



Takesa Village Homeowners Cooperative

BYLAWS

ARTICLE I - NAME

1.1 The name of this Corporation shall be Takesa Village Homeowners Cooperative, hereinafter referred to as the “**Corporation**,” located in the County of Spokane and State of Washington.

ARTICLE II - PURPOSE

2.1 Membership non-profit. The Corporation is formed in accordance with the provisions of RCW 24.06 as a non-profit, membership basis. The purpose for which this Corporation is formed is to own and operate a manufactured housing community (commonly known as “park”), hereinafter referred to as the “Community,” as a Corporation and be involved in other Corporation activities, on a non-profit, “cooperative” basis for the benefit of the current and future resident homeowners.

2.2 Both Member and Public Benefit. Both Member and Public Benefit. The broad purpose is to gain control of the rental costs, preserve the Community for the current residents, and to keep it affordable long term for low and moderate-income individuals and families. In accordance with the purpose stated in the Corporation’s Articles of Incorporation, the Corporation will conduct its business in a manner designed to preserve the affordability of the sites within the community for low to moderate income homeowners.

2.3 Asset Stewardship. This corporation has been assisted by ROC USA, LLC in its formation and acquisition of the Community in furtherance of its charitable purposes as well as the current and future homeowners of the community, on condition that they be transferred in furtherance of said mission upon dissolution of this corporation, within the meaning of RWC 24.06.265 (2). ROC USA, LLC is hereby designated as the Steward of the public interest in the assets of corporation.

ROC USA, LLC, a Delaware limited liability company having a principal place of business at 7 Wall Street, Concord, NH 03301, is a charitable organization within the meaning of Section 501(c)(3) of the Internal Revenue Code. The mission of ROC USA, LLC is to provide affordable housing through the use of manufactured homes or other housing alternatives in resident-owned “cooperative” communities. ROC USA, LLC may assign its stewardship interest herein created to another 501(c)(3) entity whose mission and purpose is similar to the mission and purpose of ROC USA, LLC.

In the event ROC USA, LLC dissolves or otherwise ceases to continue its legal existence without designating a successor Steward, the Attorney General or Secretary of State of the State of Washington may appoint a successor Steward whose mission and purpose is similar to the mission and purpose of ROC USA, LLC. In the event the Attorney General of the State fails to appoint a successor Steward, the Corporation shall file an application with the Superior Court for the State requesting that the Court appoint a Steward whose mission and purpose is similar to the mission and purpose of ROC USA, LLC.

ROC USA, LLC, or its successor's consent shall be required to:

1. Amend these Bylaws in any manner which would compromise, lessen, restrict or impinge upon the privileges and authorities of the Steward or the nature of the corporation as set forth herein, or
2. Sell or encumber the assets of the corporation other than in the ordinary course of business, including, without limitation, a sale of all or substantially all of the assets,
3. Modify the purpose of the Corporation; or
4. Adopt a plan of merger, consolidation, dissolution or distribution.

ARTICLE III - MEMBERS

3.1 Eligibility – A “Member” is defined as the adult (18-years-or-older) individual(s), without regard to their social, political, racial, religious, age, sex, sexual orientation, disability, or marital status who:

- A. Own and reside in a manufactured housing unit (hereinafter referred to as the “Home”) in the Community and any spouse **or partner in civil union entitled to a homestead interest** who has signed an Occupancy Agreement and the other additional adult occupants listed in the Occupancy Agreement. A person is seen as owning or co-owning a Home if he or she owns the Home directly or through his or her “living” 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 her lifetime (and or competency);
- (2) Is revocable by him or her; and
- (3) Designates him or herself as the beneficiary for his, her or their lifetime.

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

- B. Is/are in good standing with the Corporation. A “Member in good standing” is a Member whose lot rent and Membership Fees 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.

3.2 Membership Rights

- A. A Member will have a perpetual right to occupy a lot within the community as long as he or she continues payment of the lot rent and compliance with the other terms of the Member Occupancy agreement, 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.
- C. The Board of Directors shall not increase or propose an increase in lot rent more than once a year.

3.3 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 Corporation Board of Directors or by a majority vote of the Membership, consistent with Article 5.2 of these Bylaws, with a sixty (60) day written notice to all Members and nonMembers.
- B. A Member will participate cooperatively in the operation of the Corporation

3.4 Enrollment of Members

- A. Owners of homes seeking to reside in a Home and lease a lot in the Community must become Members of the Corporation. Owners seeking Membership shall:
 - 1. Apply for Membership on a form prescribed by the **Membership Committee**
 - 2. Be approved for Membership by a majority vote of the **Board of Directors**;
 - 3. Pay in full the Membership fee;
 - 4. Execute an Occupancy Agreement;
 - 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 3.1 above) or becomes the subsequent beneficiary of a trust, previously existing as a living trust, upon death of the Grantor, or upon devise or distribution from a deceased Member’s estate, or any other event.

If an existing Member transfers title to a Home to his or her “living” 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.

3.5 Membership Fee

- A. The Membership Fee shall be two hundred dollars, (\$200.00). Membership Fees accumulate no interest.
- B. A Certificate of Membership shall be issued to any Member, or to trustee of any Member’s “living” or “Grantor” trust, who has fully paid their Membership Fee. This certificate shall entitle the holder (or, in the case of a living or Grantor trust, the trust grantor only) to occupancy a lot in accordance with the Member Occupancy Agreement, provided that the holder also abides by the Community Rules of the Corporation and does not interfere with the effective operation of the Corporation. The certificate is not transferable, except by will or trust distribution by a permissible trust, or the rules of law that apply if someone dies without a will, to someone that would otherwise be eligible for Membership. A Membership may not be transferred to someone or some trustee or beneficiary who does not plan to own the home and reside in the Community nor shall a “living” or “Grantor” trust continue to hold a Membership interest beyond the usual and customary time required for a wind up of a probate estate, should title have passed by that means and occupancy during such periods shall not extend to any other party not previously permitted Membership and occupancy.
- C. The Board of Directors reserves the right to use all or part of a Member's Membership Fee to pay any debt due to the Corporation, or expenses incurred as a result of a Member's actions or non-actions, in regards to the Corporation; such debts and expenses being legally the responsibility of the Member. The Member shall replenish a capital balance decreased on such account in order to remain in “good standing.”

3.6 Termination and Expulsion

- A. Any Member whose activity in the Corporation is contrary to basic cooperation principles (see copy of International Cooperative Principles attached hereto and incorporated herein by this reference) or who endangers the effective operation of the Corporation may be expelled from Membership in the Corporation by the Board of Directors. Loss of Membership carries with it loss of all Membership privileges, including the perpetual right to occupy said lot and any Member 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. The Member's certificate shall be repurchased for the amount of the Membership 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. An eviction of the Member shall automatically terminate his or her Membership.

- 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, either in person or by their attorney. Members may request a Special Meeting of the Membership within a reasonable time period and such request will not be unreasonably denied. In the absence of a Board call for a Special Meeting, the member may do so in accordance with Article 5.3 of these Bylaws. A Member need not be expelled before being evicted. Re-application for Membership will require Board review and Membership approval before re-issuance of Certificate of Membership. The reason for the expulsion shall be clearly stated, recorded, placed in the permanent files and a copy given to the Member.
- C. Any Member who wishes to be represented by legal counsel as the result of a Corporation action must notify the Board of this fact ten (10) days in advance of the meeting. The Members shall solely be responsible for the cost of his or her attorney. In no case should the Corporation be responsible for the legal fees of the Member.

3.7 Patronage Refunds

Members shall have a right to determine whether excess membership fees collected in any given fiscal year shall be returned to Members as patronage refund or retained as additional funding for reserves or for the needs of the following year operations. The decision may be made at the time that they approve the budget for the coming fiscal year. The Corporation may refund or credit to the Member, within 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 corporation's needs and are not from earned income from other sources.

ARTICLE IV - SALE AND RENTAL OF HOMES

4.1 Use of Homes

- A. In order to unify the Members and make the Corporation stronger, all homes within the Community must be owner-occupied. Failure to comply with this article shall result in an eviction from the Community.
- B. Rental or leasing of homes in the Community shall not be allowed unless approved by the Board of Directors. The Board of Directors shall not approve a rental or lease unless (1) a written request is submitted by the Member alleging hardship and (2) the Board of Directors determines that a hardship exists. If an approval is granted, the decision shall specify the hardship circumstance(s) and the conditions of approval. The vote of the Board of Directors shall be maintained in the official records of the Corporation.

4.2 All Home Sales

- A. Any Member or non-Member who plans to sell or move their Home out of the Community or demolish the Home on site shall give written notice thirty (30) days in advance of that happening to the Board of Directors. Failure to give notice can result in 30 days additional lot rent.
- B. Notice to the Board of Directors stating the intention to sell a Home in place shall contain the estimated date of sale, and the name, address, and phone number of the selling agent, if any. 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 3.3, 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.

4.3 Sale of Member Homes

- A. For a period of thirty (30) days following the delivery of the notice to the Board, if the Member receives more than one offer for the same price upon the same terms and conditions, and one of said offers is from a lower-income family or individual, the Member shall accept the offer from the lower-income family or individual as defined by 4.3(B). 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 an 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) 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.

4.4 Vacant Lots

Any lot in the Community that becomes vacant (other than a temporary vacancy when a Member of the Corporation replaces his or her existing manufactured home with a new or different one), shall be leased by the Board of Directors to a lower-income household approved for Corporation Membership; provided, however, that if after advertising the lot for thirty (30) days, the Board does not receive an offer to lease from a 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.

ARTICLE V - MEMBERSHIP MEETINGS

5.1 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. One third (1/3) of the current Membership shall constitute a quorum at a Membership meeting.
- B. No member not in good standing (as defined by these Bylaws at Article 3 Section 1 Paragraph B) shall be eligible to vote upon any matter, and shall not be counted toward a quorum.
- C. There shall be no voting by proxy; nor shall a proxy be counted towards the establishment of a quorum. The existence of a quorum shall be established at the beginning of each meeting and shall remain valid until the meeting is adjourned.
- D. 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 except for motions affecting the Bylaws and Community Rules.
- E. 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.
- F. The Bylaws and the Community Rules may be amended by a majority 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) 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.

- G. 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 three (3) days.
- H. If the Board of Directors determines a hardship exists that prevents a member's physical presence at a Membership Meeting, a signed ballot may be submitted by the Member, or the Member's vote may be witnessed and attested by the Secretary or Assistant Secretary.

5.2 Annual Meeting

- A. The Annual Meeting of the Members shall be held in the second-to-the-last month of the fiscal year, in November, in Takesa Village's clubhouse or a place designated by the Board of Directors within five [5] 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 ten (10) calendar days nor more than sixty (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) 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.

5.3 Special Meetings of the Membership

- A. Special meetings of the Membership may be called by the Board of Directors or by petition of at least 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 thirty (30) days after receipt of such demand.

- B. The Secretary of the Corporation shall deliver or mail written notice stating the place, day, hour and purpose of the Special Meeting to each Member and post the notice in a common area not less than ten (10) days in advance of the meeting date.
- C. Business at a Special Meeting of the Membership is limited to the Scope of the Notice Provided.

ARTICLE VI - BOARD OF DIRECTORS

6.1 Number and Term of Directors

- A. The Board of Directors shall consist of seven (7) members who are in good standing with the Corporation.
- B. Directorships will not be denied to any person on the basis of race, creed, sex, religion, or national origin. 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.
- C. All Directors shall serve for a term of two (2) years, except that at the first election two (2) Officers will be elected for one-year terms (but not the President and Treasurer in the same year), or until their successors are duly chosen. **No Director may serve for more than three (3) consecutive two-year (2) terms.**

6.2 Election of Directors

- A. The Board of Directors shall be elected by the Membership at an Annual or Special Meeting of the Corporation, or at a special meeting held in place thereof. All newly elected Directors will take office thirty (30) 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: hospitalization, family emergency, vacations, shift work, infirmity, and being out of state. A request for an absentee ballot must be made in writing at least three (3) days before the meeting, if not the result of emergency circumstances. If the ballot is to be mailed, the Member must request it at least ten (10) days before the meeting. Absentee ballots may not be counted towards a quorum.

6.3 Powers

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

6.4 Resignation

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

6.5 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 10day 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 10% 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 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

thirty (30) 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 ten (10) days in advance of the meeting date.

6.6 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 6.1 of these Bylaws.

6.7 Compensation

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

ARTICLE VII - OFFICERS

7.1 Roster of Officers

The Officers of the Corporation shall consist of a **President, Vice President, Secretary, Assistant Secretary, Treasurer, Assistant Treasurer and Operations Manager**. All Officers are Directors of the Corporation and must meet the requirements for being a Director set forth in Article 6.1.

7.2 Election and Removal of Officers

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

7.3 President

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

7.4 Vice President

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

7.5 Secretary

The Secretary shall keep the records of the Corporation and these Bylaws. Amendments to these Bylaws shall be typed, noted, dated and maintained with these Bylaws, and copies distributed to the Membership. 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.

7.6 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 three (3) Officers: **President, Vice President, and 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.

7.7 Operations Manager

The Operations Manager sits on the Maintenance Committee and is responsible for the effective upkeep of grounds and systems; developing services, standards, emergency and general repair procedures; maintaining a list of qualified trades people; obtaining bids, maximizing volunteer contributions, submitting a capital improvements plan and annual projected maintenance budgets.

7.8 Powers

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

ARTICLE VIII - BOARD MEETINGS

8.1 Regular Meetings

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

8.2 Special Meetings

Special meetings of the Directors may be held at the call of the President or any two Directors. Written notice stating the place, day, hour, and agenda of any special meeting shall be posted in a common area and communicated personally to each Board Member not less than three (3) 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.

8.3 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.

8.4 Notice

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

8.5 Quorum

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

8.6 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 three (3) days.

8.7 Proxy Voting Prohibited

Proxy voting is prohibited.

ARTICLE IX - INDEMNIFICATION AND BOND

9.1 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 attorney 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
 - i. the person sued is successful in whole or part, or the proceeding against him or her is settled with the approval of the Court; and
 - ii. 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.

9.2 Bond

Each Officer, Director, employee, and agent handling funds or securities amounting to one thousand dollars (\$1000) or more in any one year shall be covered by adequate bond in accordance with state law.

ARTICLE X - OPERATIONS

10.1 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.

10.2 Disbursement of Funds

- A. All checks disbursing funds from any of the Corporation's accounts will require the signatures of at least two (2) Directors. No more than one individual from each Member household may have signing authority.
- B. Any decisions that may commit expenditures of \$2000 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 \$3,000, 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..

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

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

10.5 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.

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

10.7 Dissolution

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

- A. The face value, or the amount equal to the Membership Fee paid minus any outstanding obligation to the corporation, whichever is lower, shall be returned to the Members.
- B. The Steward may distribute any surplus remaining after the distributions in paragraph I may be distributed as contribution to any Corporation association or other nonprofit association to which contributions are deductible from income tax under current internal revenue service regulations.

ARTICLE XI - RULES OF PROCEDURE

11.1 Parliamentary Procedure

In case of any questions not covered in these Bylaws or adopted Board policies, the guidelines in **“Parliamentary Procedure for Manufactured Housing Community Corporations”** as published by the **Management Guide © 2003, 2007 ROC USA, LLC** shall prevail.