks, especially first floor units.
3. Check batteries in all smoke detectors periodically as required.
4. Check fire extinguishers periodically to make sure they are in working condition periodically as required.
5. Monitor the functionality and speed of front and back exterior automatic door closure mechanisms.

This policy was adopted by the Membership at the November 16, 2003 General Membership Meeting and distributed to all Members on June 3, 2004.

Procedures for Board Elections

Adopted by the Board at it 12/8/06 meeting

Distributed to all members on 12/17/06

Nominations:

Any member may nominate any other member and/or herself/himself at any Board or General meeting, on the sign up form on the bulletin board or by written request. In order to be a candidate for election each nominee must meet the eligibility criteria specified in the Bylaws.

Any candidate shall have an opportunity to make a brief statement to the membership at the General Meeting if s/he desires to do so.

The Board will appoint either one or three inspectors from the membership to run the Board elections. Board members, candidates and others receiving compensation from the co-op are not eligible to serve as inspectors.

Tabulation: The inspector(s) will count and tabulate the ballots at the meeting at which the election is held and any member may observe the counting and tabulating and see the votes as they are counted. The tabulated results of all elections and runoff rounds will be immediately announced at the meeting and will be posted on the bulletin board as soon as possible.

Procedure for casting ballots

First there shall be an election to fill the seats for the currently expiring (two-year) terms. After that, if there are any vacant one-year term seats, there shall be another election to fill those seats.

For each election, a candidate must get at least 15 votes ("quota") to be elected. Each member may cast no more than the number of votes as there are seats to be filled, no more than one vote for each candidate. If there are more candidates than seats, this may result in runoffs based on the following results of each round:

1. If at least one candidate meets the quota and the number of such candidates does not exceed the number of seats to be filled, those candidates meeting the quota shall be elected and there shall be a runoff between the remaining candidates if there are remaining seats to be filled.
2. If the number of candidates meeting the quota exceeds the number of seats to be filled, the following applies:

Working from the top candidate(s) down in number of votes, each such candidate(s) shall be declared elected until all seats are filled. This shall occur until and unless there is a tie of more candidates than there are remaining unfilled seats. If there is such a tie, there will be a runoff between all of the remaining candidates. However, if no candidate was declared elected in this round (e.g., because of a tie), the bottom candidate shall be dropped and there will be a runoff (see below for ties).

3. If no candidate meets the quota and there are more candidates than seats, the candidate getting the lowest number of votes shall be dropped and there will be a runoff (see below for ties).
4. If no candidate meets the quota and there are at least as many seats as candidates, then one more round of voting shall be held. If at that point no one meets the quota the election is over.
5. Ties: If there is a tie for the lowest number of votes, such candidates will be asked if any of them wish to voluntarily withdraw. If at least one does so, there will be a runoff without the withdrawn candidate(s). Otherwise, there shall be a vote between them to decide who is dropped from the next runoff. It should be noted that it's possible that the "lowest number of votes" may also equal the highest number of votes if there is a tie of all of the candidates. Each member may cast no more than one vote, to indicate who they want dropped. The candidate getting the most votes to be dropped shall be dropped from the next runoff. If this results in a tie, there shall be a second such vote to break those still tied.ⁱ

ⁱ At its 12/8/09 meeting, the Board decided to eliminate the use of random tie-breaking methods for lockbox elections, which invalidated a provision that had previously followed this sentence. That provision was:

"If there is yet still a tie, there shall be a drawing of lots between those still tied to break the tie. The person losing the draw shall be dropped and there shall be another runoff."

Board Policy: Alternate Voting Procedure for Board Member Elections

As approved by the Board on December 8, 2009

This procedure is not meant to replace the current practice of holding elections at a General Meeting.

However, in the event that General Meeting elections are not successful and there are empty Board seats, these procedures allow more members to participate in the voting process, and get members elected to fill out the Board.

The membership or the Board can opt to use these procedures for Board elections at any time before, during, or after an election. The Board may override the membership's request to use these procedures, and may change these procedures at any time. These procedures do not change or contradict the Board election rules as described in the Bylaws.

The Board shall appoint one or three Election Inspector(s) meeting the appropriate requirements laid out in Davis-Stirling. The Election Inspector(s) shall conduct the Board election in accordance with state law and Walnut House Cooperative bylaws. If/when these are in conflict, the Inspector will comply with the state law.

Voting Procedures

- 1) Day One: Election Inspector posts a nomination sheet, voting procedures, and voting schedule in main communications area.
- 2) Day Five: Deadline for submitting nominations, in writing, on the posted nomination sheet
- 3) Day Ten: Deadline for nominated members to accept or reject their nominations, in writing, on the posted nomination sheet. Nominated members who do not do so will not be included on the ballot.
- 4) Day Twelve: Election Inspector distributes pre-printed ballots (one for each election, in the event of multiple elections), a "ballot envelope" for each ballot, and one "security envelope".
 - a) Each ballot contains instructions for voting, a listing of nominees for the empty Board seat, and an "abstain" option.
 - (i) Non-IRV¹ elections. The member votes by placing a check mark(s) either next to a nominee's name or next to "abstain". Members may vote for as many nominees as there are Board seats open in that election.
 - (ii) IRV elections. If the Board or membership chooses to run an IRV election, the IRV Voting Instructions below shall be distributed with each ballot and each member shall mark their ballot according to such instructions.
 - b) Ballot packet shall include complete instructions for delivery/casting of ballots, including deadline date and mailing address.
 - c) The date for close of election shall be no less than 30 days after distribution of ballots.
- 5) After voting, the member places their ballot into a ballot envelope (using separate envelopes for each ballot if there are multiple elections), seals the ballot envelope, and then places the sealed ballot envelope(s) into the security envelope and seals this envelope. Then, the member signs and prints their name on the outside of the security envelope.
 - a) Day forty-two (no later than): The member must personally place their signed security envelope into a locked, tamper-resistant box held by the Election Inspector. The keys to this box are held by the Election Inspector. Members may also mail their ballot to the Election Inspector at the address

¹ "IRV" is an abbreviation for "instant runoff voting"

announced by the Inspector.

- 6) Day forty-two: The locked box is opened at a properly noticed Board or Membership meeting. The Election Inspector records the signatures on the security envelopes to document which members participated in the vote. The security envelopes are opened and disassociated from the ballot envelopes. The ballot envelopes are shuffled to ensure anonymity, then opened and votes counted. The results, as well of the names of the members who participated in the vote, are posted to the main communications area immediately following the vote count. In the case of an IRV election, the Inspector shall use the IRV Counting Procedures (below) to tabulate the ballots. In the case of multiple terms, the term having the longest remaining term shall be tabulated first and the winner(s) shall be eliminated from the next shorter term.
- a) All Members are entitled to attend the meeting at which ballots are counted.

Note: In creating and posting the voting schedule, the Election Inspector may extend any of the above timelines (e.g. Day 14 instead of Day 12, 32 days instead of 30) so that activities can be scheduled more conveniently for members.

Sample ballot

Candidates for 2 Year Term (one seat open)	Ranking (1-4) You may rank from zero to 4 candidates
Mother Jones	
Francis Tolliver	
Emma Goldman	
Robert Rochdale	

Sample Counting Tally Sheet

Candidate's name	Round 1 total	Round 2 total	Round 3 total	Round 4 total
Mother Jones				
Francis Tolliver				
Emma Goldman				
Robert Rochdale				
No candidate				

IRV Voting Instructions

General Instructions and Information: If you make a mistake marking your ballot, please ask the Election Inspector for a replacement and turn in your voided spoiled ballot.

- Contests with multiple seats can have multiple winners.
- Valid marks to vote your ballot for IRV contests are whole number rankings (i.e. 1, 2, 3).
- A ballot with an unmarked contest will not count toward the computation of the quota for that

These procedures were originally approved by the Board on 10/23/2000 and distributed to all members on 11/6/2000. They were revised by the Board on 12/8/2009.

contest.

- The election will be conducted according to the “IRV Counting Procedures”, a copy of which is available.

How to Mark Your Ballot

- Mark your ballot by ranking each candidate you are willing to see elected, in order of preference. Place a whole number on the line next to the candidate that you’d like to rank. Start with “1” for your first choice, “2” for your second choice, etc. You may rank as few or as many candidates as you wish. DO NOT rank any candidate you do not want elected. A single check mark or “X” will be counted as a “1” ranking for that candidate, provided there are no other rankings. Multiple checks or x’s will void the ballot.

-- OR --

- You may leave the contest blank if you do not want any candidate to be elected.

Important

- Please be sure to take the time to carefully and correctly mark your ballot.
- Ranking additional candidates can only help the chances electing the additionally ranked candidates; it can never hurt the chances of any of your higher-ranked candidates. For example, ranking a second choice candidate will never cause your first choice candidate to lose; it can only help the chances of your second choice after your first choice candidate has been eliminated.
- Do not mark more than one candidate per contest with the same numerical rank and do not mark the same candidate with more than one rank.

=====

IRV Counting Procedures

- Place labels on the table for each candidate and for “no candidate”. During the counting, sorted ballots will be placed next to the labels.
- Count and record the number of all ballots. Write this count on the tally sheet.
- Compute the “no candidate” quota by subtracting the quota from the number of ballots. If the number of ballots in this pile exceed the “no candidate” quota, it would be impossible for a candidate to meet the quota and win a seat.
- For a **contest with a single seat to be elected**, proceed according to the following steps:
 - First sort each ballot according to the following rules. An invalid or blank ballot goes into the “no candidate” pile, even if there are other marks on the ballot. A ballot with a single first choice ranking (even if this ranking is a number higher than numeral “1”) goes on the pile next to the name of the ranked candidate. A ballot with multiple first choice rankings goes into the “No Candidate” pile. This will yield a pile of ballots for each candidate, and a pile of “No Candidate” ballots. Remember that check marks or “X” marks count as a “1” ranking under certain circumstances (see IRV Voting Instructions for details).
 - Check to see if the number of ballots in the “No Candidate” pile exceeds the “no candidate” quota. If so, then no candidate can reach the quota, there will be no winner and the count is over.
 - If not, determine if the highest vote-getter has reached the quota. If so, that candidate is elected and the count for that contest is over.
 - If neither criteria ii) nor iii) is met, then the candidate with the fewest number of ballots in

- her/his pile is eliminated from consideration and proceed to step “v)”. However, if two or more candidates are tied as the weakest candidate:
- (1) Eliminate all such tied candidates who are ranked by fewer voters than the quota, because they could never win, and proceed to step “v)”. If there are no such candidates, proceed to step “(2)”.
 - (2) Separate versions of the count shall continue in which a different tied candidate is eliminated. Proceed to step “v)”.
- v) Take the pile of ballots for the eliminated candidate (the one with the fewest votes), and redistribute each ballot to the next-choice candidate on that ballot who is still in the race, skipping previously eliminated candidates, if necessary. Remember, the voter may have skipped rankings, which is OK. If a ballot does not rank any more candidates still in the race or ranks more than one candidate equally for the next ranking, the ballot is added to the “No Candidate” pile.
 - vi) Go back to step ii) above. Proceed with this process until the election is determined under either ii) or iii) above.
- e) For a **multi-seat contest**, use the following steps:
- i) Use the procedure described above in section (e) to select the first elected candidate. If no candidate is elected, then there will be no winner in this contest.
 - ii) If there is an elected candidate, recount the ballots as described above, except that rankings for the previously elected candidate(s) are ignored – that is, they are skipped over when processing the ballots. If no additional candidate is elected, then there will be no additional winners for this contest.
 - iii) Repeat step ii) until winners have been elected for all seats or until no additional candidate reaches the quota.

**ELECTION RULES AND PROCEDURES OF
WALNUT HOUSE COOPERATIVE FOR ELECTIONS OTHER THAN THOSE ELECTING
MEMBERS OF THE BOARD**

- adopted by the Board on 9/23/18 after requisite 30-day comment period -

In compliance with Civil Code § 5105(a), as of this 23rd day of September, 2018, the Walnut House Cooperative the "Cooperative") Board of Directors hereby adopts the following rules and procedures (the "Rules") governing Walnut House Cooperative elections and member voting other than those electing members of the Board. These Rules implement new requirements of California law and are therefore intended to supplant any conflicting election procedure stated in the Association's Bylaws.

1. Elections Inspector. The Board of Directors shall, by majority vote, appoint an Elections Inspector who shall be an independent third party. The Elections Inspector may be, but is not required to be, a poll worker with the county registrar of voters, a licensee of the California Board of Accountancy or a notary public. The Elections Inspector may also be a member of the Cooperative but shall not be a member of the Board of Directors, a candidate for the Board of Directors, related to a member of the Board of Directors or related to a candidate for the Board of Directors. The Elections Inspector may not be a person, business or subdivision of a business that is currently employed by or under contract with the Cooperative or management company.

The Elections Inspector shall do all of the following:

- (a) Determine the number of memberships entitled to vote and the voting power of each;
- (b) Determine the authenticity, validity and effect of proxies, if any;
- (c) Receive ballots;
- (d) Hear and determine all challenges and questions in any way arising out of or in connection with the right to vote;
- (e) Count and tabulate all votes;
- (f) Determine when the polls shall close, consistent with the Bylaws of the Association;
- (g) Determine the tabulated result of the election;
- (h) Perform any acts as may be proper to conduct the election with fairness to all members in accordance with these Rules, the Cooperative Bylaws, and California law.

The Elections Inspector shall perform his or her duties impartially, in good faith, to the best of his or her ability, and as expeditiously as practical. Any report made by the Elections Inspector shall be prima facie evidence of the facts stated in the report. The Elections Inspector may appoint and oversee additional persons to verify signatures and to count and tabulate votes as the Elections Inspector deems appropriate, provided that such additional persons are independent third parties.

2. Ballots. Notwithstanding any conflicting provision in the governing documents, elections regarding assessments legally requiring a vote, removal of members of the Board of Directors, amendments to the governing documents or the grant of exclusive use of a common area property pursuant to Section 1363.07 of the California Civil Code shall be held by secret ballot in accordance with the procedures set forth in this Section 2. A quorum shall be required only if so stated in the governing documents or other provisions of law. If a quorum is required by the governing documents, each ballot received by the Elections Inspector shall be treated as a member present at a meeting for purposes of establishing a quorum. Ballots for voting shall be mailed by first class mail or personally delivered to each member at the member's address as it appears on the membership book or if no such address appears at the member's last known place of address.

Ballots shall be mailed or delivered not fewer than thirty (30) days prior to the deadline for voting. The ballots shall be mailed or delivered by the Cooperative with two pre-addressed envelopes and instructions as to how to return the ballots. In order to preserve confidentiality, a voter may not be identified by name, address, lot, parcel or unit number on the ballot. The ballot itself is not to be signed by the voter. The ballot itself is to be inserted into an envelope that is sealed. That envelope is to be inserted into a second envelope that is sealed. In the upper left-hand corner of the second envelope, the voter must sign his or her name, indicate his or her name, and indicate the address or separate interest identifier that entitles him or her to vote. The second envelope is to be addressed to the Elections Inspector. The envelope may be mailed or delivered by hand to a location specified by the Elections Inspector. The voting member may request a receipt for delivery.

3. Voting and Tabulation of Votes. Pursuant to Section 1, the Elections Inspector shall determine when the polls open and close for voting. However, at a minimum, polls shall open upon delivery of the ballots pursuant to Paragraph 2 above and close 30 days thereafter. If the polls close at a membership meeting, the polls shall close and voting shall terminate no sooner than one hour following commencement of such membership meeting. Voting may also be conducted by mail (unless otherwise prohibited by the Bylaws). The Elections Inspector shall ensure a process, in compliance with these Rules, that allows members to vote by mail or in person. The time and place for voting, by mail and in person, as established by the Elections Inspector shall be provided to members by notice from the Secretary of the Board of Directors.

All votes shall be counted and tabulated by the Elections Inspector in public at a properly noticed open meeting of the Board of Directors or the members. If the polls close at a meeting, the votes may be counted at the close of the polls. If the polls do not close at a meeting, the votes may be counted at a subsequent duly noticed and open meeting of the Board of Directors or members. Any member of the Cooperative may witness the counting and tabulation of the votes. However, no person, including a member of the Cooperative or an employee of the management company, may open or otherwise review any ballot prior to the time and place at which the ballots are collected and tabulated. The Elections Inspector or his or her designee may verify the member's information and signature on the outer envelop prior to the meeting at which ballots are tabulated. Once a secret ballot is received by the Elections Inspector it shall be irrevocable. The results of the election shall be promptly reported to the Board of Directors of the Cooperative and shall be recorded in the minutes of the next meeting of the Board of Directors and shall be available for review by the members of the Association.

Within fifteen (15) days of the election, the Board of Directors shall publicize the results of the election in a communication directed to all members. The sealed ballots at all times shall be, and remain, in the custody of the Elections Inspector or at such location designated by the Elections Inspector until after tabulation of the vote, and until the time allowed by Section 7527 of the California Corporations Code for challenging the election has expired, at which time custody shall be transferred to the Association. If there is a recount or other challenge to the election process, the Elections Inspector shall, upon written request, make the ballots available for inspection and review by a Cooperative member or his or her authorized representative. Any recount shall be conducted in a manner that preserves the confidentiality of the vote. After transfer of the ballots to the Association, the ballots shall be stored by the Cooperative in a secure place for no less than one (1) year after the date of the election. In the event of a recount or other challenge, the Board of Directors shall, upon written request, make the ballots available for inspection and review by Cooperative members or their authorized representatives. Any recount shall be conducted in a manner that shall preserve the confidentiality of the vote.

4. Qualifications for Voting. Each membership interest shall have the right to vote on each matter submitted to the membership.

AGREEMENT SEEKING POLICY

1. We try to reach agreement on proposals. If no agreement has been reached within five minutes of the time scheduled for discussion of a proposal, the facilitator will ask if there is anyone who finds a proposal unacceptable. If no one finds it unacceptable, the proposal passes. If one or more members find it unacceptable, then...
2. The members present will vote their share, without further discussion, on whether they think it necessary to reach a decision at that meeting or whether the decision can be postponed to the next meeting. This is equivalent to a motion for "tabling a motion" in Robert's Rules. If less than a 2/3 of those present vote to decide at the ongoing meeting, the decision on the proposal itself will be moved to the next meeting, with the expectation that those proposing it will seek to accommodate objections as far as possible in the meantime.
3. If 2/3 or more ask for a vote on the proposal at the ongoing meeting, then the facilitator (or one person from each contending perspective) will briefly summarize their positions after which the members vote on the proposal, with a 2/3rd affirmative vote required for passage.

Notes:

At the December 89 meeting the membership adopted a system whereby if a decision wasn't reached at a meeting, and consensus wasn't reached at the next (second) meeting, and a 2/3 majority vote at that second meeting also didn't decide the issue, then the issue would be decided by majority vote at that same second meeting. The reconsideration arises from an objection to the majority vote provision, and a feeling that this wasn't what the membership really wanted. The proposal under consideration is to reverse the December 89 decision and go with the "Agreement Seeking Proposal" presented at that meeting. This proposal stipulates that if a decision wasn't reached at a meeting, and consensus wasn't reached at the next (second) meeting, then the issue would go to a vote, with passage only on a 2/3 vote. Failure to get a 2/3 vote would table the issue until the next meeting and this could happen indefinitely.

CONDITIONAL APPROVAL BY CONSENSUS AS FOLLOWS:

- the December 1989 decision was repealed
- the "Agreement Seeking Proposal" as detailed on Kevin's handout (2/15/90) was adopted in principal with the understanding that it would have to be re-written for clarity (in particular, Point 3)
- regarding Point 3 - the understanding was that at the second meeting, if an agreement could not be reached the issue would go to a 2/3 vote (if I, the note taker, Laz, understood correctly, this means at the second meeting, there would be no need to take a vote on whether or not to vote on the issue)

ALTERATIONS AND IMPROVEMENTS POLICY**A. The Bylaws define the following terms:**

1. An **improvement** is a non-routine, non-cosmetic change in a unit that is paid for by a member which results in an increase to the monetary value of the unit that can be passed along to the next buyer.
2. An **alteration** is a non-routine, non-cosmetic change in a unit that is paid by a member which does not increase the monetary value of the unit.
3. **Major repairs** are non-routine, non-cosmetic repairs in a unit that can be paid for by the cooperative.

Purely cosmetic changes, such as painting or carpeting, are the prerogative of each member and require no action by the cooperative.

B. Basic Principles Guiding the Maintenance Committee.

In considering repair, improvement, or renovations, the committee sees itself as a resource for members. We are highly supportive of members who seek to make their apartments more useful and attractive. But we are all caretakers of a resource intended not only for us but also for future members. Together we must see to it that our units remain affordable for future occupants. We also have to see to it that the building and its apartments maintain their architectural and stylistic integrity and prevent changes that may diminish this. Judgments based on these general principles are

necessarily subjective. These guidelines try to be more specific, but we rely to a large extent on the spirit of cooperation and mutual respect to balance possible conflicts between personal desires and what may be perceived as the present or future well-being of the cooperative. As we learn over time, these guidelines may well change, and they should be reviewed yearly.

1. Repairs.

Any part that belongs to the building, such as walls, floors, ceilings, windows and window frames, doors and door frames, plumbing and plumbing fixtures (including radiators), appliances (ranges and refrigerators), and original kitchen and bathroom cabinets, that wears out, breaks, cracks, or in some other way becomes substandard is the responsibility of the co-op. We assume that members will act like homeowners and fix what they can on their own with the help of an "on call" maintenance crew. If that is impossible, procedures outlined by the Maintenance Committee will be followed. Whatever cannot be repaired will be replaced with materials of the same standard of quality and appearance as the item to be replaced. This includes appliances. Members who wish to replace worn-out or broken items with something more expensive may be able to arrange to pay the differences between what the co-op can pay and the cost of the replacement they desire.¹ Check with the manager before replacing anything.

2. Improvements.

These are substantial and irreversible changes in an apartment, desired by the member, which will be repaid by being added to the cost of the unit when the member leaves the co-op. The co-op is generally supportive of members' efforts to improve their apartments because such changes obviously enhance the livability of the unit for the member and contribute to the general improvement of the building. A number of guidelines and limits are necessary, however, to insure long-term affordability for new members and prevent extremes in stylistic change.

a. Maximum spending limit. Total reimbursable improvements should not exceed 50% of the sum of the original down payment and any annual increases in ownership interest approved by the Board. A larger cash requirement is likely to bring the units beyond the affordable range of low income people -- and may make them hard to sell. If real estate appreciates a good deal in the future, additional improvements may then be considered or the percentage may be changed.

b. Guidelines. In reviewing requests for improvements, the Maintenance Committee will consider to what extent

- i. the improvement is likely to have general appeal to prospective members, i.e., is likely to increase the value of the apartment relative to the cost of the improvement;
- ii. the improvement is likely to exhaust the 50% limit, thus preventing improvements in the future;
- iii. steps have to be taken to insure that costs will be as low as possible;
- iv. the cost is justified by an improvement in the use of the unit. For example, marble counter tiles may have aesthetic value but do little to improve the function of the unit, whereas provision of additional space, counter, are, or electrical outlets may materially improve function. While aesthetic changes are not necessarily excluded from consideration as "improvements," it is up to the proposing member to demonstrate how this will add to the future marketability of the unit;
- v. the change is stylistically consistent with the building. Here the idea is simply to prevent substantial stylistic modification like the installation of modernistic (e.g. metal) kitchen cabinets, or some other extreme change in style.

3. Alterations.

These are substantial changes made in an apartment without expectation of reimbursement. A mixture of Improvements/Alterations is possible. Most homeowners make changes in their home without worrying too much about eventual reimbursement, and it is expected that members will make such changes. Our basic stance is to applaud and support such efforts, provided that they follow some general guidelines. In particular, the Maintenance Committee will be concerned to what extent proposed changes ...

- a. constitute a major modification of the unit. We'd obviously have to look at structural changes.

¹Per 1-6-88 and 10-14-95 Maintenance Committee decisions, living room light fixtures are a co-op responsibility with \$80/fixture allowed for replacements. Any amount over the \$80 may be requested as an improvement. Maintenance strongly encourages energy-efficient fixtures.

- b. are likely to appeal to future members (i.e., unlikely to reduce value of the unit);
- c. are stylistically consistent with the building's character.

4. Reversible changes.

Members may want to put in shelves or make other changes or modifications that they expect to remove (or that are easily removed). Except for painting and other obviously reversible changes, members should seek Maintenance Committee recommendation before making the change. The main concern of the committee will be to judge the ease of reversing the change, if that is desired. The member may have to bear the cost of such a reversal and of restoring the apartment to its original condition.

C. Procedures for obtaining approval of Improvements or Alterations

(see also Maintenance Committee guidelines for repairs)

1. Proposal for improvements or alterations must be submitted to the Maintenance Committee in writing; they must specify the exact nature of the change to be made; they must include the estimated cost, including that of the member's own labor; and an estimate of the degree to which the change will affect other members, if at all. ^{2,3}
2. The Maintenance Committee will study the proposal and make its recommendations to the Board.

-- adopted by the General Membership on 11/6/83

-- amended by the General Membership on 5/21/89

APARTMENTS CHANGING HANDS POLICY

- 1) Co-op members wishing to terminate occupancy of a unit must give the Board at least **60 days written notice** of their intention. This notice establishes a **"target date"** for their departure and for **any related apartment switching**. The target date is the last day your belongings will occupy the apartment, and also the last day you will pay for it (if you are out on time). You and your belongings must be completely gone from the apartment by midnight on the target date.
- 2) **BEFORE THE TARGET DATE, YOU ARE RESPONSIBLE FOR SETTING UP AN APARTMENT INSPECTION APPOINTMENT WITH A MAINTENANCE COMMITTEE MEMBER. The inspection must take place before the target date.** It is to your advantage to allow yourself and Maintenance some extra time. In the past, two inspections have often been necessary (this gave people time to fix problems).
- 3) **INSPECTION PROCESS:** (a) A Maintenance committee member will complete a detailed (approx. 10 pages) Apartment Inspection Form and a cleaning checklist to document that you have satisfactorily vacated the unit on/before the target date. Cleaning criteria to be used are shown on page 2. (b) S/he will then sign off on the attached Inspection Sign-Off Sheet and send it to Laz (or person who does share value calculations). (c) Laz will calculate the amount due to you and authorize the bookkeeper to send you a check.
- 4) The policy of the Co-op is that your down payment and the accrued interest on your down payment, plus the current value of any previously approved improvements, minus any necessary deductions*, will be sent to you (or transferred to the down payment of another Co-op apartment) within three weeks of the target date if you have satisfactorily vacated the original unit.
- 5) Should the outgoing member fail to move out and to leave the unit clean and in marketable condition by the target date, the outgoing member shall be responsible and liable for full payment of all carrying charges normally due until the date that all problems have been corrected. If the co-op is liable to the incoming member for damages due to the outgoing member's failure to move out or to leave the unit clean and in marketable condition by the target date, the co-op reserves the right to collect such damages from the outgoing member. See attachments for criteria for cleanliness and marketability.

² The co-op approved a one-time, month-long amnesty period during which members could request retroactive approval for improvements made previous to May 21, 1989 without having had obtained the prior approval required in #C.1. (5/21/89 General Meeting).

³ Once the work has been completed on a previously-approved improvement, the member must submit within 60 days final monetary figures for Maintenance Committee review (5/21/89 General Meeting).

* Necessary deductions (per Section 6.5 of Bylaws) include: any unpaid mortgage payments or assessments levied by the Board; costs of damages/alterations which need to be repaired to make the unit marketable (excluding reasonable wear and tear); costs of cleaning needed to make the unit marketable.

- Cleaning the unit when the member moves out, if the unit was not as clean as when it was leased to the member;
- Repair of damages (other than normal wear and tear) caused by the member or the member's guests;
- The cost of restoring or replacing the co-op's personal property (e.g. appliances, keys) in the member's unit, exclusive of ordinary wear and tear;
- Unpaid financial obligations.

Criteria For Inspecting Apartments

WHEN APARTMENTS ARE INSPECTED, THE FOLLOWING CRITERIA WILL BE USED TO DETERMINE THAT A UNIT IS CLEAN AND IN A MARKETABLE CONDITION BY TARGET DATE:

ALL ROOMS: 1) Vacant (Special arrangements can be made with inspector if apartment is not completely vacant yet but walls, floors, cupboards, etc. can be easily examined). Smoke alarm and Apt. Book are required to be present.

2) Left clean of dust, dirt, and grease: all floors, walls, ceilings, moldings, doors, light fixtures, switch plates, closets, cupboards, shelves, radiators, glass, and windows.

3) All wall holes created by the outgoing member patched.

KITCHEN: 1) Stove, oven and refrigerator left clean.
2) All tiles and sink left clean.

BATHROOM: 1) Tub, sink and toilet left clean.
2) Tiles left clean.

Apartment Cleaning Checklist

APARTMENT _____ DATE _____

ALL ITEMS LISTED ARE CLEAN OF DUST, DIRT, GREASE, EXCEPT WHERE NOTED WITH AN X
SPECIAL PROBLEMS: _____

INSPECTED/SIGNED BY _____

KITCHEN:

____ Floors
____ Walls
____ Ceilings
____ Moldings
____ Doors
____ Light Fixtures
____ Switch plates
____ Window sills, crosspieces
____ Inside window glass
____ Stove and oven
____ Stove burner wells
____ Refrigerator
____ Cupboards (doors and shelves)

LIVING ROOM:

____ Floors
____ Walls
____ Ceilings
____ Moldings
____ Doors
____ Light Fixtures
____ Switch plates
____ Window sills, crosspieces
____ Inside window glass
____ Radiator
____ Smoke alarm present
____ Apt. Book present

BATHROOM:

____ Floors
____ Walls
____ Ceilings

BEDROOM(S):

____ Floors
____ Walls
____ Ceilings

_____ Moldings	_____ Moldings
_____ Doors	_____ Doors
_____ Light Fixtures	_____ Light Fixtures
_____ Switch plates	_____ Switch plates
_____ Window sills, crosspieces	_____ Window sills, crosspieces
_____ Inside window glass	_____ Inside window glass
_____ Toilet	_____ Radiator
_____ Sink	
_____ Bathtub	
_____ Tiles	
_____ Medicine cabinet	

HALL:

_____ Floors
 _____ Walls
 _____ Ceilings
 _____ Moldings
 _____ Doors
 _____ Light Fixtures
 _____ Switch plates

CLOSET(S):

_____ Floors
 _____ Walls
 _____ Ceilings
 _____ Moldings
 _____ Doors
 _____ Light Fixtures
 _____ Switch plates

Maintenance Inspection Sign-Off Sheet

Apartment # _____ Outgoing Member _____

The maintenance committee has inspected this apartment. The committee authorizes the release of this member's share funds with the following adjustments:

Û None

Û Subtract _____ for repairs, cleaning, finishing of improvements or alterations, etc.

Explain:

Û Add _____ for improvements, accelerated repairs, etc.

Explain:

Inspected by _____ Date: _____

Maintenance Convenor _____ Date: _____

Outgoing Member _____ Date: _____

Approved by the Board of Directors
January 25, 1995

REPLACEMENT OF APPLIANCES

1. Malfunctioning appliances should be reported to the Resident Manager, who will determine whether it is more economical to repair or replace the appliance. If the appliance is to be repaired, the Resident Manager will see that the repair is done.
2. If the appliance is to be replaced, the member has four options...
 - a. to accept one of the "best buy" models as described below (section 3)
 - b. propose a different model to the Management Committee as the new "best buy" selection. If the Management Committee does not agree, the problem will be addressed through the Co-op's conflict resolution pro-procedures.
 - c. identify another appliance which, in her/his and the Manager's view, substantially meets standards set by the Management Committee (see section 3 below). If the selection costs more than the "best buy" model, the member must pay the difference. This difference shall be considered equivalent to an "alteration" that is not reimbursable to the member. Also, if the appliance has additional features which in the Manager's opinion may increase future repair costs, then the member and future residents of the apartment will have to pay for those repairs to the appliance.
 - d. buy his/her own appliance. The co-op will pay up to the amount it would have spent on the "best buy" model (as adjusted for any available rebates). Should the member move, the co-op shall receive from the selling price of her/his share the amount it paid for the appliance.
3. The Resident Manager shall be responsible for developing guidelines for appliances purchases that specify criteria regarding features, quality, energy efficiency, and size of appliance as related to size of apartment. These guidelines shall be based on feedback from members, information from Consumer Reports, and advice from our appliance repair person. The guidelines are subject to the review and approval of the Management Committee. The Manager shall also be responsible for identifying "best buy" models that strike the best balance of being affordable and of meeting those criteria. The "best buy" selections shall be subject to Management Committee approval. Whenever a new appliance is to be purchased, the Manager should review current guidelines and "best buy" selections and recommend changes, if any, to the Management Committee.
4. Money for purchasing new appliances shall come from the co-op's replacement reserves and needs specific Board approval only if three appliances have already been purchased that year. The Management Committee shall develop other guidelines as necessary regarding the purchase and delivery of new appliances and the removal of those being replaced.
5. This policy may be revised by submitting suggested revisions to the Management Committee for review and then to the Board for decision.

(Adopted by the General Membership on 2/25/90, replaces 1986 policy)

BULLETIN BOARD ETIQUETTE

1. No anonymous notes.
2. No writing on other people's notes or covering up other people's notes.
3. Do not remove other people's notes.
4. Remove your own notes when their time has come.
5. Don't post only bad news. Praise and compliments are welcome. (So are cartoons, poems and items of interest welcome – on the back bulletin board.)
6. Items of interest on any subject, from local to global, are interesting, but should be removed in a timely fashion. The back bulletin board is meant for items like these, and also for calendars of various events.

7. No notes on personal problems with other members. Do not use the bulletin board in a venomous way or to hurt anyone publicly.

THE CO-OP COMPUTER - GUIDELINES AND RULES FOR USE

The Computer Coordinator(s) are approved by the Board, with suggestions/testimony from interested co-op residents. The Computer Coordinator(s) are responsible for computer training and for the acquisition and upkeep of hardware, software, and supplies as set forth below. The co-op's computer is available for use by all residents subject to the following guidelines and rules:

1. Getting Started, Getting Trained, or Starting a New Project

- A. Any resident wanting to use the computer must first get an introduction to basic use, safety, and procedures from one of the people designated as trainers by the Computer Coordinator(s).
- B. The Coordinator(s) will seek to provide additional training (e.g. written, on-disk, and/or personal instruction) for specific programs which have been selected for doing various types of co-op work.
- C. Once trained, residents wanting to start new computer projects and needing assistance with software should see the Computer Coordinator(s).

2. Scheduling Time at the Co-op Computer Workstation

- A. The desk calendar is for reserving time to use the computer workstation. People should be conscientious about using the actual time they've reserved and be respectful of the time slots reserved by others.
- B. If more than one person wants to use the computer or the desk space at the same time, they should try to work out a solution between them with deference given to anyone who has reserved that particular time slot. If interested parties try to reserve the same time slot, if joint use of the space is not appropriate, or if for any other reason the interested parties are unable to reach an agreement, the following needs shall take priority in the order listed:
 1. co-op work
 2. learning sessions needed to do co-op work
 3. personal non-game use (i.e. correspondence, projects, etc.)
 4. general learning sessions not needed for co-op work
 5. games

3. Fees Charged for Computer Time, and Use of the Income thus Generated

- A. There is no fee charged for use of the co-op computer when doing co-op work and learning sessions to accomplish the work of the co-op (see items 2.B.1&2 above). General learning sessions (2.B.4) are also free for the purpose of making computer literacy available to all co-op residents.
- B. Since any computer use results in various costs, the co-op charges a nominal fee for time spent on personal use and playing computer games (items 2.B.3&5). The fees are set by the Board, and are a bargain when THE CO-OP COMPUTER - GUIDELINES AND RULES FOR USE (CONTINUED)

compared to the prices charged for renting time elsewhere (\$5/hour as of 3/91):

1. Time spent using the co-op computer for personal projects or games costs \$1/hour (per Board decision of 5/9/91).
- C. Payment shall be made according to procedures established by the Computer Coordinator(s) and the Bookkeeper.
- D. The income, or a portion of it as determined by the Board, shall be used to offset various costs associated with training and with the acquisition and upkeep of the hardware and software. It shall be spent at the discretion of the Computer Coordinator(s), with review by the Board or a committee as appropriate. Any funds not spent in a particular fiscal year may carry forward until used if approved during the Co-op's budgeting process.

4. Other Guidelines

- A. Each use of the computer shall be logged for the purposes of evaluating and planning future needs.

- B. To prevent the cluttering of our hard disk, the Computer Coordinator(s) shall establish guidelines regarding the storage of data on it.

-- adopted by the Board on 8/5/91

EMERGENCY PARKING

Emergency parking is available in the paved areas of the back yard.

1. Emergency parking in the back yard is meant to be used only when there is no room to park in the street within easy walking distance — between Delaware, Cedar and Oxford streets.
 - a. Exception: late at night, people concerned about safety may park in the back.
 - b. Cars should be moved to the street when space becomes available, to make room for the next emergency.
2. Emergency parking is available to all members, guests and repair persons. Guests and repair persons should display on the windshield of their vehicle the number of the apartment where they can be found.
 - a. A list of all members' cars, identified by make, color and license number, is posted in the back room and will be kept up-to-date by the Resident Manager.
 - b. Members are responsible for their guests displaying their apartment number.
 - c. Members or the Resident Manager, whoever is in charge, are responsible for repair persons displaying the appropriate apartment number.
3. The upper level in the back yard, containing garages 7-10, is the first preference for emergency parking, since all those garages are used for storage.
 - a. Cars should park diagonally, so as to permit access to at least one door of the garages.
 - b. Cars should pull in as far as possible to leave the traffic lane open and avoid driving over the garden patch.
4. The lower level of the back yard should be used as follows:
 - a. No parking in front of garages 1 and 2, as space is needed to turn around and to make the turn into the driveway.
 - b. Large vehicles, e.g. the resident station wagon and trucks, should park parallel to the garages and fairly close to them, leaving a clear traffic lane.
 - c. ALL cars parked on the lower level have to be under the control of people who are present in the building, so that they can be moved on demand.

HALL CLEANING

Note – you are responsible for keeping your area clean for two weeks following your rotation.

Tasks and Assignments:

First Floor

Estimated time: 1 hour

1. Dust – mail table, mirror frame, door frames, doors, alcoves for air shaft, windows, laundry room, floor molding.
2. Wipe down washer & dryer and empty laundry room trash.
3. Sweep marble landing outside front door.
4. Vacuum hall and laundry room and small carpets at front door and back stairwell.
5. Mop marble landing, hall and laundry room.

Second Floor

Estimated time: 1 hour

1. Dust – door frames, doors, alcoves for air shaft, windows, floor molding.
2. Vacuum hall.
3. Dust and vacuum center stairwell, starting at the top and working down.

Third Floor

Estimated time: 1 hour

1. Dust – door frames, doors, alcoves for air shafts, windows, floor molding.
2. Vacuum hall.
3. Vacuum back stairwell and first floor back room; mop when necessary.

HOUSE RULES**Children**

Children are welcome, provided their number does not exceed the limits on occupancy of any unit.

Limits on Occupancy

1. The limits of occupancy shall be as follows:
 - a. Studios – two persons
 - b. One bedroom – three persons
 - c. Two bedrooms – five persons

The Board may make exceptions to this rule.

2. Monthly carrying charges shall be computed on the basis of single occupancy. Additional occupants may be charged a small sum to cover the increased use of utilities.
3. Short term visitors are not subject to these rules.

Noise

No loud noises are allowed after 10:30 PM weeknights and 12:00 midnight on weekends. (*Noise policy not passed.*)

Pets

1. The Coop welcomes pets.
2. Owners shall be in control of their pets at all times. Pets shall not be in the halls or on the stairs without their owners.
3. The number of pets per owner may be restricted by action of the Board.
4. The Board may order the removal of a pet, subject to grievance procedures.

Other House Rules

1. Members are urged to be considerate of their neighbors.
2. Parking in emergency spaces should not exceed the duration of the emergency and shall be limited to one day. (see also “Emergency Parking”)
3. The roof is a common space but walking is restricted to the part covered by the deck. This is meant to prevent damage and prolong the life of the roof. (see also “Roof Rules”)
4. Members are urged to recycle and to help the crew by bundling newspapers, breaking up boxes, removing lead covers around wine bottle necks, and placing recyclables in the proper containers. (see also “Recycling”)

PAINTING POLICY

The Maintenance Committee has set the following policy for all members wishing to paint their apartments.

NEW Members - Recognizing that new members may move into units and hate, hate, hate the colors chosen by the previous resident (i.e. paint does not have to be peeling off the walls for you to want to paint), the Coop will pay for paint, not to exceed \$100 without additional approval from the Committee. Before purchasing paint or materials, and before painting any apartment, members must talk to someone on the Maintenance Committee to facilitate the following:

- 1) To communicate where paint should be purchased and account authorization details. Please buy and use only Water-based paint, storing and disposing of left-over oil-based paint and paint thinner has been a major headache for us.
- 2) To be sure painting guidelines are followed:
 - Doing adequate prepwork like cleaning, how to fix cracks, should I sand or prime, etc.
 - Please consult with Maintenance if you are considering a highly unusual, very dark or bright color
 - How much paint should it take?
 (Yes, we had a member who didn't know about cleaning the walls first, among other things...)
- 3) To let you know about paint and supplies the Coop already has on hand (in garage #11) so we don't pay for supplies, primer, or basic white paint if we already have it. The Coop will pay for equipment or supplies which you need and we don't have, but we do have stuff in #11:
 - We have rollers, drop cloths, paint brushes (hopefully not stiff and unusable), fixall, putty knives, etc.
 - Sometimes we have masking tape, undried-up spackle, primer, etc.
 - You will probably have to buy roller covers and other misc. supplies we don't have.
- 4) To let Maintenance know where to look if supplies are missing from garage #11. We ask that members not keep supplies in their apartments for weeks at a time, especially as workdays approach, but there still are times we need to know who's currently undertaking the painting thing so we can get brushes, rollers, ladders, etc. that someone in the Coop needs.

'OLD' Members - The same guidelines and limits apply here as with new members with the following addition - the Committee feels the Coop should provide funds for repainting at reasonable increments of time, but not if the apartment was painted in the recent past. The Coop will pay for the paint if it has been more than three years since the last paint job. Regardless of who is paying for the paint, we ask members to talk to someone on Maintenance before painting for many of the same reasons as stated above.

After painting: If you have paint left over and want to put it in #11, please label it with your apartment number and date it !!! If it's just a basic white or off-white which you do not want to save for touch-ups or for future residents of your apartment, please label it's color, that's it's for use by anyone who wishes, and again date it. Please clean paint brushes well and seal up leftover paint tightly.

Revised: 3/13/95

Approved: 3/13/95

USE OF CO-OP PASS KEYS

While apartments, garages, and mailboxes are leased to individuals, the Co-op has the responsibility not only to maintain them in an acceptable condition and to protect them from damage, but also to market them when a change in residents is forthcoming. These responsibilities are met by the volunteer labor of Co-op members and by the services of a part-time Resident Manager, and it is in the Co-op's interest to make their tasks as easy to fulfill as possible. To this end, residents will provide the Co-op with a key to every lock used on garage, apartment, and mailbox doors. The following guidelines regarding the use of these pass keys seek to strike a balance between a resident's right to privacy and the Co-op's need to meet its responsibilities in the most efficient manner possible.

1. Security of Pass Keys. Co-op pass keys will be kept locked in a secure location at all times when not in use.
2. Access to Pass Keys. Pass keys will be accessible to residents selected in person and in number by the Manager so as to ensure that one of them is likely to be home at any given moment. These individuals are identified by asterisks (*) next to their apartment numbers on the co-op phone list.
3. Use of Pass Keys in Emergencies. Emergencies will be defined as any situation in which life or property is perceived as possibly being in immediate danger. If time permits in such situations, an attempt should first be made to contact the residents, whether at home or at work. When a pass key is used for emergency purposes, a note will be left in the residents' box stating who entered the apartment and the purpose for entry.
4. Use of Pass Keys at the Residents' Request. Pass keys will be made available to residents for their own immediate use, but they should be returned to the Co-op within 24 hours. Pass keys will also be made available at the request of any other

individual identified as having that right by the resident(s) in question. Whoever loans out a pass key in this latter instance will leave a note in the resident's box indicating to whom the key was lent.

5. Use of Pass Keys at Other Times. Pass keys will be made available to individuals carrying out co-op responsibilities as approved by the Board President, the Resident Manager, the Maintenance Committee convenor, or the Selections Committee convenor with the following restrictions:
 - a. Notice. Written notice of intent to enter will be left in the resident's box or on their door, or given to them in person no less than 24 hours prior to the time of intended entry. The notice will state who shall be entering, the purpose for entry, and the time and date of both the notice and the intended entry. A copy of this notice will be kept on file for at least one month from the date of entry.
 - (1). Workdays. Individual notices of intent to enter are not required for co-op workdays. Instead, the posting on the bulletin board of the day, time, and workday tasks along with a blanket notice of intent to enter shall serve as adequate notice to all residents that their apartments may be entered for one or more of the tasks that may be listed. Any resident with special concerns about workers entering his/her apartment should contact the supervisors of the tasks to discuss the matter.
 - b. Time of Entry. Acceptable times for non-emergency entries are from 8 a.m. to 9 p.m. on weekdays and 10 a.m. to 5 p.m. on weekends and holidays. Members may request an alternate time, but it is at the discretion of the individual doing the Co-op task whether or not it is convenient for her/him to accommodate such requests: the only exception is when residents have pre-arranged business or social activities taking place in their unit which involve non-residents. Residents are expected to recognize both that these individuals are making time in their own schedules to do the Co-op's work and that entry requests often have required the prior coordination of multiple schedules (e.g. contractors, Co-op applicants, etc.).
 - c. Control of Pets. Residents with pets have the added responsibility of assuring that their pet will provide no obstacle to entry. This obligation can be met in various ways such as familiarizing the pet with the individual entering or arranging for the pet to be restrained or off the premises at the time of entry.
6. Responsibility for Return of Pass Keys. Whoever lends a pass key will be responsible for seeing that it is returned to the key locker in a timely manner, which in no instance should be longer than 24 hours.

- adopted by the General Membership on 2/25/90

- amended by the Board on 7/5/91

PERSONAL DECORATION AND USE OF COMMON SPACE

1. Common space defined:

Common space is all co-op property outside of the 22 apartments and the garages rented by individuals. It includes, but is not limited to, the hallways, the outside of apartment doors, the back room, the laundry room, the fire escapes, the hall closets, the roof, the outside of the building, and the grounds.

2. Storage of personal items in common space:

We all have limited space, and many of us have -- or will-- find the need at times to put our things in common space (e.g. when we paint). Such usage is acceptable temporarily, but it must be limited to keep our common space from becoming cluttered or inequitably used.

- a) Any items stored temporarily in common space should have a note attached identifying the owner, the date it was put there, and the date when it is intended to be removed. In general, items should not be left out for more than a week or two.
- b) Anyone who wants to leave personal possessions in common space for longer should discuss it with the Manager. Disagreements (whether by the person leaving possessions or other residents not liking the items) can be taken to the Management Committee. Should the Manager wish to leave his or her own personal items in common space, she/he should discuss it with the Management Committee.
- c) The Manager may discard or give away personal possessions left in common space as follows:

- 1) in the case of unidentifiable possessions, she/he may discard such an item provided he/she has tagged it with a deadline (7 days minimum) by which it must be removed and has also posted a note to that effect on the bulletin board for the same length of time.
- 2) in the case of identifiable possessions, she/he may move such items into that resident's apartment provided she/he has given the person 7-days' written warning, with a copy to the convenor of the Management Committee
- d) Items which are the Co-op's property and belong in the apartments (e.g. radiators and doors) must be stored in private space unless specific approval is obtained from the Management Committee.
- e) Should anyone need garage storage space and be unable to find someone who will share their space at a fair price, the Management Committee offers its assistance in facilitation although this is an unsettled policy area.
- f) Personal possessions of utility to everyone may be left in common space for that purpose, but the Manager or Management Committee may arrange for their removal if their intrusiveness is judged to outweigh their common utility.

3. Decoration of Common Space

We all want our building to be an attractive place to live, and members are encouraged to do what they can to adorn our common space. People must recognize, however, that taste is subjective and they have no right to assume that their aesthetics are shared by others.

- a) Anyone who finds a decorative item in common space objectionable should try to work out a reasonable solution with the person who put it there. If the contributor is unknown, put a note on the item itself and use the bulletin board as an additional means of communication. If a solution acceptable to both parties cannot be worked out or you're uncomfortable approaching the person yourself, you may ask the Manager or the Management Committee for assistance. The Manager's decisions can be appealed to the Management Committee; Management Committee decisions can be appealed to the Board.
- b) Anyone who intends to decorate common space in a manner that requires the expenditure of considerable time or money to enact or reverse is encouraged to sound out possible objections ahead of time by posting a note on the bulletin board for at least 7 days before undertaking the work. This will minimize the possible antagonisms that might develop should your decoration prove objectionable to others.

RECYCLING GUIDELINES

The things that can be recycled here at the co-op are as follows:

- | | |
|------------------|---|
| 1) All bottles | 7) White and colored paper- including toilet paper rolls, |
| 2) Metal cans | envelopes without windows, egg cartons, glossy six |
| 3) Aluminum cans | pack containers... |
| 4) aluminum foil | 8) Corrugated cardboard |
| 5) Newspapers | 9) Plastic |
| 6) Magazines | 10) Slick paper which is kept separate from mixed paper. |

These things all have separate containers that are clearly marked in garage #6.

The things that cannot be recycled are as follows:

- No** 1) Styrofoam of any kind 2) Plastic bags 3) Corks 4) Any plastic items that do **not** have a #2 on the bottom of the container 5) Labels on cans 6) Foil around bottles

Please:

- 1) Break down the cardboard 2) Flatten plastic containers 3) Crush aluminum cans
- 4) If a container is full (like white paper) Close up the bag, put it aside and put in a new bag, don't just throw your paper on top. 5) Put all recycling in its proper container in #6, not on the sidewalk in a bag, it will not be picked up. 6) All garbage must fit in the garbage pails or it will not be picked up, don't leave trash near or behind pails.

#2 plastics and #1 plastic soda bottles marked Ca. redemption value can be recycled. No plastic bags of any kind can be recycled here, take them to Safeway or use them again.

Aluminum foil wrap, pie plates, etc. must be tossed in the green "metal cans" barrel. Only aluminum cans go in to the aluminum cans barrel.

There is a recycling committee and a coordinator of recycling. Newspapers, bottles and cans are picked up by the city on Fridays. All the other things we recycle are brought to Gilman Street by Ivan and someone else on the committee.

When you are doing your part for the environment by recycling please remember that other members have volunteered to keep it going. Be considerate of them, clean and rinse out all containers and glass, try to put things in their proper place.

ROOF RULES

ENJOY THE ROOF, BUT PLEASE ...

CLOSE THE DOOR QUIETLY ...

It slams loudly, disturbing residents in Apts. 18 & 22.

CLOSE THE DOOR COMPLETELY ...

If left open, the cats can escape or the wind can blow it open and closed, creating quite a din.

AS MUCH AS POSSIBLE, AVOID WALKING ON THE ROOF FOR NON-TASK PURPOSES. IF YOU DO WALK ON THE ROOF ...

- Be careful to avoid stepping on "bubbles" in the roofing material... resulting cracks can allow water to penetrate ... if you walk on the roof at night, you'll need a strong flashlight to see them adequately.
- Try to avoid the areas in front of the penthouse's south and west windows (especially the walkways and separate deck) ... those open into its bedroom and bathroom and unexpected sightseers can make for some awkward moments.

IF YOU TAKE CHAIRS ONTO THE ROOF ...

Don't use any with pointed legs ... they can puncture the roofing material.

IF YOU BARBECUE ...

- Be sure to have water on hand for emergencies (there's a faucet and watering can by the westernmost air shafts) and to not leave until the barbecue is shut down (i.e. the cover is on and all vents on its top and bottom are closed).
- Do not leave your unused charcoal and lighter fluid on the roof ... feel free to add it to the "community" supply (and later take if still there) in the back of garage #6.
- Do take your leftover food, plates, etc.. If you don't clean up, who will?

IF THE CATS BOTHER YOU ...

Kevin has left a specially-marked squirt bottle by the table in the center of the deck so you can keep the beasts at bay. Their names, by the way, are Duncan (the tabby with the spots) and Chloe (the tabby with reddish-brown markings). If the bottle isn't adequate, let Kevin know and he'll find another solution.

DO NOT FEEL UNCOMFORTABLE IF KEVIN DRAWS THE KITCHEN BLINDS WHILE YOU'RE ON THE DECK ...

The deck is common space to be enjoyed by everyone. Kevin will often draw the kitchen blinds to give people on the deck more privacy.

- THE MANAGEMENT COMMITTEE (7-31-90)

SUBLETTING

Overview of The Legal Side of Subletting

Although the Co-op has been lucky so far, we may some day encounter a sublessee who refuses to give a unit back to a member when the sublet period is up. If this should happen, the member would have to go to court to evict the subtenant. The Board has consulted an attorney, the Berkeley Rent Board, the author of Berkeley's rent law, and several City of Berkeley publications. This is our situation:

1. You do not have to register your unit with the Rent Board when you sublet as co-ops are exempt. (Section 5c of Measure G Ordinance)
2. If you go to court to evict someone, your strongest weapon is a properly signed rental agreement specifying a sublet ending date. Such an agreement also protects you in the case of the subtenant's non-payment or violation of rules of the agreement. Remember that you are responsible for all payments and obligations to the Co-op; a signed sublet agreement gives you important protection.
3. The last thing you want to see in court is a set of canceled checks to the Co-op signed by the subtenant! Such direct payments may give the subtenant the right to continue renting from the Co-op. Pay the monthly charges for your unit to the Co-op and have the subtenant pay you.
4. The Co-op may have trouble removing an uncooperative subtenant if no sublet agreement exists.
5. Subletting for nine months or less may give you some extra protection. (Section 8a of Ordinance applies to single-family dwellings rented up to nine months: the owner need not register the unit. This does not seem to apply to co-ops but Parker St. Co-op and some apartment building owners use this nine month limit).

How To Sublet (Includes Official Coop Policies)

1. Choose one or more subtenant candidates. (See Guidelines).
2. Go to Board for written consent to sublet up to one year (this includes short-term sublets). (Proprietary Lease, Bylaws)
3. Board will arrange for interview of potential subtenant(s). (Bylaws)
4. When the subtenant is selected, have a Co-op rental agreement properly filled out and signed. Keep the original agreement for yourself. Attach a copy of your Proprietary Lease to the copy the subtenant keeps. Give a copy of agreement to Board Secretary. No sublet of any length can be approved without a signed sublet agreement. (Board decision of 7-5-91)
5. Issue a written proxy in the name of the sublessee for the sublet period. (Bylaws)

Safety Guidelines for Subletting

1. (BEST) Choose someone you know as a sublet candidate.
2. (SECOND BEST) Choose someone who someone in the Co-op knows.
3. (THIRD BEST) Choose someone who has already asked about subletting in the Co-op. People who have applied for the next available unit sometimes do this. Ask Selections for names of anyone who has expressed an interest in subletting.
4. If you don't know the subtenant, shortening the sublet period to nine months may give you extra protection. (See Overview.)
5. Explain to your subtenant how the Co-op works and what will be expected of him/her (WP, etc.). Your liability and responsibility for your unit (including financial responsibility) continue during a sublet and you are responsible for the conduct of your sublessee. (Proprietary Lease)
6. Do not let the subtenant write checks to the Co-op. Write the monthly check as before and have the subtenant pay you. (See Overview.)

Sublet Agreement

_____ agrees to sublet from the Coop member
(subtenant's name:)

_____ the premises located at Apt. ____, 1740
(member's name:)

Walnut St., Berkeley, California, for the amount of \$_____ per month.

_____ has the right to move into the above described
(subtenant:)

property on (date:), _____, and agrees to have all possessions and persons moved
out no later than (date and time:).

_____ has the right to recover possession of
(member's name:)
above described property on (date:). The following furnishings, etc. will be left
on the premises during the sublet term:

Additional conditions: _____.

_____ is aware that while living on the premises,
(subtenant's name:)

s/he is legally responsible to follow all the terms of the original lease. A copy of the lease is

attached. Work participation of _____ hours per month is required in accordance with Coop Bylaws and policy. If

_____ fails to pay
(subtenant's name:)

rent fully and on time or does not follow the terms of the agreement and fails to comply

with the agreement following written notice, the Coop member, _____, may

terminate all rights of the subtenant as outlined in the law. If this should happen the Coop member has the right to recover

any rent due and damages from the subtenant which occurred under the terms of this sublease. If any controversy arises under

this sublease related to the rental unit and legal action becomes necessary, the winning party will be entitled to his/her costs including all attorney' s fees.

(Coop member's signature)

(date signed)

(Subtenant's signature

(date signed)