

**BYLAWS OF
HIGHLANDS COOPERATIVE ASSOCIATION**

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ARTICLE 1: NAME AND LOCATION OF CORPORATION

The name of this Corporation is Highlands Cooperative Association. Its principal office is located in the City of Lansing, Michigan.

ARTICLE 2: 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 3: MEMBERSHIPS

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

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 his or her attorney stating that the trust is a revocable trust wherein the Member is the trustee during his or her lifetime and/or competency and the sole beneficiary during his or her lifetime.

Section 2. Application for Membership: Application for Membership shall be presented on a form approved by the Board of Directors or its authorized agent and all such applications shall be acted upon by the Board of Directors or its authorized agent.

Section 3. Memberships: The authorized number of Memberships consists of four hundred fourteen (414).

Section 4. Members: The Members shall consist of the individuals as have been approved for Membership by the Board of Directors or its authorized agent and who have paid for his/her Membership and received Membership certificates.

Section 5. Occupancy Agreement: The Corporation will require an Occupancy Agreement on the Townhouses that will be of one class. The Board of Directors may rewrite, revise, or change any portion of the Occupancy Agreement, or do a complete rewrite of the Occupancy Agreement when they deem it necessary.

Section 6. Membership Certificates: Each Membership Certificate shall state that the Corporation is organized under the laws of the State of Michigan, and shall state the name of the registered holder of the Membership; the Corporation lien rights as against such Membership, and the preferences and restrictions applicable thereto, and shall be in such form as shall be approved by the Board of Directors. This Membership Certificate shall entitle the holder (or, in the case of a "living" or "Grantor" trust, the trust grantor only) to occupancy of his or her Townhouse in accordance with the Occupancy Agreement, provided that the holder also abides by the Corporation's Rules and Regulations and does not interfere

with the effective operation of the Corporation. Membership Certificates shall be signed by the President and Secretary or Treasurer and shall be sealed with the corporate seal.

Section 7. Lost Membership Certificates: The Board of Directors or its authorized agent may issue a new certificate in place of any certificate previously issued by the Corporation and alleged to have been stolen, destroyed or lost, if the Member certifies in writing that the certificate has been stolen, destroyed or lost. The Corporation shall require the Member to sign an acknowledgement of receipt of Membership certificate at the time of issuance or re-issuance.

Section 8. Lien: The Corporation 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 holder(s) for any reason whatsoever, including any sums due under the Occupancy Agreement.

Section 9. Transfer of Membership: Except as provided herein, Membership shall not be transferable and, in any event, no transfer of Membership shall be made upon the books of the Corporation within ten (10) days next preceding the annual meeting of Members.

a. Death of a Member:

(1) **Transfer of Townhouse:** If, upon the death of a Member, his/her Membership in the Corporation passes by will, intestate distribution or trust to a Member of his/her immediate family, such legatee, distributee, or beneficiary may, if qualified and approved to become a Member, assume in writing the terms of the Occupancy Agreement, within thirty (30) days after a Member's death, and paying all amounts due thereunder, become a Member of the Corporation. Beneficiary(ies) shall accept the condition of the Townhouse "as is." If a Member dies and an obligation is not assumed in accordance with the foregoing either based on his/her failure to qualify or failure to properly elect, the provisions of paragraph (b) of this Section shall be applicable, the references to "Member" therein to be construed as references to the legal representative of the deceased Member.

(2) **Payable upon Death for Estate Planning Purposes:** If a Member desires to leave upon his or her death his or her equity but not possession of a Townhouse to a person or persons including a trust or estate, the Member may make his or her financial interest in the Corporation payable on death to a trust, or estate, such person or persons by executing the appropriate forms made available at the Corporation'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 Corporation as a Member and occupant. If the Corporation agrees, at the request of the Estate, Trustee or beneficiary, to assist in the finding of a purchaser, the Corporation shall be entitled to charge a fee it deems reasonable for this service.

b. Notice of Relinquishment of Rights to Possession or Sale Proceeds: If, after the death of the Member, the Member's estate, trust, or designated transferee does not wish to sell the Membership and no beneficiary or designated transferee desires to apply for approval to live in the Townhouse, the estate, trust, or designated transferee shall have thirty (30) days from the date of death of the Member to so notify the Corporation. In that event, the estate, trust, or designated transferee may relinquish in writing any and all right and interest in the Membership

to the Corporation within that thirty (30) day period, and the estate, trust, or designated transferee shall be released of all continuing obligations for carrying charges and utilities, but not the cost or estimated cost of all deferred maintenance, including painting, redecoration, flooring replacement or refinishing, and such repairs and replacements as are deemed necessary by the Corporation to place the Townhouse in a suitable condition for another Member. All personal property belonging to the Member must be removed by the estate, the trust, or the designated transferee from the Townhouse within that thirty (30) day period or be deemed abandoned. The Corporation shall have no obligation or responsibility to safeguard such property.

c. Option of Corporation to Purchase Membership: If the Member desires to leave the Cooperative, he/she shall notify the Corporation in writing of such intention and provide the Corporation any documents it requires to make the transfer of the Membership to a new Member. The Corporation shall have an option, but not the obligation, for a period of thirty (30) days thereafter 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 Corporation as representing the transfer value thereof, less any amounts due by the Member to the Corporation under the Occupancy Agreement, and less the cost or estimated cost of all deferred maintenance including painting, redecoration, flooring replacement or refinishing, and such repairs and replacements as are deemed necessary by the Corporation to place the Townhouse in a suitable condition for another Member/occupant. The purchase by the Corporation of the Membership will immediately terminate the Member's rights and the Member shall forthwith vacate the Townhouse and premises.

d. Procedure Where Corporation Does Not Exercise Option to Purchase Membership: If the Corporation waives in writing its right to purchase the Membership under the foregoing option or 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 Board of Directors or its authorized agent as a Member and occupant under the existing Selection Criteria and approval process. The Corporation shall be entitled to set a fee, payable by the outgoing Member, that it deems reasonable for the processing of the Membership sale; this fee can be changed upon approval of the Board of Directors. When the sale of the Membership is completed and the new Member has signed the Occupancy Agreement, the outgoing Member shall be released of his/her obligations under his/her Occupancy Agreement, provided he/she has paid all amounts due to the Corporation to date, including all rehabilitation costs to the Townhouse that were the outgoing Member's responsibility.

Section 10. Membership Value: Whenever the Board of Directors elects to purchase a Membership, the term "Transfer Value" shall mean the amount computed in accordance with the following table of increases applicable to the Membership and to the Occupancy Agreement appurtenant to such Membership. Transfer values shall change in accordance with the Board of Directors' determination made by the end of October of each year. In the event the Board of Directors fails to set the annual transfer value between a zero and a maximum of three (3%) percent increase, the transfer value increase shall automatically be set at zero (0%) percent for the succeeding year as follows:

Category of Occupancy	Maximum Membership Sale fee from November 1, 2015 to October 31, 2016	Maximum Membership Sale fee from November 1, of the year approved and each year thereafter
One bedroom	\$6,835.00	For all Townhouses, the maximum Membership sale fee shall be the previous year's Transfer Value plus zero (0%) percent up to a maximum of three (3%) percent, subject to Board adjustment from time to time as set forth in this Section 10.
Two bedroom	\$8,088.00	
Two bedroom w/ ½ bath	\$8,365.00	
Three bedroom	\$9,230.00	

Section 11. Termination of Membership for Cause: In the event the Corporation terminates the rights of a Member under the Occupancy Agreement, the Member forfeits all Membership rights including the right to sell their Membership. The member shall continue to remain liable for all costs and charges owed the Corporation, and they shall not be entitled to any Membership value compensation from the sale of the Membership by the Corporation prior to the deductions taken as set forth in this Section 11.

The Member also forfeits all compensation from improvements installed at their expense with or without prior approval of the Board of Directors or their authorized agent; however, the terminated Member may remove any of the improvements and restore the area to an acceptable condition within a time frame that shall be determined by the Board of Directors or its authorized agent. If the improvements are not removed, the Corporation can remove them and restore the area or leave them in the Townhouse.

Upon termination, the Member shall be required to deliver promptly to the Corporation his/her Membership certificate and his/her Occupancy Agreement, both endorsed in such manner as may be required by the Corporation. The Corporation shall thereupon at its election either (1) repurchase said Membership at its transfer value (as hereinabove defined) or the amount the retiring Member originally paid for the acquisition of his/her Membership certificate, whichever is the lesser, or (2) proceed with reasonable diligence to effect a sale of the Membership to a purchaser at a sales price acceptable to the Corporation. The retiring Member shall be entitled to receive the amount so determined, less the following amounts (the determination of such amounts by the Corporation to be conclusive):

- (a) any amounts due to the Corporation 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 Corporation to place the Townhouse in suitable condition for another occupant; and

- (c) actual legal and other expenses incurred by the Corporation 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 10 days after demand to deliver to the Corporation his/her endorsed Membership certificate, said Membership certificate shall forthwith be deemed to be canceled and may be reissued by the Corporation to a new purchaser.

Section 12. Non-Speculation on Sales of Memberships:

- (a) The Corporation 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 Corporation by Members are for the purpose of securing a home for their use and benefit. To this end, the policies established by the Corporation 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 Corporation.
- (b) The Corporation may establish from time to time the amount which it deems necessary as a service fee for re-sale of Memberships and Occupancy Agreements in Townhouses. Such service fee shall be uniform in its application to all withdrawing Members except that it may take into account varying prices and types of Townhouses, provided that such service fee shall be computed on a basis which is calculated to reimburse the Corporation for its costs in handling re-sales generally without realizing profits from its operations. The determination by the Corporation shall be conclusive as to service fees charges.

ARTICLE 4: MEETING OF MEMBERS

Section 1. Place of Meetings: Meetings of the Membership shall be held at the principal office or place of business of the Corporation or at such other suitable place convenient to the Membership designated by the Board of Directors.

Section 2. Annual Meetings: The annual meeting of the Corporation shall be held on the first (1st) Sunday of March each year. The Board of Directors, by unanimous approval, can change the date of the annual meeting. At this meeting, the Board of Director members shall be elected. The Board members whose terms have expired and any existing vacancy(s) due to a previously elected Board member resigning, removed as set forth in this document, or leaving the Corporation shall be elected by ballot. In such cases where the nominees equal the number of open Board positions, a unanimous voice vote can take the place of ballots; any negative or no voice vote will require the election to proceed by ballot. Notwithstanding the foregoing, the Board of Directors may determine that the meeting 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 of the Board of Directors to call a special meeting of the Members as (1) directed by a unanimous supported resolution of the Board of Directors, or (2) upon a petition signed by twenty (20%) percent of qualified eligible Members being presented to the Board of Directors at a scheduled meeting of the Board of Directors. The petition must clearly state the reason(s) for the special meeting. No business is to be transacted at a Special Meeting except that stated in the petition or stated in the Board of Directors resolution.

Section 4. Notice of Annual/Special Meetings: It shall be the duty of the Board of Directors or its authorized agent to notify each Member of an Annual Meeting or Special Meeting of the Membership. Notification can be made by (1) USPS mail, (2) hand delivery of a notice/flier to each townhouse, (3) hand delivery of a newsletter to each townhouse, or (4) all of the notification methods or any combination of the stated notification methods. Such notices shall state the following (1) purpose of the meeting, (2) date of the meeting, (3) time of the meeting, (4) place of the meeting, and (5) whether such meeting will be held by means of remote communication. Members shall be notified of an Annual Meeting or Special Meeting at least ten (10) days prior to the scheduled meeting but not more than thirty (30) days prior to the meeting; multiple notifications within the above time lines are permissible. If a Special Meeting is being called due to a petition of the Members, the Board of Directors shall set the meeting within forty-five (45) days of accepting the petition.

Any Member may submit a proposal he/she intends to propose at a Member meeting to be included in the notice of meeting so long as same is given to the Corporation no less than ten (10) days in advance of the time for the meeting. In the event any proposal is submitted after the time permitted, the proposal shall not be addressed at the meeting.

Section 5. Quorum: Unless otherwise specified in these By-laws, the presence, in person, by proxy, or by means of electronic/remote communication, of at least fifteen (15%) percent of the Members of record of the Corporation shall be requisite for, and shall constitute a quorum for the transaction of business at all meetings of Members. If the number of Members at a meeting drops below the quorum and the question of a lack of quorum is raised, no business may thereafter be transacted.

Section 6. Special Meeting to Recall Board Member(s): Special Meeting quorum to recall Board Member(s) requires fifty-one (51%) percent of all qualified eligible Members either in person, or by proxy prior to any action being taken. If a quorum is not obtained, the recall attempt is moot.

Section 7. Adjourned Meetings: Unless otherwise specified in these By-laws, if any meeting of Members cannot be organized because a quorum has not attended, or a meeting has been ended because the number of Members at said meeting has dropped below the quorum, the Members who are present, either in person or by proxy, may, except as otherwise provided by law, adjourn the meeting to a time not less than ten (10) days from the time the original meeting was called, at which subsequent meeting the quorum requirement shall be ten (10%) percent.

Section 8. Voting: At every meeting of the Membership, each Member present has one vote (one vote per Townhouse). The Member may cast up to three additional votes if the Member carries verified proxies. In no case can a Member cast more than four (4) votes.

At every meeting of the Membership, each Member in good standing and present either in person or by proxy, shall have the right to cast one vote for himself/herself, per Townhouse, and up to three (3) proxy votes. The vote of the majority of those present, in person or by proxy, 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 of these By-Laws, a different vote is required, in which case such express provision shall govern and control. Electronic proxies may be used in accordance with Board approved policy in accordance with Michigan law.

Any Member thirty (30) days in arrears of any monies owed to the Corporation shall not be in good standing and he/she shall not be counted as part of a quorum or be entitled to vote. The ineligible

Member may pay the balance owed by only money order or cashiers check at the time of the meeting and become eligible to vote and partake in the meeting.

Section 9. Special Meeting Petitions: Signatures on a petition must be of qualified eligible Members. Any Member thirty (30) days in arrears of any monies owed to the Corporation shall not be counted toward the twenty (20%) percent requirement for a petition to call for a special meeting.

Section 10. Proxies: At every meeting of the Membership, a Member may appoint any other Member, in good standing, as their proxy to exercise their right to vote. Any proxy held by a Member who is not in good standing with the Corporation 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.

Section 11. Absentee Ballots: For matters requiring a majority or supermajority vote of the Members, the Board may issue absentee ballots where permitted by law and these By-laws. The Board shall enact a policy governing the process and use of absentee ballots.

Section 12: Meetings by Remote Communication: 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 Corporation 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 Corporation 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 Corporation.

Section 13. Order of Business at Annual/Special Meeting:

At the annual meeting, the items listed below can be presented in any order as determined by the Board of Directors except a, b, and c:

- a. Proof of quorum
- b. Proof of notice or waiver of notice
- c. Approval of minutes from the previous annual meeting
- d. Reports of Officers
- e. Reports of Committees
- f. Report of Managing Agent
- g. Election of vote inspectors/counters
- h. Election of Directors
- i. Old Business
- j. New Business
- k. Adjournment

At a Special Meeting:

- a. Proof of Quorum
- b. Proof of notice
- c. Action only upon the reason(s) for the special meeting.

ARTICLE 5: BOARD OF DIRECTORS

Section 1. Number of Directors: The affairs of the Corporation shall be governed by a Board of Directors composed of five (5) persons, all of whom shall be Members of the Corporation. No person shall be eligible to become or remain a Director or to hold any position of trust in the Cooperative who:

- a. is an active employee, or 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”;
- b. either was forcibly removed or resigned from the Board due to his/her breach of a fiduciary obligation to the Corporation;
- c. violates any confidentiality agreement/policy of Highlands Cooperative; or
- d. has been convicted of a felony;
- e. who is delinquent in any payment to the Cooperative more than thirty (30) days and/or has caused a notice to quit to be issued three (3) or more times within any twelve (12) month period.

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 nor 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.

This provision does not prohibit the Corporation from promulgating rules, regulations, policies or procedures to (1) prohibit those with such felony conviction(s) from becoming a Member in the Corporation, or (2) terminate the membership of those who are convicted after moving into the Corporation if such individual otherwise meets the Corporation’s Selection Criteria.

Section 2. Powers and Duties of the Board of Directors: An individual Director holds no authority to conduct or make decisions for the Corporation unless the Board of Directors unanimously appoints a Board Member to do so. The Board of Directors as a whole shall have all the powers and duties

necessary for the administration of the affairs of the Corporation, unless the laws or these Bylaws prohibit the power(s). The powers of the Board of Directors include but are not limited to:

- a. Accept or reject applications for Membership and admission to the Corporation either directly or indirectly through its authorized agent.
- b. Establish monthly carrying charge payments provided for in the Occupancy Agreement based on an operating budget formally adopted by the Board of Directors. Monthly carrying charge payments can be increased more than once a year, if a majority of the Board of Directors deem it in the best interest of the Corporation.
- c. Engage an agent to manage the Corporation under terms as the Board of Directors determines.
- d. Terminate Memberships and occupancy rights for non-payment and/or for cause either directly or indirectly through its authorized agent.
- e. Promulgate rules, regulations, procedures, and policies pertaining to the use and occupancy of/in the Corporation consistent with the law and provisions hereof, rules and regulations, policies, and with the Articles of Incorporation.
- f. Enter into a Membership fee share loan agreement with a financial institution.
- g. Borrow money for the betterment/enhancement of the Corporation.

Section 3. Standard of Care: 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 Corporation, and with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances.

Section 4. Election and Terms of Office: The term of an elected Board Member is a three-year term, staggered unless the elected Board Member was so elected to serve out a remaining term of a former Board Member. The Board Members whose terms have expired and any existing vacancy(ies) due to a previously elected Board Member resigning, removed as set forth in this document, or leaving the Corporation shall be elected by ballot. In such cases where the nominees equal the number of open Board positions, a unanimous voice vote can take the place of ballots; any negative or no voice vote will require the election to proceed by ballot.

Section 5. Vacancies: Any vacancy 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. Each Member so appointed shall be a Director until a successor is elected by the Members at the next annual meeting to serve out the unexpired portion of the term.

Section 6. Removal of Directors: At any Special Meeting of the Members duly called, any Director may be removed with or without cause by the affirmative vote of the majority, fifty-one (51%) percent, of the entire Membership of record. Any Director whose removal has been proposed by the Members shall be given an opportunity to be heard at the meeting or at a special meeting scheduled no more than

forty-eight (48) hours prior to the special meeting for the recall; provided, however, the term of any Director who (1) becomes thirty (30) days or more in arrears of any monies owed to the Corporation; or (2) should it be determined that a Board Member is seated in violation of the qualifications set forth in Article 5, Section 1, shall automatically terminate and he/she shall be removed as a Director by the remaining Directors, and the remaining Directors shall appoint his or her successor as provided in Section 4 of this Article.

Section 7. Compensation: No compensation shall be paid to Directors for their service or any other work on behalf of the Corporation.

Section 8. Regular Board of Directors Meetings: Regular meetings of the Board of Directors may be held at such time and place as shall be determined by a majority of the Directors. There shall be at least four (4) meetings during each fiscal year, one of which is the Annual Meeting. No meeting can be held unless all Directors have been notified.

Section 9. Special Board of Director Meetings: Special meetings of the Board of Directors may be called by the President upon three (3) days' notice, provided that a notice was delivered to the other Directors personally, by telephone, or by mail. Such notice shall state the purpose of the meeting, date of the meeting, the time of the meeting, and place of the meeting. The President shall call a meeting of the Board of Directors in like manner and notice on the written request of at least three (3) Directors. The only Corporation business that can be conducted is that stated in the purpose of the meeting.

Section 10. Meetings by Conference Call: Any action to be taken at a meeting of the Board of Directors may be taken through the use of a conference telephone or other electronic communications equipment by means of which all persons participating in the meeting can communicate with each other. Participation in such a meeting shall constitute presence in person at the meeting of the persons so participating. Notwithstanding anything set forth to the contrary in these Bylaws, notice of any meeting to be held by conference call (whether regular or special) may be delivered a minimum of forty-eight (48) hours prior to the meeting, except in the event of an emergency.

Section 11. Quorum for Board of Directors: At a regular Board of Directors meeting, a majority of Directors (3) or more shall constitute a quorum for transaction of Corporation business; a majority vote of this quorum shall be the decision of the Board. If prior to or during a meeting less than a quorum of Directors exist, the meeting shall end. Any business conducted up to the point of no quorum is valid.

Section 12. Fidelity Bonds: It is required that all Directors, Officers and employees of the Corporation and all persons responsible for Corporation funds shall furnish adequate fidelity bonds. The premiums of such bonds shall be paid by the Corporation.

ARTICLE 6: OFFICERS OF THE CORPORATION

Section 1. Designation: The principal officers of the Corporation shall be a President, one or more Vice Presidents, a Secretary, and a Treasurer, all of whom are Members of the Board of Directors.

Section 2. Election of Officers: The officers of the Corporation 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 Board of Directors, the Office held by a Board Member i.e. President, Vice President, Treasurer, Secretary, etc. may be removed, either with or without cause, and a successor appointed by a majority vote of the Board of Directors 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 Corporation. The President shall preside at all meetings of the Corporation Membership and of the Board of Directors. The President shall have all the general powers and duties that are usually vested in the Office of President of a Corporation, including but not limited to the power to appoint committees from the Membership.

Section 5. Vice President: The Vice President shall take the place of the President and perform the President's duties whenever the President shall be absent or unable to act. If neither the President nor Vice President is able to act, the Board of Directors shall appoint another Member of the Board to do so on an interim basis. The Vice President shall also perform such other duties as shall be imposed 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 Corporation. The Secretary may have custody of the Membership transfer books, and papers as the Board of Directors may direct, however, copies of all such books and papers must be kept at the designated Corporation Office. The Secretary shall, in general, perform all duties incident to the Office of Secretary. The custody of the above items may be given to an authorized agent approved by the Board of Directors.

Section 7. Treasurer: The Treasurer shall have responsibility for corporate funds and securities belonging to the Corporation. The Treasurer shall be responsible for the deposit of all monies and other valuable effects in the name and to the credit of the Corporation in such depositories as may from time to time be designated by the Board of Directors. An authorized agent approved by the Board of Directors can perform the actual day-to-day operation of these duties.

ARTICLE 7: FISCAL MANAGEMENT

Section 1. Fiscal (budget) Year: The fiscal year of the Corporation shall begin the 1st day of November of each year and end on the 31st day of October. The Board of Directors with a majority vote may change the fiscal year.

Section 2. Books and Accounts: Books and accounts of the Corporation shall be kept under the direction of the Board of Directors or its approved authorized agent. The books and accounts shall be kept in accordance with standard accounting principles.

Section 3. Audits and Financial Reports: At the close of each fiscal year, the books and records of the Corporation shall be audited by a Certified Public Accountant approved by the Board of Directors. The Board of Directors is to be issued monthly financial reports by the management agent.

Section 4. Inspection of Books and Records: The annual financial statements of the Corporation shall be at the principal Office of the Corporation for inspection at reasonable times by any Member upon written request and proper purpose.

Section 5. Execution of Corporate Documents: With the authorization of the Board of Directors all notes and contracts including the Occupancy Agreement shall be executed on behalf of the Corporation by any Officer of the Corporation or any approved authorized agent. All checks shall be executed on behalf of the Corporation by a) two (2) Officers approved by the Board of Directors; or b) one (1) Officer and the authorized agent approved by the Board of Directors.

ARTICLE 8: CORPORATE SEAL

The Board of Directors shall provide a suitable Corporate seal containing the name of the Corporation. This seal shall be in the 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.

ARTICLE 9: AMENDMENTS

These By-Laws may be amended by the affirmative vote of at least fifty-one (51%) percent of the entire regular Membership of record at any regular or special meeting. Amendments may be proposed by the Board of Directors or by petition signed by at least twenty (20%) percent of the Members. A description of any proposed amendment shall accompany the notice of any regular or special meeting at which such proposed amendment is to be voted upon. The voting procedure for amendments to the Bylaws shall be done by ballot over a seven (7) day period that includes five (5) work days, i.e. a Monday, Tuesday, Wednesday, Thursday, and Friday. The voting process will be determined by the Board of Directors. The counting of the ballots will be done at a meeting open to all qualified eligible Members.

ARTICLE 10: ASSOCIATIONS WITH OTHER COOPERATIVES

Section 1. Cooperative Organizations: The Corporation 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 approved by the Board of Directors.

Section 2. Cooperative Organization: The Corporation may become a Member of any Cooperative organization approved by the Board of Directors.

ARTICLE 11: COOPERATIVE CONVERSION

The Corporation shall remain a limited equity Corporation unless seventy-five (75%) percent of the entire Membership at an Annual Meeting or Special Meeting vote in the affirmative to convert the Corporation to a different type of housing entity.

ARTICLE 12: VERIFICATION OF MEMBER INCOMES

The Board of Directors shall promulgate rules and procedures as to what is required to be verified as income. The Board of Directors may change or revise these rules by a majority vote.

ARTICLE 13: OCCUPANCY AGREEMENT

The Board of Directors must approve the Occupancy Agreement and any changes, revisions, additions or rewrite. If the Occupancy Agreement is changed, revised, added to, or rewritten, all Members shall be required to sign the updated Occupancy Agreement. The Members will be given at least forty-five (45)

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days to sign the new Occupancy Agreement; if a Member does not sign the new Occupancy Agreement within the forty-five (45) days, it becomes signed by the Member by default.

ARTICLE 14: 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 March 13, 2016.