

**COLONIAL TOWNHOUSES COOPERATIVE  
BYLAWS**

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## **ARTICLE I. NAME AND LOCATION OF CORPORATION**

The name of this corporation is Colonial Townhouses Cooperative, Inc. Its principal office is located in Lansing, Michigan.

## **ARTICLE II. PURPOSE**

The purpose of this corporation is to provide its Members with housing on a nonprofit basis consistent with the provisions set forth in its Articles of Incorporation.

## **ARTICLE III. MEMBERSHIP**

**Section 1. Eligibility.** A Member is a person who has been approved by the Board of Directors, who resides in a specific townhouse within the Cooperative and has signed an Occupancy Agreement provided by the Cooperative with respect to that townhouse. A person is seen as a Member if he/she holds the membership directly or through his/her "living" or "Grantor" trust. A "living" or "Grantor" trust is one established by an individual wherein he/she: (1) appoints himself/herself as the Trustee during his/her lifetime (and/or competency); (2) has the power to revoke it during his/her lifetime (and/or competency); and (3) designates himself/herself as the beneficiary for his/her lifetime.

Members transferring their membership into a permissible "living" or "Grantor" trust must furnish the Cooperative with either a copy of said trust document or a letter of opinion from his/her attorney stating that the trust is a revocable trust wherein the Member is the Trustee during his/her lifetime and/or competency and the sole beneficiary during his/her lifetime.

**Section 2. Application for Membership.** Application for membership shall be presented in person on an application form prescribed by the Board of Directors, and all such applications shall be acted upon promptly by the Board of Directors or its appointed agent.

**Section 3. Members.** The Members shall consist of the individuals as have been approved for membership by the Board of Directors and who have paid for their membership and received Membership Certificates.

**Section 4. Transfer of Membership.** Except as provided herein, membership shall not be transferable.

- (a) **Death of a Member.** If, upon death of a Member, his/her membership in the Cooperative passes by will, intestate distribution, or trust, to a Member of his/her immediate family, such legatee, distributee or beneficiary, may, if qualified for membership, assume the written terms of the Membership Purchase Agreement and Occupancy Agreement, within sixty (60) days after Member's death, paying all amounts due thereunder, and complying with all the requirements under the Member and Occupancy Screening Policy, become a Member of the Cooperative. If the Member dies and an obligation is not assumed in accordance with the foregoing, then the Cooperative shall have an option to purchase the membership

from the deceased Member's trust or estate in the manner provided in paragraph (b) of this Section, written notice of the death being equivalent to notice of intention to withdraw. If the Cooperative does not exercise such option, the provisions of paragraph (c) of this Section shall be applicable, the reference to "Member" therein to be construed as references to the legal representative of the deceased Member or trustee of the deceased Member's revocable living trust.

- (b) **Option of Cooperative to Purchase.** If the Member desires to leave the Cooperative, he/she shall notify the Cooperative in writing of such intention and the Cooperative shall have an option for a period of thirty (30) days thereafter, but not the obligation, to purchase the membership, together with all of the Member's rights with respect to the townhouse, at an amount to be determined by the Cooperative (which determination shall be conclusive and binding on the Member) as representing the transfer value thereof, as set forth in Article VII hereof (hereinafter referred to as "Transfer Value"), less any amounts due by the Member to the Cooperative. The purchase by the Cooperative of the membership will immediately terminate the Member's rights and the Member shall forthwith vacate the premises.
- (c) **Procedure Where Cooperative Does Not Exercise Option.** If the Cooperative waives in writing its rights to purchase the membership under the foregoing option, or if the Cooperative fails to exercise such option within the thirty (30) day period, the Member may sell his/her membership to any person who has been duly approved by the Cooperative as a Member and occupant. If the Cooperative agrees, at the request of the Member, to assist the Member in finding a purchaser at a price designated in writing by the Member, the Cooperative shall be entitled to charge the Member a Board established fee it deems reasonable for this service.
- (d) **Payable upon Death for Estate Planning Purposes.** If a Member desires to leave upon his/her death his/her equity, but not possession of a townhouse, to a person or persons, including a trust, or estate, the Member may make his/her financial interest in the Cooperative payable on death to a trust, or estate, or such person or persons, by executing the appropriate forms made available at the Cooperative's principal office. Execution of the documents referred to in this section will permit the beneficiary, estate or trustee to sell the membership interest to any person who has been duly approved by the Cooperative as a Member and occupant. If the Cooperative agrees, at the request of the estate, Trustee or beneficiary, to assist in the finding of a purchaser, the Cooperative shall be entitled to charge a fee it deems reasonable for this service. Until the purchaser has been approved for membership and has executed the prescribed occupancy agreement, the trust, estate or beneficiary shall remain liable for all carrying charges and costs associated with the membership.

When the transferee has been approved for membership and has executed the prescribed Occupancy Agreement, the retiring Member shall be released of his/her obligations under his/her Occupancy Agreement, provided he/she has paid all amounts due the Cooperative to date.

**Section 5. Termination of Membership.** In the event the Cooperative has terminated the rights of a Member under the Occupancy Agreement, the Member shall be required to deliver promptly to the Cooperative his/her Membership Certificate endorsed in such manner as may be required by the Cooperative. The Cooperative shall thereupon, at its election, either (1) repurchase said membership at its Transfer Value as determined by the Cooperative, or (2) proceed with reasonable diligence to effect a sale of the membership to a purchaser, and at a sales price acceptable to the Cooperative. The retiring Member shall be entitled to receive the amount so determined, less the following amounts (the determination of such amounts by the Cooperative to be conclusive). The retiring Member shall be entitled to receive the Transfer Value (if the Cooperative has exercised election (1) above) or the sales price (if the Cooperative has exercised (2) above) but in either case less the following amounts (the determination of such amounts by the Cooperative to be conclusive):

- (a) any amounts due to the Cooperative from the Member under the Occupancy Agreement;
- (b) the cost or estimated cost of all deferred maintenance, including painting, redecorating, floor finishing, and such repairs and replacements as are deemed necessary by the Cooperative to place the townhouse in suitable condition for another occupant; and
- (c) actual legal and other expenses incurred by the Cooperative in connection with the default of such Member and the resale of his/her membership. In the event the retiring Member, for any reason, should fail, for a period of ten (10) days after demand to deliver to the Cooperative his/her endorsed Membership Certificate, said Membership Certificate shall forthwith be deemed to be canceled and may be reissued by the Cooperative to a new purchaser.

**Section 6. Sales Price.** Memberships may be sold by the Cooperative or the Member only to a person approved by the Board of Directors in accordance with the requirements of the Cooperative and the sales price shall not exceed the Transfer Value, except that in sales effected by the Cooperative a re-sale fee, to be established periodically by the Board, may be charged by the Cooperative. Where the sale is accomplished by the Member, a certificate in a form as to the price paid shall be executed by the seller and purchaser and delivered to the Cooperative.

**Section 7. Non-Speculation on Sales of Memberships.** The Cooperative shall observe the basic cooperative principle that purchase and sales of memberships and Occupancy Agreements are not for speculative purposes and that investments in the Cooperative by Members are for the purpose of securing a home for their use and benefit. To this end, the policies established by the Cooperative shall be designed to discourage and avoid speculation both in the sale and resale of the memberships and Occupancy Agreements by Members or by the Cooperative.

## ARTICLE IV. MEETINGS OF MEMBERS

**Section 1. Place of Meetings.** Meetings of the membership shall be held at the principal office or place of business of the Cooperative or at such other suitable place convenient to the membership as may be designated by the Board of Directors unless the Board determines that a meeting shall be held via remote communication in compliance with state law and these Bylaws.

**Section 2. Annual Meetings.** The annual meetings of the Cooperative shall be held in the month of October of each year. At such meeting there shall be elected by the ballot of the Members a Board of Directors in accordance with the requirements of Section 3 of Article V hereof. The Members may also transact such other business of the Cooperative as may properly come before them. Notwithstanding the foregoing, the Board of Directors may determine that the Annual Meeting of Members shall not be held at any place, but may instead be held by means of remote communication.

**Section 3. Special Meetings.** It shall be the duty of the President to call a special meeting of the members as directed by resolution of the Board of Directors or upon a petition signed by twenty percent (20%) of the Members having been presented to the Secretary. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice unless by consent of four-fifths of the Members present, either in person or by proxy.

**Section 4. Notice of Meetings.** It shall be the duty of the Secretary to provide by means such as mailing, hand delivery and/or electronic notice of each annual or special meeting, stating the purpose thereof as well as the time and place where it is to be held, to each Member of record, at his/her address as it appears on the membership book of the Cooperative, or if no such address appears, at his/her last known place of address, at least ten (10) but not more than sixty (60) days prior to such meeting. The mailing of a notice in the manner provided in this Section shall be considered notice served. If the Board elects to hold an Annual Meeting of Members via remote communication means, the notice will say so and will be accompanied by additional information related to meetings held by remote electronic communication.

**Section 5. Quorum.** The presence, either in person or by proxy, or by remote communication when applicable, of at least fifteen (15%) percent of the Members of record of the Cooperative shall be requisite for, and shall constitute a quorum for the transaction of business at all meetings of Members.

**Section 6. Adjourned Meetings.** If any meeting of Members cannot be organized because a quorum has not attended, the Members who are present, whether in person, by proxy, or by remote communication when applicable, may, except as otherwise provided by law, adjourn the meeting to a time not less than forty-eight (48) hours from the time the original meeting was called. The quorum for any meeting adjourned under this Section 6 shall be ten (10%) percent.

**Section 7. Voting.** At every meeting of the Members, each Member present in person, by proxy, or by remote communication when applicable, shall have the right to cast one vote on

each question, and never more than one vote, without regard to the number of memberships standing in the name of the Member on the books of the Cooperative. The vote of the majority of those present, in person, by proxy, or by remote communication when applicable, shall decide any question brought before such meeting, unless the question is one upon which, by express provision of statute or of the Articles of Incorporation or as expressly provided herein, a different vote is required, in which case such express provision shall govern and control. No Member shall be eligible to vote or to be elected to the Board of Directors who is shown on the books or management accounts of the Cooperative to be more than thirty (30) days delinquent in payments due the Cooperative under his/her Occupancy Agreement.

**Section 8. Proxies.** A Member may appoint any other Member in good standing as his/her proxy. Any proxy must be filed with the Secretary before the appointed time of each meeting. Any proxy held by a Member who is not in good standing with the Cooperative shall automatically be disqualified, regardless of whether the Member authorizing the proxy is in good standing. A proxy must be on a form approved by the Board of Directors or its authorized agent. The proxy must (1) be written, (2) be dated, (3) specify the Member giving proxy and their address, (4) specify the Member accepting the proxy and their address, (5) contain signatures of both the Member appointing the proxy and the appointed Member prior to submission, and (6) includes the Corporate seal. No Member may carry more than one proxy.

**Section 9. Order of Business.** The order of business at all meetings of the Members shall be as follows:

- (a) roll call;
- (b) proof of notice of meeting or waiver of notice;
- (c) reading of minutes of preceding meeting;
- (d) reports of officers;
- (e) report of committees;
- (f) election of inspectors of election;
- (g) election of directors;
- (h) unfinished business; and
- (i) new business.

**Section 10. Meetings by Remote Communications.** If authorized by the Board of Directors, and, subject to such guidelines, policies and procedures where required by law, Members and proxy holders not physically present at a meeting of Members may, by means of remote communication, participate in the meeting and be deemed present in person and vote at the meeting, whether such meeting is to be held in a designated place or solely by means of remote communication, provided that (a) the Cooperative shall implement reasonable measures to verify that each person deemed present and permitted to vote at the meeting by means of remote communication is a Member or proxy holder, (b) the Cooperative shall implement reasonable measures to provide such Members and proxy holders a reasonable opportunity to participate in the meeting and to vote on matters submitted to the Members, including the opportunity to read or hear the proceedings in the meeting substantially concurrently with such proceedings and (c) if the Member or proxy holder votes or takes other action at the meeting by

means of remote communication, a record of such vote or other action shall be maintained by the Cooperative.

## ARTICLE V. DIRECTORS

**Section 1. Number and Qualification.** The affairs of the Cooperative shall be governed by a Board of Directors composed of five (5) persons who shall be Members of the Cooperative. The Board of Directors will be composed of an odd number of persons at all times. No person shall be eligible to become or remain a Director, or to hold any position of trust in the Cooperative, who:

- (a) has been convicted of any crime involving dishonesty or theft, or any crime in which the individual cannot be bonded; or
- (b) who is currently delinquent in any payment to the Cooperative more than thirty (30) days; or
- (c) who fails/refuses to sign and place on file a confidentiality agreement; or
- (d) who violates any provision of the confidentiality agreement; or,
- (e) who is a close relative of another Director defined as “a person’s spouse, domestic partner, partner through a civil union, reciprocal beneficiary, parents or step-parents, children or step-children (including adopted), siblings, mothers and fathers-in-law, sons and daughters-in-law, brothers and sisters-in-law, grandparents or step-grandparents, spouses of siblings or children, or anyone who shares such person’s home if such persons would constitute a majority of the Board; or
- (f) who is an active employee.

When a membership is held jointly, either one, but not both, may be elected a Director, provided, however, that neither one shall be eligible to become or remain a Director or to hold a position of trust in the Cooperative, unless both shall meet the qualifications hereinabove set forth.

Nothing contained in this section shall, or shall be construed to, affect in any manner whatsoever the validity of any action taken at any meeting of the Board of Directors.

**Section 2. Powers and Duties.** An individual Director holds no authority to conduct or make decisions for the Cooperative unless the Board of Directors unanimously appoints a Board Member to do so. The Board of Directors as a whole shall have the powers and duties necessary for the administration of the affairs of the Cooperative and may do all such acts and things as are not by law or by the provisions hereof directed to be exercised and done by the Members. Each director shall exercise such powers and otherwise perform such duties in good faith, in the manner such director believes 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. The powers of the Board of Directors shall include but not be limited to:

- (a) To accept or reject all applications for membership and admission to occupancy of a townhouse in the Cooperative, either directly or through an authorized representative;
- (b) To establish monthly carrying charges prescribed in the Occupancy Agreement, based on an operating budget formally adopted by such Board;
- (c) Promulgate rules, regulations, procedures, and policies pertaining to the use and occupancy of/in the Cooperative consistent with the law and provisions hereof, rules and regulations, policies, and with the Articles of Incorporation;
- (d) Engage an agent to manage the Cooperative under terms as the Board of Directors determines;
- (e) Terminate memberships and occupancy rights for non-payment and/or for cause either directly or indirectly by their designee through its authorized agent;
- (f) Enter into a Membership Fee Share Loan Agreement with a financial institution; and
- (g) Borrow money for the betterment/ enhancement of the Cooperative.

**Section 3. Election and Term of Office.** The term of office of all directors shall be fixed at three (3) years. The terms shall be staggered so no more than two (2) terms expire in any year. The directors shall hold office until their successors have been elected.

**Section 4. Vacancies.** Vacancies in the Board of Directors caused by any reason other than the removal of a director by a vote of the membership shall be filled by vote of the majority of the remaining directors, even though they may constitute less than a quorum; and each person so elected shall be a director until a successor is elected by the Members at the next annual meeting.

**Section 5. Removal of Directors.** At any regular or special meeting of Members duly called, any one or more of the directors elected by the Members may be removed with or without cause at any time by a vote of the majority of the entire membership of record and a successor may then and there be elected to fill the vacancy thus created. Any director whose removal has been proposed by the Members shall be given an opportunity to be heard at the meeting. The term of any Director who (a) becomes more than thirty (30) days delinquent in payment of his/her carrying charges; or, (b) should it be determined that a Board Member is seated in violation of the qualifications set forth in Article V, Section 1, shall be automatically terminated and the remaining Directors shall appoint his/her successor as provided in Section 4 above.



**Section 6. Compensation.** No compensation shall be paid to directors for their services as directors. No remuneration shall be paid to a director for services performed by him/her for the Cooperative in any other capacity, unless a resolution authorizing such remuneration shall have been unanimously adopted by the Board of Directors before the services are undertaken. A director may not be an employee of the Cooperative.

**Section 7. Organization Meeting.** The first meeting of a newly elected Board of Directors shall be held within ten (10) days of election at such place as shall be fixed at the meeting at which such directors were elected, and no notice shall be necessary to the newly elected directors in order legally to constitute such meeting, providing a majority of the whole Board shall be present.

**Section 8. Regular Meetings.** Regular meetings of the Board of Directors may be held at such time and place as shall be determined, from time to time, by a majority of the directors, but at least two such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each director, personally or by mail, electronic mail, or telephone, at least three (3) days prior to the day named for such meeting.

**Section 9. Special Meetings.** Special meetings of the Board of Directors may be called by the President on three (3) days' notice to each director, given personally or by mail, electronic mail, or telephone, which notice shall state the time, place (as hereinabove provided) and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice on the written request of at least three (3) directors.

**Section 10. Waiver of Notice.** Before or at any meeting of the Board of Directors, any director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a director at any meeting of the Board shall be a waiver of notice by him/her of the time and place thereof. If all the directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

**Section 11. Quorum.** At all meetings of the Board of Directors, a majority of the directors shall constitute a quorum for the transaction of business, and the acts of the majority of the directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. If, at any meeting of the Board of Directors, there be less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

**Section 12. Fidelity Bonds.** The Board of Directors shall require that all officers and employees of the Cooperative handling or responsible for corporate funds shall furnish adequate fidelity bonds. The premium on such bonds shall be paid by the Cooperative.

**Section 13. Meeting by Telephone or Similar Equipment.** A director may participate in a meeting by conference telephone or any similar communications equipment through which all persons participating in the meeting can hear each other. Participation in a meeting pursuant to this section constitutes presence in person at the meeting.

**Section 14. Managing Agent.**

- (a) The Board, by resolution adopted by unanimous consent of the Directors, may designate the Managing Agent responsible for the financial affairs of the Cooperative. The Board shall not be relieved of its responsibilities by law or these bylaws.
- (b) The Managing Agent shall maintain fidelity insurance coverage or a bond in an amount as the Board may require.

**ARTICLE VI. OFFICERS**

**Section 1. Designation.** The principal officers of the Cooperative shall be a President, one or more Vice Presidents, a Secretary and a Treasurer, all of whom shall be elected by and from the Board of Directors. The directors may appoint an assistant treasurer, and an assistant secretary, and such other officers as in their judgment may be necessary.

**Section 2. Election of Officers.** The officers of the Cooperative shall be elected annually by the Board of Directors at the organization meeting of each new Board and shall hold office at the pleasure of the Board.

**Section 3. Removal of Officers.** Upon an affirmative vote of a majority of the Members of the Board of Directors, any officer may be removed, either with or without cause, and his/her successor elected at any regular meeting of the Board of Directors, or at any special meeting of the Board called for such purpose.

**Section 4. President.** The President shall be the chief executive officer of the Cooperative. He/she shall preside at all meetings of the Members and of the Board of Directors. He/she shall have all of the general powers and duties which are usually vested in the office of the President of the Cooperative, including but not limited to the power to appoint committees from among the membership from time to time as he/she may in his/her discretion decide is appropriate to assist in the conduct of the affairs of the Cooperative.

**Section 5. Vice President.** The Vice President shall take the place of the President and perform his/her duties whenever the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Board of Directors shall appoint some other member of the Board to so do on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed upon him/her by the Board of Directors.

**Section 6. Secretary.** The Secretary shall keep the minutes of all meetings of the Board of Directors and the minutes of all meetings of the Members of the Cooperative; he/she shall

have the custody of the seal of the Cooperative; he/she shall have charge of the stock transfer books and of such other books and papers as the Board of Directors may direct; and he/she shall, in general, perform all the duties incident to the office of Secretary.

**Section 7. Treasurer.** The Treasurer shall have the responsibility for corporate funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Cooperative. He/she shall be responsible for the deposit of all moneys and other valuable effects in the name, and to the credit, of the Cooperative in such depositories as may from time to time be designated by the Board of Directors. When the Board authorizes the Management Agent to be responsible for managing the corporate funds, securities and maintenance of financial records, the Treasurer shall be responsible for overseeing the authorized agent to insure that the financial records and reports are properly kept and maintained.

## **ARTICLE VII. MEMBERSHIPS AND OCCUPANCY AGREEMENTS**

### **Section 1. Authorized Memberships and Occupancy Agreements**

- (a) The authorized membership of the Cooperative shall consist of 248 memberships, all of one class, with a par value of \$100.00, each.
- (b) The Cooperative will offer Occupancy Agreements on the townhouses in Colonial Townhouses. The Cooperative reserves the right to amend this Occupancy Agreement upon thirty (30) days' written notice, when such change is (1) required by federal, state, or local law, rule or regulation; and (2) changes in rules and policies relating to the Cooperative and meant to protect the health, safety, and peaceful enjoyment of Members, their household occupants and guests. Upon expiration of the thirty (30) day notice period, the Member shall execute the then amended Occupancy Agreement. Any Occupancy Agreement that is not signed in conformity with this provision will automatically go into effect after expiration of the thirty (30) day notice period.

**Section 2. Membership Certificates.** Each Membership Certificate shall state that the Cooperative is organized under the laws of the State of Michigan, the name of the registered holder of the membership represented thereby, the Cooperative lien rights against such membership as set forth in Section 5 of this Article, and the preferences and restrictions applicable thereto and shall be in such form as shall be approved by the Board of Directors. Membership Certificates shall be issued upon certification as to full payment. Every Membership Certificate shall be signed by the President or Vice President, and the Secretary or Assistant Secretary, and shall be sealed with the corporate seal.

**Section 3. Transfer Value.** The Transfer Value shall be equal to the sum of the following;

- (a) The consideration (i.e. down-payment) paid for the membership by the first occupant of the townhouse involved as shown on the books of the Cooperative;

plus

- (b) The value, as determined by the Directors, of any improvements installed at the expense of the Member with the prior approval of the Directors, under a valuation formula which does not provide for reimbursement in an amount in excess of the cost of the improvements.
- (c) Transfer values shall increase in accordance with the Board of Directors' determination made by the end of July of each year. In the event the Board of Directors fails to set an increase to the annual Transfer Value, the Transfer Value shall automatically be set at zero (0%) percent increase for the succeeding year.

**Section 4. Lost Certificates.** The Board of Directors may direct a new certificate or certificates to be issued in place of any certificate or certificates previously issued by the Cooperative and alleged to have been destroyed or lost, upon the making of an affidavit of that fact by the person claiming the Membership Certificate to be lost or destroyed. When authorizing such issuance of a new certificate or certificates, the Board of Directors may, in its discretion, and as a condition precedent to the issuance thereof, require the registered owner of such lost or destroyed certificate or certificates, or his/her legal representative, to advertise the same in such manner as the Board of Directors shall require and to give the Cooperative a bond in such sum as the Board of Directors may require as indemnity against any claim that may be made against this Cooperative.

**Section 5. Lien.** The Cooperative shall have a lien on the outstanding memberships in order to secure payment of any sums which shall be due or become due from the holders thereof for any reason whatsoever, including any sums due under any Occupancy Agreements.

#### **ARTICLE VIII. AMENDMENTS**

Amendments may be made by two-thirds vote of the Members present and voting at any regular or special meeting, provided that a quorum as prescribed in Section 5, Article IV, herein, is present at any such meeting. Amendments may be proposed by the Board of Directors or by petition signed by at least twenty percent (20%) of the Members. A statement of any proposed amendment shall accompany the notice of any regular or special meeting at which such proposed amendment shall be voted upon.

#### **ARTICLE IX. CORPORATE SEAL**

The Board of Directors shall provide a suitable corporate seal containing the name of the Cooperative which seal shall be in charge of the Secretary. If so directed by the Board of Directors, a duplicate of the seal may be kept and used by the Treasurer or any assistant secretary or assistant treasurer, or the Cooperative's appointed agent.

## ARTICLE X. FISCAL MANAGEMENT

**Section 1. Fiscal Year.** The fiscal year of the Cooperative shall begin on the first day of August every year. The commencement date of the fiscal year herein established shall be subject to change by the Board of Directors should corporate practice subsequently dictate.

**Section 2. Books and Accounts.** Books and accounts of the Cooperative shall be kept under the direction of the Treasurer and in accordance with the Generally Accepted Accounting Principles (GAAP).

**Section 3. Auditing.** At the closing of each fiscal year, the books and records of the Cooperative shall be audited by a Certified Public Accountant, whose report will be prepared and certified in accordance with the Generally Accepted Accounting Principles (GAAP). Based on such reports, the Cooperative will furnish its Members with a statement of the income and disbursements of the Cooperative for each fiscal year.

**Section 4. Inspection of Books.** Financial reports of the Cooperative shall be available at the principal office of the Cooperative for inspection at reasonable times by any Member upon his/her written request stating a proper purpose.

**Section 5. Execution of Cooperative Documents.** With the prior authorization of the Board of Directors, all notes and contracts, including Occupancy Agreements, shall be executed on behalf of the Cooperative by any officer of the Cooperative, and all checks shall be executed on behalf of the Cooperative by any two officers of the Cooperative or its appointed agent.

**Section 6. Association with Other Cooperatives.** The Cooperative may become a Member of an association of cooperatives who join together for purposes of mutual aid and of advancing the cooperative movement as a means of providing housing for consumers.

**Section 7. Special Vote Requirement to Modify Cooperative's Status as a Limited Equity Cooperative.** Notwithstanding anything herein to the contrary, the Cooperative shall remain as a limited equity cooperative unless and until such status is modified by the affirmative vote of sixty-six percent (66%) of the full membership at a duly convened meeting of the Members, with prior written notification as provided in Section 4 of Article IV of these bylaws.

## ARTICLE XI. MISCELLANEOUS

**Section 1. Gender.** As used in these By-Laws, any reference to the masculine form shall apply equally to the female gender.

**Section 2. Effective Date.** These amended By-Laws are effective Oct. 20, 2016.