BYLAWS of
MOUNTAINSIDE COMMUNITY COOPERATIVE

ARTICLE I

1.1 The name of this Corporation shall be **Mountainside Community Cooperative**, hereinafter referred to as the "Cooperative," located in **CAMDEN**, County of **KNOX**, State of Maine.

ARTICLE II
PURPOSE

2.1 The purpose for which the Cooperative is formed is to own and operate a manufactured housing community, hereinafter referred to as the "Community", as a cooperative and to be involved in other cooperative activities for the benefit of the residents, and to preserve the community's status as a 55-and-over community.

2.2 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 Cooperative's Articles of Incorporation, the Cooperative will conduct its business in a manner designed to preserve the affordability of the sites within the Community for low to moderate income homeowners.

ARTICLE III
MEMBERSHIP

3.1 Eligibility

A "Member" is defined as the adult (18-years-or-older) individual(s), [recognizing that this is a 55 and over community,] without regard to their social, political, or familial status or their race, color, sex, sexual orientation, gender identity, physical or mental disability, genetic pre-disposition, religion, age, ancestry, national origin, or status as a recipient of federal, state or local public assistance, who:

A. Own and reside in a manufactured home (herein after referred to as the "Home") in the Community and the other adult Members of their household who have signed an 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.

    1) "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, or brought into good standing by agreement acceptable to the Board of Directors, where the home buyer has some established equity in the home.

B. Is/are in good standing with the Cooperative. A "Member in good standing" is a Member whose lot rent and Membership fees are current or who has signed an agreement satisfactory to the Board of Directors to bring these rents and fees current.

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C. Is/are willing to accept Membership responsibilities, including, but not limited to, voluntary participation in the governance of the Cooperative and in the operation of the Community.

3.2 Membership Rights

A. Upon continued payment of the lot rent and compliance with the other terms of the Occupancy Agreement, the Bylaws of the Cooperative and the Community Rules established by the Members, all as they may be amended from time to time, the Member shall have a perpetual right to occupy said lot provided that, if a Member is evicted from the Park 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.

3.3 Membership Obligations

A. All Members and non-Members (households that own or reside in a manufactured home in the Community but are not Members) are required to pay their lot rent. This lot rent, initially established by the Membership of the Cooperative, may be increased by a majority vote of the Cooperative Board of Directors or by a majority vote of the Membership, consistent with **Article 5.1 of these Bylaws**, with a sixty (60) day written notice to all Members and non-Members.

B. A Member will participate cooperatively in the operation of the Corporation.

3.4 Enrollment of Members

A. Buyers or owners of Homes seeking to reside in a Home and lease a lot in the Community must become Members of the Cooperative. Buyers and 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 and a Membership Agreement;
   (5) Own (or have a contract to buy) and intend to occupy a Home in the Community; and
   (6) Commit to the purposes and policies of the Cooperative, 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 but must fulfill all other Membership enrollment conditions (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 3.1a 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

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under this paragraph. 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 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 one hundred ***dollars*** **($*100*)**. Membership Fees accumulate no interest. Membership Fees shall remain equal for all Members.

B. A Certificate of Membership shall be issued to any Member, or to a trustee of any Member's "living" or "Grantor" trust, who has fully paid their Membership Fee. This certificate, or a fully executed and accepted Member Occupancy Agreement, shall entitle the holder (or, in the case of a living or Grantor trust, the trust grantor only) to occupancy of their lot in accordance with the Occupancy Agreement, provided that the holder also abides by the Community Rules of the Cooperative and does not interfere with the effective operation of the Cooperative. 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 a person, 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 Cooperative, or expenses incurred as a result of a Member's actions or omissions, in regard to the Cooperative; 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 Cooperative is contrary to basic cooperation principles (see copy of International Cooperative Alliance Principles attached hereto and incorporated herein by this reference) or who endangers the effective operation of the Cooperative may be expelled from Membership in the Cooperative by the Board of Directors. Loss of Membership carries with it loss of privilege to lower 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) days' notice. The Member's certificate or subscription shall be repurchased at the original purchase price, less any debts owed to and expenses incurred by the Cooperative 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 to the next Membership meeting and will be given a reasonable opportunity to be heard, either in person or by counsel. The appealing Member may call a Special Meeting for this purpose in accordance with these Bylaws, article

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5.3a. 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 Cooperative action must notify the Board of this fact ten (10) days in advance of the meeting. The Member shall solely be responsible for the cost of his or her attorney. In no case should the Cooperative be responsible for the legal fees of the Member.

D. The Occupancy Agreement, which outlines the Cooperative's possessory remedy in the event that any resident breaches that Agreement, is hereby incorporated by reference into these Bylaws.

3.7 Patronage Refunds

Members shall have a right to determine whether excess carrying charges 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 Cooperative may refund or credit to the Member, within one hundred and twenty (120) days, dependent upon a satisfactory audit, 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 Cooperative's needs, and are not from earned income from other sources.

ARTICLE IV
HOME SALES AND RENTALS 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 condition(s) of approval, including the timeframe for the initial approval and any periodic review. The vote of the Board of Directors shall be maintained in the official records of the Corporation. The Board of Directors shall not permit home sublease rent to exceed the Member's monthly cost of ownership, including such items as mortgage and tax payments.

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 forty-five (45) days in advance of that happening to the Board of Directors. Failure to give notice can result in thirty (30) days' additional lot rent.

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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 Cooperative. The seller shall supply the Cooperative with the names and telephone numbers of any buyers who have signed a Bill of Sale. See the exception for certain trust transfers contained in paragraph 3.1A, which applies here as well.

C. It is the policy of the Cooperative not to permit a Home to be sold, removed from the Park, or occupied by a new tenant or owner until the Home owner or responsible party has paid all rental payments and fees due to the Park. The Board of Directors may take whatever steps it deems appropriate to enforce this policy.

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 low or moderate income family or individual (as defined in this section), the Member shall accept the offer from the low or moderate income family or individual. Provided, that the Board may authorize the sale to someone other than a low or moderate 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.

NOTE: The following is language to insert if the Corporation participates as a Fannie Mae Approved Corporation or wishes to comply with Fannie Mae requirements in anticipation of eventually becoming a Fannie Mae Approved Corporation. For more information, contact a staff member at Cooperative Development Institute.

The following shall apply in all situations where Fannie Mae holds an Eligible Loan on a home in this Cooperative:

A.1 Notwithstanding any other Bylaw provision, the purchaser of a Manufactured Home who acquired title at a foreclosure sale conducted by the holder of an "Eligible Loan" (as defined by statute), or directly from the holder of an Eligible Loan, shall be exempt from any "low income" requirement.

A. 2 Notwithstanding rights of the Cooperative under state law, any holder of an Eligible Loan, which is actively pursuing the right to foreclose or which has acquired title to the Manufactured Home by purchase itself at a foreclosure sale or by deed in lieu of foreclosure, and which has paid or is paying the Cooperative Rent and Other Charges owing by a Member under an Occupancy Agreement, shall not be required to advance more than six (6) months of Rent and Other Charges, and the Cooperative's lien rights, as to amounts owing to it by the Member under the Occupancy Agreement or otherwise, shall be subordinate to the rights of the holder of an Eligible Loan, and amounts owing to the Cooperative shall only be paid out of the excess proceeds, if any, available after transfer of the Manufactured Home to a third party, and after all amounts outstanding under the Eligible Loan, including repayment of advances of monthly Rent and Other Charges, have been paid in full.

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B. A low or moderate 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 an amount equal to the Member's total payment toward their Membership Fee, without interest, less any debt owed by the Member to the Cooperative, within sixty (60) days of the removal or sale of the home, or at the earliest such later date when the purchase can be made without jeopardizing the solvency of the Cooperative.

4.4 Vacant Lots

Any lot in the Community that becomes vacant (other than a temporary vacancy when a Member of the Cooperative replaces his or her existing manufactured home with a new or different one), shall be leased by the Board of Directors to a low or moderate 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 low or moderate 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, while making best efforts to lease to a household whose income does not exceed the threshold under the definition of "affordable housing" in 30-A M.R.S.A.§5246(1) (currently 120% of median income for the area). The Board will keep a waiting list for these purposes.

ARTICLE V
MEMBERSHIP MEETINGS

5.1 How the Membership Can Legally Act

A. ***Fifty Percent*** of the current Membership, shall constitute a quorum at a Membership meeting. The Membership may act only at a properly called meeting of the Membership where a quorum is present, except as permitted in paragraph F below.

B. A Member who is not in good standing (as defined by these Bylaws at 3.1) shall be ineligible to vote upon any matter in any form, including signing a petition and other forms of voting, 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.

Once a quorum has been achieved, a majority vote of Members present shall be required to approve any motion. The Members may only consider motions related to agenda items that are properly noticed before the meeting in accordance with these Bylaws.

D. The Bylaws of the Cooperative and the Community Rules shall be adopted or repealed by at least a majority vote of the entire Membership of the Cooperative.

E. 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

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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.

F. Any business required or permitted to be taken at a Membership meeting may be taken without a meeting, by means of a ballot clearly stating a Board-approved motion. To be passed, the motion must be approved by a majority of the entire Membership. A copy of the motion and vote must be kept on file with the Cooperative's Membership meeting minutes. Notice that the Membership took an action, 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 of the final vote tally.

5.2 Annual Meeting

A. The Annual Meeting of the Members shall be held in the month of June of each year in the Cooperative or a place designated by the Board of Directors within 5 miles of the Park. 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 (or mailed if homeowner is out of State), 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 prior year's finances, and the proposed annual budget of the Cooperative shall be made available to each Member no later than ten (10) days nor more than sixty (60) 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 ten (10) percent 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 Cooperative 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 nor more than sixty (60) days in advance of the meeting date. Business at a Special Meeting of the Membership is limited to the scope of the notice provided.

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ARTICLE VI
BOARD OF DIRECTORS

6.1 Number and Terms of Directors

A. The Board of Directors shall consist of 7 (seven). Members who are residents and owners of a manufactured housing home in the Community and are in good standing with the Cooperative.

B. Directorships will not be denied to any person on the basis of familial status, race, color, sex, sexual orientation, gender identity, physical or mental disability, genetic pre-disposition, religion, age, ancestry, national origin, or status as a recipient of federal, state or local public assistance.

C. All Directors shall serve for a term of **two years**, except that at the first election, 3 of the Directors, including President, the Secretary and one At –Large Director will be elected for one-year terms. No Director may serve for more than **three consecutive two-year terms** unless there are no nominations for said position from the floor, in which case, the rule may be overruled by a majority vote of the members at a meeting.

6.2 Election of Directors

A. The Board of Directors shall be elected by the Membership at the Annual meeting of the Cooperative, 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 positions to be filled and those nominees known in advance of the meeting. It shall also clearly state that 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, shift work, infirmity, 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 ten (10) days before the meeting. Absentee ballots shall not be counted towards a quorum. Ballots must be submitted using a double-blind process. The ballots shall be opened at the Membership meeting.

E. No more than one person from each Member household may serve on the Board at a time.

6.3 Powers

A. The Board of Directors shall be responsible for the day-to-day management and control of the Cooperative operations. All policies which do not require Membership approval as stated in 10.3, will be adopted and amended by the Board of Directors.

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B. No Director may act on behalf of the Cooperative 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. 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 verbally or in writing. Such resignation will take effect immediately or at the time specified. The Board will officially acknowledge the resignation in the minutes at their next meeting.

6.5 Removal

A. Board members who are not in good standing with the Cooperative, as defined by the Bylaws, will automatically be removed from the Board. The Board will give notice to any Board Member not in good standing, and the Board Member will have 30 days to return to good standing before removal by a Board vote.

B. Any Director who misses more than 3 Board meetings in a 6-month period, unless that Director has submitted to the Board in writing reasons for the absence (e.g. illness….) may be removed from office if a majority of the Directors then in office vote for the removal.

C. Any Director whose actions are determined to negatively affect the operation of the Cooperative may be removed by a majority vote of the Members present at any regularly scheduled or special meeting of the Membership where a quorum is present, provided that a 10-day notice of the impending vote has been given to the Director who may be removed. Said notice of a vote to remove shall only be made after:

1) If initiated by the Board of Directors – a majority vote of the Board of Directors; or
2) 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.
3) 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.
4) The notice shall state the date, time and place of the meeting where said vote will be taken.
5) 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 Directors 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 30

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days after receipt of such Petition. The Secretary of the Cooperative 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 nor more than sixty (60) 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 until the next Annual Meeting 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 reimbursement 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 Cooperative shall consist of a President, Vice-President, Secretary, Treasurer, Operations Manager and Two At-Large Members. All Officers are Directors of the Cooperative and must meet the requirements for being a Director set forth in paragraph 6.1A.

7.2 Election of Officers

See process of election and removal in paragraph 6.2.

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 objectives 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. The Vice President shall serve as Board President during the interim period upon President resignation until such time as a new appointment is made.

7.5 Secretary

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

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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 is responsible for overseeing the management of all Cooperative/Association funds. This is done by acting as the liaison between the Board of Directors and Property Management Company/Bookkeeper on a monthly basis. The Treasurer shall be the Chair of the Finance Committee. The Treasurer shall review and analyze monthly financial statements in order to prepare a Treasurers Report. He/she shall work with the Finance Committee for this analysis and review of monthly statements. The Treasurer shall be responsible to ensure that the Past Due Rent Collections Policy is enforced by Management. The Treasurer shall also ensure that all funds being spent are in accordance with the member approved Budget. All unbudgeted expenses shall be approved in accordance with Bylaws.

7.7 Operations Manager

The Operations Director is responsible for ensuring that the park is maintained and the operations remain uninterrupted. This is done by creating and implementing an annual maintenance calendar. The Operations Director ensures this calendar is created and implemented. He/She ensures that the Procurement Policy is adhered to when obtaining bids and purchasing goods. The Operations Director shall chair the Operations Committee and will ensure that the committee policy is implemented.

7.8 Powers

All Officers of the Cooperative 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 Park no less than 7 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, and hour of any special meeting shall be posted in a common area and communicated personally to each Board Member not less than three 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 Open 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.

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8.4 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 or electronic means if they can hear and be heard by everyone attending the meeting, and such Director shall be included in a quorum count.

8.5 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 must be included with the Board minutes.

B. Notice that such an action took place, including the nature of the action, and the availability of the resolution shall be posted within 3 days.

8.7 Proxy Voting Prohibited

Proxy voting is prohibited.

ARTICLE IX
INDEMNIFICATION & BOND

9.1 Indemnification

A. The Directors, Officers and Members shall not be personally liable for the debts, liabilities or other obligations of the Cooperative.

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 Cooperative, 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 Cooperative, indemnity for his or her reasonable expenses, including attorney's fees incurred in the defense of the proceeding, may be assessed against the Cooperative, its receiver, or its trustee, by the court in the same or a separate proceeding if (1) the person sued is successful in whole or in part, or the proceeding against him or her is settled with the approval of the court; and (2) the court finds that his or her conduct fairly merits such indemnity. The amount of such indemnity shall be so much of the attorney's fees incurred and other expenses as the court finds to be reasonable. If the proceeding is nonjudicial but binding in nature, the decisionmaker in such proceeding may take any action permitted to a court in this paragraph.

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 Cooperative, in any proceedings other than an action by the Cooperative, indemnity for his or her reasonable expenses including attorney fees incurred in the defense of the proceeding may be paid by the Cooperative 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 Cooperative; any such indemnity shall be made as authorized by majority vote of the Membership.

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9.2 Bond

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

ARTICLE 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 Cooperative will be signed and executed by the two Directors of the Cooperative. 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 authorizations and/or checks disbursing funds from any of the Cooperative's accounts will require the signatures of at least two Directors, or contracted agent.

B. Any decisions that may commit expenditures of $1500 (one-thousand five hundred dollars) or more of Cooperative 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 do not explicitly appear in that year or in a previous year of the Member-approved Capital Improvement Plan and that exceed $3,000 (three thousand dollars), 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 Cooperative through a Membership vote shall adopt, and all Director-Officers shall abide by, a Board of Directors Code of Ethics, a Procurement Policy, and a Conflict of Interest Policy. 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 that conflict cannot be waived by the Board or Membership.

10.4 Records

The records of the Cooperative 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 (such as minutes of meetings, monthly and annual financials, policies, etc.) of the Cooperative shall be open to the inspection of any Member at a reasonable time and place within five (5) days 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

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collection matters. If any member requests a large amount of records at any one given time, the cooperative reserves the right to charge the member for the costs of copying.

B. The Treasurer will be responsible for ensuring that the annual financial compilation is completed and delivered to the Board within four months after the end of the fiscal year.

10.6 Fiscal Year

The fiscal year of the Cooperative shall be the twelve (12) month period ending the last day of June of each year. The Cooperative shall cause its books to be examined within a reasonable time after the end of each fiscal year in accordance with the financial 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 Cooperative, whichever is lower, shall be returned to the Members.

B. Any surplus remaining after the distributions in paragraph I may be distributed as a 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

In case of any question 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, 2017 ROC USA, LLC or the foundation document, *The Standard Code of Parliamentary Procedure, Fourth Edition,* by Alice Sturgis, 2001** shall prevail.

CERTIFICATION

I hereby certify that these Bylaws were adopted by the Membership of ***Mountainside Community Cooperative*** at its meeting held on 10/09/2019 (*DATE*)

Name: Secretary of the Corporation

MOUNTAINSIDE COMMUNITY COOPERATIVE BYLAWS

Approved 10/09/2019

Amended __/__/__

Signed Secretary of the Cooperative

Paul E. Hardin Printed Name

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International Cooperative Alliance Principles

1st Principle: Voluntary and Open Membership

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

2nd Principle: Democratic Member Control

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

3rd Principle: Member Economic Participation

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

4th Principle: Autonomy and Independence

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

5th Principle: Education, Training and Information

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

6th Principle: Co-operation among Co-operatives

Co-operatives serve their members most effectively and strengthen the co-operative movement by working together through local, national, regional and international structures.

7th Principle: Concern for Community

Co-operatives work for the sustainable development of their communities through policies approved by their members.

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

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