

DRAFT BYLAWS of

Homestead Acres Co-op, Inc.

ARTICLE I

- 1.1 The name of this Cooperative shall be Homestead Acres Co-op, Inc. herein after referred to as the “Cooperative,” located in Swanton, Vermont.

ARTICLE II

Purpose

2.1 Principles of Formation and Purpose.

The Cooperative is organized under Title 11 A of the Vermont Statutes Annotated (V.S.A.) (Vermont Business Corporations) and will be governed as a cooperative housing corporation as set forth in the Vermont Cooperative Housing Ownership Act (11 V.S.A. §1581 *et seq.*). The purpose of Cooperative is to engage in any lawful act or activity for which a Cooperative may be organized under such laws. Also, the Cooperative exists for the purpose of providing alternative, affordable housing and to educate its membership of the benefits and responsibilities of cooperative ownership. Additional purposes are as follows:

- A. Ownership and operation of Homestead Acres Mobile Home Park, referred to in the Bylaws as “the Property” and to engage in any other cooperative activity.
- B. To operate the Property on a cooperative basis as a limited equity housing cooperative for the mutual benefit of the members following the guidelines in 9 V.S.A. Chapter 139.
- C. To borrow money and issue loans to further any and all objects of its business and to secure the same through mortgage; deed of trust, pledge or any other lien.
- D. To engage in any kind of activity, perform and carry out contracts of any kind, all in connection with or incidental to the purposes of the Cooperative and the principles of a cooperative organization.

2.2 Mission.

The mission of the Cooperative is to provide land tenure and preservation of affordability to predominantly low and moderate-income homeowners. The Cooperative strives to educate its members in the *Cooperative Principles* so

they can effectively contribute to the governing and growth of the Cooperative through member participation. The members of the Cooperative are best served by providing co-op education and training to the membership, the office and maintenance staff.

ARTICLE III

Dissolution

3.1 Dissolution Defined.

Dissolution will be defined as either:

- A. A vote of one hundred percent (100%) of the members of the Cooperative to dissolve and terminate all Proprietary Leases or
- B. Dissolution of the Cooperative in accordance with the laws of the state of Vermont, including the Cooperative's failure to certify to the Secretary of State within the time limits set forth in 11 V.S.A. §1258 that 1) at least eighty percent (80%) of its available units are occupied by members or 2) If the Cooperative undertakes a conversion of rental property, that at least eighty percent (80%) of its available lots are either occupied by members or subletters of members.

3.2 Liquidation of the Cooperative's Assets.

Upon dissolution of the Cooperative the Board of Directors will take all the necessary steps to liquidate in the best manner possible, subject to the Articles of Association and applicable law, all assets held by the cooperative to further the purposes of a limited equity cooperative. The distribution of these funds is set forth in the Articles of Association.

ARTICLE IV

Members

4.1 Eligibility of Members

A "Member" is defined as the adult (18-years-or-older) individual(s), without regard to their race, religious creed, color, national origin, age, sex, sexual orientation, disability, gender identity, marital status, intent to occupy with one or more minor children, or acceptance of public assistance who

- A. Own and reside in a manufactured housing unit (herein after referred to as the "Home") in the Community and any spouse who has signed a Proprietary Lease. A person is considered own or co-own a Home if he or she owns the Home directly or through his or her "living" or "Grantor" trust. A "Grantor" or "living" trust is any trust that is established by an individual under such terms as: (1) appoint him or herself as the trustee during his or

Approved on ____/____/____ Amended on ____/____/____

her lifetime (and or competency); (2) is revocable by him or her; and (3) designates him or herself as the beneficiary for his, her or their lifetime. "Interim members", as defined as persons who were Unit owners prior to the formation of this Corporation but do not reside in the Park, are excepted from this clause with respect to "reside"; "Ownership" of a home shall include, where appropriate, persons purchasing a home under a lease purchase or contract of sale, which is current and in good standing, are brought into good standing by agreement acceptable to the Board of Directors, where the home buyer has some established equity in the home. Interim Members may designate their tenant to stand in their place, as their Alternate in all voting matters, under guidelines established herein.

- B. Is/are in good standing with the Corporation. A "Member in good standing" is a Member whose lot rent and Membership Interest Fee are current or has signed an agreement satisfactory to the Board of Directors to bring these rents and fees current.
- C. Is/are willing to accept Membership responsibilities, including, but not limited to, voluntary participation in the governance of the Corporation and in the operation of the community.

4.2 Membership Rights

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

4.3 Membership Obligations

- A. All Members and non-Members are required to pay their lot rent. This lot rent, initially established by the Membership of the Corporation, may be increased by a majority vote of the Membership, consistent with Article 7 of these Bylaws, with a sixty (60) day written notice to all Members and non-Members.
- B. A Member will participate cooperatively in the operation of the Corporation and will abide by the Corporation's code of conduct policies whenever said member is involved in the official business of the Corporation.

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4.4 Enrollment of Members

- A. Prospective homeowners seeking to rent a lot in the Community must become Members of the Corporation. Owners seeking Membership shall:
- (1) Apply for Membership by filling out a Membership Form;
 - (2) Be approved for Membership by a majority vote of the **Board of Directors**;
 - (3) Pay in full the Membership fee;
 - (4) Execute a Proprietary Lease in a form approved by the board;
 - (5) Have an intent to occupy a Home in the Community; and
 - (6) Commit to the purposes and policies of the Corporation including the Community Rules and these Bylaws.
- B. Owners of homes in place at the time the Corporation purchases the community have the right to become members without Board approval as per (2) above; but, must fulfill all other membership enrollment conditions (1), (3), (4), (5), (6) above.
- C. Buyers of homes may be approved for membership conditional upon purchase and occupancy of the home.
- D. A person is considered a buyer or owner if he or she seeks to or does own or co-own a Home directly or through his/her/their "living" or "Grantor" trust (see definition at paragraph 4.1 A above) or becomes the subsequent beneficiary of a trust, previously existing as a living trust, upon death of the Grantor, or upon devise or distribution from a deceased Member's estate, or any other event. If an existing Member transfers title to a Home to his or her "living" or "Grantor" trust, the trust will not be considered a new owner or buyer under this paragraph. Members transferring their Membership into a permissible "living" or "grantor" trust must furnish the Corporation with either a copy of said trust document **or** a letter of opinion from an attorney stating that the trust to which the title has transferred is a revocable, grantor trust wherein the Member(s) is (are) the Trustee(s) during his/her/their lifetime, or competency, and with said Member(s) as the sole beneficiary during his/her/their lifetime.

4.5 Membership or Transfer Fee: The Membership Fee for all Members shall be One Hundred **(\$100.00)** Membership Fees accumulate no interest.

4.6 Termination and Expulsion

Approved on ____/____/____ Amended on ____/____/____

- A. Any Member whose activity in the Corporation endangers the effective operation of the Corporation or violates the Corporation's code of conduct may be expelled from Membership in the Corporation by a majority vote of the Board of Directors. Loss of Membership carries with it loss of all Membership privileges, including the perpetual right to occupy said lot and any Member lot rent. Written notice of the charges against each Member, and reasonable opportunity for a hearing before the Board of Directors, shall be provided before any such expulsion. A reasonable opportunity is defined as fifteen (15) day notice.
- B. The Member shall have the right to appeal the decision to terminate membership to the next Membership meeting and will be given a reasonable opportunity to be heard. Members may request a Special Meeting of the Membership within a reasonable time period and such request will not be unreasonably denied. In the absence of a board call for a Special Meeting, the member may do so in accordance with Article 5.3 of these Bylaws. Re-issuance of a Member Share Certificate will require a two-thirds vote (66%) of the Membership.
- C. If the Member is expelled, the Member's Share Certificate shall be repurchased for the amount of the Membership Interest Fee paid, less any debts owed and expenses due and owing the Corporation on behalf of the Member, and if and when there are sufficient reserve funds as determined by the Board of Directors. The reason for the expulsion shall be clearly stated, recorded, placed in the permanent files and a copy given to the Member. An eviction of the Member shall automatically terminate his or her Membership. A Member need not be expelled before being evicted.
- D. Any Member who wishes to be represented by legal counsel as the result of a Corporation action must notify the Board of this fact ten (10) business days in advance of the meeting. The Members shall solely be responsible for the cost of his or her attorney. The Corporation shall indemnify Member for legal fees but only if said Member acted in good faith and in the best interest of the Corporation.

4.7 Transfer of Membership.

A Membership Interest cannot be transferred to someone who does not plan to reside in the Cooperative's Property, who does not meet the requirements of membership.

4.8 Patronage Refunds.

Members shall have a right to determine whether excess rental fees collected in any given fiscal year shall be returned to Members as a refund or retained as additional funding for reserves or for the needs of the following year operations. The decision may be made at the time that they

approve the budget for the coming fiscal year. The Corporation may refund or credit to the Member, within ninety (90) days of the end of its fiscal year; but only insofar as such refund or credit is consistent with state law or permissible under the terms and provisions of any loan terms, as applicable from time to time. Such patronage refunds are limited to a pro rata return of fees paid by Members in excess of the corporations needs and are not from earned income from other sources.

ARTICLE V

Membership Interests or Shares

5.1. Issuance.

Shares will only be issued or reissued by the Cooperative in connection with the execution and delivery of a Proprietary Lease for a home lot in the Property owned by the Cooperative. The ownership of a share entitles the holder to occupy the home lot for the purposes specified in the Proprietary Lease.

5.2. Share Register and Certificate Form.

Certificate Shares of the Cooperative will be printed in the form adopted by the Board of Directors, signed by the President or Vice-President, and the Secretary or the Treasurer and imprinted with the seal of the Cooperative. Each share certificate is to be numbered in consecutive order and recorded into the Cooperative's books and records with the name of the individual or individuals holding the share and the date of issue. Each share certificate exchanged or returned to the Cooperative will be cancelled with the date of cancellation indicated in the records and the certificate retained in the permanent archives of the Cooperative. Upon request of a secured party, the Cooperative will note in its records of the interest of the secured party in the given Membership Interest. The original share certificate shall be given to the member and a copy remains in the Cooperative's archives.

5.3 Transfers.

Shares will only be transferred in accordance with the Articles of Association and the Bylaws (see Article IV. Section 6. Transfer of Membership). Transfers of shares may only be placed in the books of record by the holder in person or by power of attorney, properly executed and filed with the Secretary of the Cooperative. At that time, the share-certificate is surrendered to the Cooperative and is available for resale.

5.4 Lost Certificates.

In the event that a share is lost, stolen or otherwise significantly damaged, the Board of Directors may reissue the certificate. Before a replacement

Approved on ____/____/____ Amended on ____/____/____

certificate can be issued, the holder or holders or their legal representative must sign an affidavit attesting to the certificate's lost, stolen, or damaged condition.

5.5 Legend of Share Certificate.

"The rights of any holder named on this certificate are subject to the provisions of the Articles of Association and the Bylaws of Homestead Acres Co-op, Inc. and to the terms of the Proprietary Lease made between the holder or holders named on this certificate as issued with the Lessee or Lessee's and Homestead Acres Co-op, Inc. as the Lessor of the home lot in the Cooperative's Property located in Swanton Vermont, which limits and restricts the title and rights of any transferee. The share represented by this certificate is transferable only to an approved assignee of the Proprietary Lease. Copies of the Proprietary Lease, Articles of Association and the Bylaws are available for inspection at the Cooperative's business office."

"The Cooperative will have the first lien on the share represented by this certificate to secure payment of any arrearages or damages owed by the holder or holders to the Cooperative. The Board of Directors may refuse to consent to transfer the share until any money owed to the Cooperative is paid in full."

All restrictions upon the transfer of this share shall also be noted on this certificate.

ARTICLE VI Sale and Rental of Homes

6.1 Use of Homes

- A. In order to unify the Members and make the Corporation stronger, all homes sold within the Community after closing on the purchase of the park by the Corporation must be owner-occupied. Failure to comply with this article shall result in an eviction from the Community. This stipulation does not apply to Trust situations as described in 4.2 A.
- B. With the exception of Trust situations described in 4.2 A, renting or leasing of homes in the Community **shall not be allowed** unless approved by the Board of Directors. The Board of Directors shall not approve a rental or lease unless (1) a written request is submitted by the Member alleging hardship and (2) the Board of Directors determines that a hardship exists. If an approval is granted, the decision shall specify the hardship circumstance(s) and the condition(s) of approval. The vote of the Board of Directors shall be maintained in the official records of the Corporation.

Approved on ____/____/____ Amended on ____/____/____

6.4 All Home Sales

- A. Any Member or non-Member who plans to sell or move their Home out of the Community or demolish the Home on site shall give written notice thirty (30) calendar days in advance of that happening to the Board of Directors.

- B. Notice to the Board of Directors stating the intention to sell a Home in the community shall contain the estimated date of sale, and the name, address, and phone number of the selling agent, if any. It is the responsibility of the seller to supply potential buyers with information regarding the requirement that all buyers become Members of the Corporation. The seller shall supply the Corporation with the names and telephone numbers of any buyers who have signed a Purchase and Sales Agreement. See the exception for certain trust transfers contained in paragraph 3.2, which applies here as well.

- C. If the Corporation is owed money by the resident or the resident is in breach of any other obligation to the Corporation, the Board of Directors may consent to the transfer, as requested by that resident for the sale of his/her/their Home to a new buyer, but may insist that the consent or transfer documents or deed be transmitted directly to the escrow or closing agent with a Notice of Lien on the resident's Home for those amounts due and owing the Corporation. The documents shall only be recorded upon payment to the Corporation of all outstanding balances due to the Corporation.

6.4 Sale of Member Homes

- A. For a period of thirty (30) calendar days following the delivery of the notice to the Board, if the Member receives more than one offer for the same price upon the same terms and conditions, and one of said offers is from a lower-income family or individual, the Member shall accept the offer from the lower-income family or individual. Provided, that the Board may authorize the sale to someone other than a lower-income family or individual at the request of the selling Member in the case of a sale to a family Member or where the delay in selling would pose an unreasonable hardship for the selling Member.

- B. A lower-income family or individual shall be defined as a family or individual whose total income does not exceed 80% of the median income in the county as determined by the U.S. Dept. of Housing and Urban Development and published in the Federal Register.

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

6.4 Vacant Lots

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

6.5 Units owned by the Cooperative

Housing units that become the property of the Cooperative may be sold by the Board of Directors to non-occupant owners who wish to rehabilitate or replace the home, and resell it to a resident occupant, under the following rules:

- 1) The purchaser is purchasing the home in order to rehabilitate it or replace it, and expects to have the unit completed and habitable, or completely replaced within 90 calendar days.
- 2) The purchaser proves, to the satisfaction of the board, his or her ability to successfully rehabilitate the home themselves or through other licensed professionals.
- 3) The purchaser must purchase the unit from the Cooperative in advance of rehabilitation or replacement.
- 4) The purchaser must pay rent and any other common costs and assessments, at a minimum of member rate, for the period that they own the unit. The Board of Directors may require prepayment of rent, deposits or other collateral to ensure compliance by the purchaser, at their own discretion.

- 5) The purchaser shows proof of insurance for themselves and all contractors and acquires or carries all permits and licenses necessary per local code.
- 6) The purchaser must enter into a written agreement with the Cooperative, including a time plan for construction, utilities hook-up, storage and disposal of waste, all of which is at their own expense.
- 7) The unit cannot be occupied until sold to an owner-occupant who is approved to join the Cooperative.
- 8) The Board of Directors may setup fees, fines, or utility restrictions as for Members in breach of any part of this chapter or any agreement with such an owner. The Board of Directors may enforce this by taking a lien on the unit or any other contractual or legal action they deem necessary.
- 9) Owners of units in rehabilitation under this clause are not Members of the Cooperative, as herein defined.

ARTICLE VII

Membership Meetings

7.3 How the Membership Can Legally Act

- A. The Membership may act only at a properly called meeting of the Membership where a quorum is present. Four tenths (40%) of the current Membership shall constitute a quorum at a Membership meeting.
- B. Absentee and alternate votes shall count toward a quorum for voting any consideration that is properly noticed before a meeting, but not for any other business. The existence of a quorum shall be established at the beginning of each meeting and shall remain valid until the meeting is adjourned.
- C. If a quorum has been achieved, any motion for consideration that is properly noticed before the meeting shall be approved by a majority vote of Members present (including through absentee and alternate votes) except for motions affecting the Bylaws and Community Rules.
- D. The Bylaws of the Corporation and the Community Rules shall be adopted or repealed by at least a majority vote of the total Membership of the corporation.

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- E. The Bylaws and the Community Rules may be amended by a two thirds (2/3) vote of the Members present at any regular or special meeting at which a quorum is present, provided that notice of the proposed amendment shall be given in writing to all Members not less than ten (10) business days prior to such meetings. After the ten (10) day notice, technical changes in wording or detail of the proposed amendment that do not alter the subject matter shall not require an additional notice.
- F. Any business required or permitted to be taken at a Membership meeting may be taken without a meeting, by means of a ballot clearly stating a Board-approved motion. To be passed, the motion must be approved by a majority of the entire Membership. A copy of the motion and vote must be kept on file with the Corporation's Membership meeting minutes. Notice that such an action took place, including the nature of the action, and the availability of the resolution shall be posted or otherwise published to the members within 3 business days.
- G. Alternate Voting

All members are entitled to vote and shall have the right to do so in person or by an agent authorized on a form approved by the board of directors, completed by the member, witnessed by a director or notary public, and filed with the Secretary of the Corporation. Such Alternate shall be valid only if executed in favor of a member's tenant resident and no alternate shall be valid after the expiration of twelve months from the date of its execution. Such alternate shall expire upon the end of tenancy.

7.3 Annual Meeting

- A. The Annual Meeting of the Members shall be held in the month of August each year at a place designated by the Board of Directors within 10 miles of the Community. An Annual Meeting of Members is to be held at least once a year.
- B. The Board shall give written notice of the Annual Membership Meeting not less than 10 calendar days nor more than 60 calendar days before the date that such a meeting is to be held. Such written notice shall be given in writing to each Member at his/her address, and posted and maintained at a common area, and shall state the place, day, and time of the meeting, as well as the agenda items or subject matter to come before it.

- C. The Annual Report to the Secretary of State, the report of the examination of the prior year's finances, and the proposed annual budget of the Corporation shall be made available to each Member no later than ten (10) business days before the Annual Meeting for approval by the Membership at the Annual Meeting.
- D. The Board shall recommend for the approval by Membership the annual budget with proposed future rents. If Members, after meeting held or ballot conducted for said purposes, shall fail to approve a budget that meets all contractual obligations, the Board may approve such a budget without further vote of the Members.

7.3 Special Meetings of the Membership

- A. Special meetings of the Membership may be called by the Board of Directors or by petition of at least one tenth (1/10) of the Members. Such Member petition may be delivered to any Board Member. The Board shall set the date, place and time of the Special Meeting, to be held within 30 calendar days after receipt of such demand.
- B. The Secretary of the Corporation shall deliver or mail written notice stating the place, day, hour and purpose of the Special Meeting to each Member and post the notice in a common area not less than 10 business days in advance of the meeting date. Business at a Special Meeting of the Membership is limited to the Scope of the Notice Provided.

ARTICLE VIII **Board of Directors**

8.1 Number and Term of Directors

- A. The Board of Directors shall consist of 5 members. Directors must be Members who are in good standing with the Corporation.
- B. Directorships will not be denied to any person on the basis of race, religious creed, color, national origin, age, sex, sexual orientation, disability, gender identity or marital status, the presence of minor children or receipt of public assistance. To be eligible to serve as a Director, an individual must be a resident homeowner of a manufactured housing unit in the Community and be a Member in good standing with the Corporation.

The term of office for each Officer/Director shall be two years, except that in order that elections be held on staggered terms, terms shall

Approved on ____/____/____ Amended on ____/____/____

be as follows for the first year of operations following the first Annual Meeting following formation:

President: 1yr
Vice President: 1yr
Secretary: 1yr
Treasurer: 1 yr

Each director shall serve from the time of his or her election at the annual meeting until his or her successor has been elected and qualified.

The initial seats shall be assigned by the incorporators or original members until replaced at a special meeting of residents or the first annual meeting, whichever comes first

8.2 Election of Directors

- A. The Board of Directors shall be elected by the Membership at an Annual or Special Meeting of the Corporation, or at a special meeting held in place thereof. All newly elected Directors will take office thirty (30) calendar days after elections or at the next Board of Directors meeting, whichever is first.
- B. Members shall elect Directors to each officer position as well as those Directors serving at large.
- C. A ballot provided on a form approved by the Board of Directors shall be used for the election of Directors. It shall clearly state the Director and Officer position to be filled and those nominees known in advance of the meeting. It shall also clearly state that other nominees may come from the floor. Ballots must be identifiable by either a lot number or other means. The ballots shall be sealed and opened at the Membership meeting.
- D. The Board of Directors may allow for an absentee ballot for the following reasons: vacation or travel, hospitalization, or work. A request for an absentee ballot must be made in writing at least seven (7) business days before the meeting, if not the result of emergency circumstances. If the ballot is to be mailed, the Member must request it ten (10) business days before the meeting.

8.3 Powers

- A. The Board of Directors shall be responsible for the day-to-day management and control of the Corporation operations.

Approved on ____/____/____ Amended on ____/____/____

- B. No Director may act on behalf of the corporation unless duly authorized by the Board of Directors.
- C. Any matters outside of the ordinary course of business or that involve the sale or encumbrance of assets shall require Member approval.
- D. The Board of Directors may from time to time set up committees and/or ad-hoc groups to work on specific responsibilities, with the committee Members serving at the pleasure of the Board of Directors. These committees will report to the Board of Directors and operate with only as much authority as granted by the Board. Further explanation of these committees may be found in the policies of the Board of Directors.

8.4 Resignation

Any Director may resign at any time by delivering written notice to the Secretary or President of the Board of Directors. Such resignation will take effect upon the later of receipt or the time specified in the notice.

8.5 Removal

- A. Any Director whose actions are determined to negatively affect the operation of the Corporation may be removed by a majority vote of the Members present at any regularly scheduled or special meeting of the Membership where a quorum is present, provided that a 10-day notice of the impending vote has been given to the Director who may be removed. Said notice of a vote to remove shall only be made after:
 - i. If initiated by the Board of Directors-a majority vote of the Board of Directors, or
 - ii. If initiated by a Membership Petition-after the Board of Directors receives a written petition requesting the proposed removal, signed by at least 25% of the Membership.
- B. Said Notice shall clearly advise that, once a quorum is established, a majority vote of the Members present will be needed to remove the Director.
- C. The notice shall state the date, time and place of the meeting where said vote will be taken.
- D. If the members' petition for removal of a Director does not state that the vote to remove is requested for the next Regularly Scheduled Meeting, or if the Board of Director lacks time to give the required

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Notice to the Director to be removed before the next Regular meeting, then the Board of Directors shall take said Petition for Removal to also be a request for a Special Membership Meeting for said purposes, and proceed in accordance with these Bylaws regarding Special Meetings, and shall set the date, place and time of the Special Meeting, to be held within 30 calendar days after receipt of such Petition. The Secretary of the Corporation shall deliver or mail written notice stating the place, day, hour and purpose of the Special Meeting to each Member and post the notice in a common area not less than 10 business days in advance of the meeting date.

8.6 Vacancies

Vacancies that result from resignation or other means may be filled by a majority vote of the Directors present at any regular or special meeting of the Board of Directors. The Director so appointed shall serve the remainder of the unexpired term, which shall not be counted as a consecutive term for the purposes of Article 8.1 of these Bylaws.

However, In the event of simultaneous resignation and/or removal of three or more directors, the new elections to fill those seats must take place within 40 calendar days.

8.7 Compensation

Directors shall serve without compensation, but shall be entitled to reasonable compensation for expenses paid while conducting legitimate Corporation business. Any expenses incurred must have prior approval by the Board of Directors. Receipts must accompany all requests for reimbursement. Directors may receive compensation for their freely executed contracts approved by the Board or Membership as the case may require, so long as the contract does not create a conflict of interest.

ARTICLE IX **Officers**

9.1 Roster of Officers

The Officers of the Corporation shall consist of a ***President, Vice President, Secretary, Treasurer***, and any other designated position as decided by the Membership. All Officers are Directors of the Corporation and must meet the requirements for being a Director set forth in Article 8.1. Each officer shall be elected to his/her position by vote of the members unless written in this document.

9.2 Election and Removal of Officers

Approved on ____/____/____ Amended on ____/____/____

See process for Election and Removal of Directors in Article 8

9.3 President

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

9.4 Vice President

The Vice President shall preside at all meetings in the absence of the President and shall perform such duties delegated to him/her by either the Board or the President. He/she shall report on the activities of the President to the Board in the absence of the President.

9.5 Secretary

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

9.6 Treasurer

The Treasurer shall have charge of all the funds of the Corporation and shall be responsible for all disbursements and collections. The Treasurer shall be responsible for maintaining all financial records of the Corporation including previous fiscal years; financial reports, bank statements and returned checks, invoices, records and any and all other financial records. The Treasurer will see that all checks drawn on Corporation accounts shall bear the signature of at least two of these four Officers: ***President, Vice President Treasurer, or Secretary***. As a standard fiscal control, a Member of the Corporation other than the Treasurer shall reconcile the Corporation accounts each month. The Treasurer shall be responsible for having the books prepared for examination. The Treasurer may delegate any tasks to any Member of the Finance Committee or a contracted bookkeeping service.

Approved on ____/____/____ Amended on ____/____/____

9.9 Powers

All Officers of the Corporation shall, subject to these Bylaws and to any vote of the Directors, have such powers and duties as the Directors shall from time to time designate, in addition to the specific powers and duties set forth above.

ARTICLE X Board Meetings

10.1 Regular Meetings

Regular meetings of the Directors shall be held monthly. Notice of the time and place together with the agenda of the Board of Directors' meeting shall be posted in a public place in the Community no less than 3 business days before the meeting. The Board shall have the sole discretion to establish the agenda for all regular meetings.

10.2 Special Meetings

Special meetings of the Directors may be held at the call of the President or any two Directors. Written notice stating the place, day, hour, and agenda of any special meeting shall be posted in a common area and communicated personally to each Board Member not less than three business days before the date of the meeting. In an emergency situation, a shorter notice may be given, provided that the agenda for that meeting is limited to dealing with the emergency at hand and that all actions taken are ratified at a subsequent properly noticed meeting.

10.3 Opening Meetings

Regular and Special Meetings of the Board of Directors shall be open to the Membership except when the Board moves to an Executive Session. Executive Sessions are used only for purposes of protecting a person's reputation and confidentiality, or to receive or discuss advice from legal counsel. A decision may not be made in Executive Session, where minutes are not kept. Decisions must be made in the form of a motion at a public meeting.

10.4 Notice

Written notice stating the place, day, hour and agenda of all Board meetings, regular and special, should be posted in a common area no less than 3 business days before any meeting.

10.5 Quorum

At any meeting of the Board of Directors, a simple majority of the number of Directors then in office shall constitute a quorum for the transaction of business. A majority of those present must vote in the affirmative to pass a motion, once a quorum has been established. A Director may attend by telephone and such Director is included in a quorum count.

10.6 Action without a Meeting

- A. Any action required or permitted to be taken by the Board of Directors at a meeting may be taken without a meeting if the written motion is approved and signed by all Board Members. Authority for such action commences when the last Director signs. A copy of the written motion with all signatures must be kept with the Board minutes.
- B. Notice that such an action took place, including the nature of the action, and the availability of the resolution shall be posted within 3 business days.

ARTICLE XI **Indemnification and Bond**

11.1 Indemnification

- A. The Directors, Officers and Members shall not be personally liable for the debts, liabilities or other obligations of the Corporation.
- B. Should any person be sued or threatened with suit, either alone or with others, because he or she was or is a Director or Officer of the Corporation, in any proceedings arising out of his or her alleged misfeasance or nonfeasance in the performance of his or her duties or out of any alleged wrongful act against the Corporation, indemnity for his or her reasonable expenses, including attorneys fees incurred in the defense of the proceeding, may be assessed against the Corporation, its receiver, or its trustee, by the court in the same or a separate proceeding if (1) the person sued is successful in whole or in part, or the proceeding against him or her is settled with the approval of the court; and (2) the court finds that his or her conduct fairly merits such indemnity. The amount of such indemnity shall be so much of the attorneys fees incurred and other expenses as the court finds to be reasonable.

- C. Should any person be sued or threatened with suit, either alone or with others, because he or she was or is a Director, Officer, or employee of the Corporation, in any proceedings other than an action by the Corporation, indemnity for his or her reasonable expenses including attorney fees incurred in the defense of the proceeding may be paid by the Corporation if the person acted in good faith and in a manner he or she reasonably believed to be in or not opposed, to the best interest of the Corporation; any such indemnity shall be made as authorized by majority vote of the Membership.

11.2 Bond

Each Officer, Director, employee, and agent handling funds or securities amounting to \$1,000 or more in any one year shall be covered by adequate bond in accordance with state law.

ARTICLE XII Operations

12.1 Signing of Documents

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

12.2 Disbursement of Funds

- A. All checks disbursing funds from any of the Corporation's accounts will require the signatures of at least two Directors. No more than one individual from each Member household may have signing authority.
- B. Any decisions that may commit expenditures of \$1,000 or more of Corporation resources per Fiscal year, that does not appear in the approved annual budget, shall be made by the Membership at an Annual or special meeting of the Members. Capital Improvement and Replacement Reserve expenditures that exceed \$2,000 per Fiscal year, require the approval of the Membership except in cases of emergency repairs. The Board shall notify the Membership of such an emergency action at the next regular or special meeting of the Membership.

12.3 Ethics, Procurement And Conflict Of Interest:

The Corporation shall adopt and all Director-Officers shall abide by a Code of Ethics, a Procurement Policy, and a Conflict of Interest policy and Procedure.

12.4 Records

The records of the Corporation shall be kept by the Directors then in office and transferred to newly elected Directors upon change over.

12.5 Inspection of Books and Records

A. Records of the Corporation shall be open to the inspection of any Member at a reasonable time and place within 72 hours of a Member's request, limited to those items not protected for reasonable privacy concerns of Members, including but not limited to financial applications, credit reports, hardship applications, materials discussed in executive session and individual collection matters.

B. The Treasurer will make the Annual Financial Statements available to the Board within three months after the end of the fiscal year.

12.6 Fiscal Year

The fiscal year of the Corporation shall be the twelve (12) month period ending the last day of September of each year. The Corporation shall cause its books to be examined within a reasonable time after the end of each fiscal year in accordance with the audit/review requirements of state law.

ARTICLE XIII
Rules of Procedure

In case of any question not covered in these Bylaws or adopted Board policies, the guidelines in *Robert's Rules of Order, Newly Revised* shall prevail.

CERTIFICATION

I hereby certify that these Bylaws were adopted by the Membership of _____ at its meeting held on _____.

Name: _____
Secretary of the Corporation

Approved on ____/____/____ Amended on ____/____/____

International Cooperative Alliance Principles

1st Principle: Voluntary and Open Membership

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

2nd Principle: Democratic Member Control

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

3rd Principle: Member Economic Participation

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

4th Principle: Autonomy and Independence

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

5th Principle: Education, Training and Information

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

6th Principle: Co-operation among Cooperatives

Approved on ____/____/____ Amended on ____/____/____

Cooperatives serve their members most effectively and strengthen the cooperative movement by working together through local, national, regional and international structures.

7th Principle: Concern for Community

Cooperatives work for the sustainable development of their communities through policies approved by their members.

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