

# Raise-Op Housing Cooperative By-Laws

Adopted 11/13/2014, Amended 6/4/15, Amended 9/27/18, Amended 12/2/19

## Article I: Name and Principal Office of Corporation

1. The name of this Cooperative Affordable Housing Corporation is RAISE-Op Housing Cooperative (hereinafter called “Cooperative”).
2. It's principal office is located at 145 Pierce Street, Lewiston, Maine. .

## Article II: Mission, Purpose, Principles, and Powers

1. The purpose of this Cooperative is to create and provide residential housing, at affordable rates, to residents of our community who meet the income categories as spelled out in IRS Rev. Procedure 96-32. The purpose of the Cooperative Affordable Housing Corporation shall always be to provide housing compliance with Rev. Proc. 96-32
2. The mission of this Cooperative is to operate safe and affordable housing that is democratically controlled by its Members on a non-profit basis, consonant with provisions set forth in its Articles of Incorporation.
3. To achieve this purpose, the Cooperative and its Members shall uphold the following principles:
  - 3.1. Respect for all people affiliated with the Cooperative, including Members, Guests, and Staff; as well as respect for the Cooperative's land and all property on that land;
  - 3.2. Accountability between individual Members, the Board of Directors, and staff;
  - 3.3. Integration across different social groups;
  - 3.4. Solidarity with individual Members who face various social and economic challenges, and solidarity with the movement for safe and affordable housing;
  - 3.5. Equity among Members in the sharing of social and economic resources.
4. The Cooperative shall also uphold the Seven (7) Rochdale Principles.
5. This corporation shall have all applicable powers required or permitted by Maine Statute Title 13, Chapter 85.

## Article III: Goals

To the greatest extent possible, in accordance with its purpose and principles, the Cooperative and its individual Members shall set, implement, and uphold policies that achieve the following goals:

1. Housing
  - 1.1. Provide safe, quality, affordable, energy-efficient housing;
  - 1.2. Maintain clean buildings and common spaces;
  - 1.3. Provide a variety of housing options;
  - 1.4. Foster stewardship of the land, building, and Cooperative's assets.

## 2. Membership

- 2.1. Train Members in cooperation, meeting participation, budgeting, and property stewardship;
- 2.2. Create an inclusive environment for new and current Members;
- 2.3. Maintain a proportion of qualifying Low-Income Households that complies with the IRS Safe Harbor Rules for Low-Income Housing Rev. Proc. 96-32;
- 2.4. Reflect the diversity of the surrounding community;
- 2.5. Leverage collective social and material resources of Members to improve the Cooperative for the benefit of all;
- 2.6. Preserve the value of Membership Shares for outgoing Members in good standing;
- 2.7. Encourage a sense of community among Members and the neighborhood.

## 3. Movement Building

- 3.1. Create opportunities for Members to organize and self-advocate;
- 3.2. Educate the public about cooperatives;
- 3.3. Save, invest, and seek additional resources to grow the Cooperative and develop more units;
- 3.4. Support other affordable housing efforts at a regional, national, and global level.

### Article IV: Membership

## 1. Eligibility

Any person may be considered for Membership in the Cooperative under the following conditions:

- 1.1. They are legally able to enter into contract for housing;
- 1.2. They submit a complete Subscription Agreement to the Board of Directors or its designee;
- 1.3. Their income falls within the limits set by Rev. Proc. 96-32.

## 2. Application

- 2.1. Application for Membership shall be submitted by Applicant on a form that has been approved by the Board of Directors.
- 2.2. All such applications shall be acted upon promptly by the Board of Directors or its authorized representative(s).

## 3. Membership Authorization

- 3.1. The Members shall consist of such Subscribers that have been approved for Membership by the Board of Directors or their designee, paid for their Share in full, received an approved Share Certificate, and have executed a Proprietary Lease with the Cooperative.
- 3.2. All Members must abide by the By-Laws, Proprietary Lease, House Rules, and other rules, regulations, and guidelines set forth by the Cooperative.
- 3.3. There shall be one class of Stock and one class of Members.

## 4. Stock

### 4.1. Purchasing Shares

- 4.1.1. A Member shall own one (1) Share of Stock in the Cooperative for each Living Unit they are permitted to occupy.
- 4.1.2. The Cooperative may issue as many Shares as it has equal number of habitable Living Units to lease.
- 4.1.3. The Par Value for each Share is \$10, as of January 1st, 2020.
- 4.1.4. The value of all Shares shall remain fixed at a flat rate and never appreciate nor accrue dividends or profits to any owner.
- 4.1.5. Upon full payment, the Cooperative will issue to Subscriber a Share Certificate, which shall state or include:
  - 4.1.5.1. That the corporation is organized under the laws of the State of Maine;
  - 4.1.5.2. The name of the registered owner of the Share represented thereby;
  - 4.1.5.3. The value of the Share on the day of purchase;
  - 4.1.5.4. The Share number;
  - 4.1.5.5. A reference to this Article of the By-Laws regarding Shares;
  - 4.1.5.6. A signature of the President or Treasurer;
  - 4.1.5.7. The Cooperative's seal.

### 4.2. Transferring Ownership of Shares

- 4.2.1. Transferring ownership of Shares may only take place under approval of the Board of Directors.
- 4.2.2. A Member must transfer ownership of their Shares when there is termination of their Proprietary Lease, they cease to occupy their Living Unit, or there is a termination of their Membership.
- 4.2.3. The Cooperative reserves the right of first refusal to purchase Shares from the Member within sixty (60) days of the Member's official issuance of notice that they wish to sell their Share, or within sixty (60) days of the Member's Termination for Cause.
- 4.2.4. If the Cooperative waives in writing its right to purchase the Share under the foregoing option, or if the Cooperative fails to exercise such option within a sixty (60) day period, the Member may sell their Share to any person who has been duly approved in accordance with these By-Laws.

## 5. Proprietary Lease

The Cooperative will execute a Proprietary Lease with each Member, which shall specify:

- 5.1. Conditions for occupying a designated Living Unit of the Cooperative;
- 5.2. Services provided by the Cooperative, and privileges enjoyed by Members;
- 5.3. A provision that the collateral for a loan against the Share is in the nature of a personal property security interest and any default of such a loan entitles the lender to treat the default in the same manner as a default of a loan secured by personal property;
- 5.4. Provisions for determining maintenance and Carrying Charges;

- 5.5. Rules and Responsibilities for Members, Sublessors, and Guests;
- 5.6. Remedy for Default;
- 5.7. Conditions for Termination of the Proprietary Lease;
- 5.8. Any other requirements, rules, or information as the Cooperative deems necessary.

6. Termination of Membership for Cause

- 6.1. If a Member or staff person believes another Member to be in Default of the Proprietary Lease, they must issue such a concern on record in writing for consideration of the Board of Directors.
- 6.2. If the Board of Directors believe Default has taken place, they must issue a notice to the Member in question ten (10) days in advance of a Special Meeting to address the Default.
- 6.3. At the Special Meeting, the Board of Directors may discuss a Remedy, issue a warning to that Member, or vote to terminate that person's Membership and Proprietary Lease.
- 6.4. For each determination of Default, the Member in question may issue one request for reconsideration to the Board of Directors to change its decision.
- 6.5. Requests for reconsideration must be received by the Secretary within five (5) days following the Board's determination of Default.
- 6.6. If the Board does not modify its determination, the original vote to terminate Membership remains in effect from the time the vote was taken.
- 6.7. If Default of Proprietary Lease is due to Member's actions posing an immediate threat to the health or safety of other Residents or the Cooperative or the Cooperative's employees, or to the physical structure of the residence, then Membership may be terminated without requirement of a Special Meeting of the Board of Directors.
- 6.8. If Default of Proprietary Lease is due to Member's failure to pay Carrying Charges, Membership may be terminated without requirement of a Special Meeting of the Board of Directors.
- 6.9. In the event the rights of the Member have terminated under the Proprietary Lease, this shall be considered a termination of their Membership.
- 6.10. At the time that Member's Proprietary Lease terminates, the Member shall be required to deliver promptly to the Cooperative their Share Certificate and Proprietary Lease, both endorsed in such manner as may be required by the Cooperative.
- 6.11. In the event the retiring Member for any reason should fail for a period of ten (10) days after demand to deliver to the Cooperative their Share Certificate, that Share Certificate shall be deemed to be cancelled and may be reissued by the Cooperative to a new Subscriber.

7. Death of A Member

Within sixty (60) days of the death of a Member, the Cooperative will:

- 7.1. Reclaim ownership of that person's Share;
- 7.2. Issue the Transfer Value of the Share to the beneficiaries listed on that person's Subscription for Membership;

7.3. In the event that no beneficiaries are listed, or those beneficiaries are found to be missing or deceased, the Transfer Value may be divided and issued evenly among the adults permitted to occupy the same Living Unit at the time of Member's death.

8. Replacing Share Certificates

8.1. The Board of Directors may direct that new Share Certificates be issued in place of any Share Certificates previously issued by the Cooperative, and those Share Certificates being replaced shall be marked as VOID or destroyed.

8.2. If Share Certificates are alleged to have been destroyed or lost, upon the making of an affidavit of that fact by the person claiming the Share Certificates to be lost or destroyed, the Cooperative may replace those Share Certificates.

8.3. When authorizing such issuance of new Share Certificates, the Board of Directors may, in its description, and as a condition precedent to the issuance thereof, require the registration owner of such lost or destroyed Share Certificate, or their legal representative, to advertise the same in such manner as the Board of Directors may require, and to give the Cooperative a bond in such sum as the Board of Directors may require, as Indemnity against any claim that may be made against the Cooperative.

9. Non-Members

9.1. Residents who share a Living Unit with a Member and whose names are included on that Member's Proprietary lease agreement shall enjoy the rights and privileges of Membership, with the exception of the following:

- 9.1.1. Voting at Member meetings, unless designated as a Member's proxy;
- 9.1.2. Choosing to transfer ownership of a Share;
- 9.1.3. Terminating or amending that Member's Proprietary Lease agreement.

9.2. Residents who lease their own Living Unit from the Cooperative and who are not Members of the Cooperative shall be considered Tenants, and may occupy no more than twenty percent (20%) of the Living Units of the Cooperative, as determined by the Board of Directors.

9.3. Residents paying a fee to either a Tenant or Member for the right to occupy a portion of that person's leased Living Unit shall be regarded as a Sublesser, may not be charged any fees that exceed the current Carrying Charges owed for lease of that Living Unit.

ARTICLE V: Meeting of Members

1. Place of Meetings

Meetings of the Membership shall be held at the principal office or place of business of the Cooperative, or at such other suitable place convenient to the Membership as may be designated by the Board of Directors.

## 2. Annual Meetings

- 2.1. The annual meeting of the Cooperative shall be held on the second Tuesday of June of each year; provided, however, that the Board of Directors may in any year fix the date of the annual meeting within a period of sixty (60) days before or after said date.
- 2.2. At such meeting, there shall be elected by ballot a Board of Directors in accordance with the requirements of these By-Laws.
- 2.3. The Members may also transact such other business of the Cooperative as may properly come before them.

## 3. Special Meetings

- 3.1. A Special Meeting may be called by a majority of the Board of Directors or by petition signed by thirty percent (30%) of the Members in good standing and presented to the Secretary asking for such Special Meeting, in which case the Secretary must serve notice of the special meeting which may not, in any case, be scheduled less than ten (10) nor more than fifteen (15) days from date of the request. If the meeting is not called within the fifteen (15) day period, then another Officer may do so.
- 3.2. The notice of any Special Meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a Special Meeting except as stated in the notice unless by consent of four-fifths (4/5ths) of the Members present, either in person or by proxy.

## 4. Notice of Meetings

- 4.1. It shall be the duty of the Secretary to provide a notice of each Annual or Special Meeting, stating the purpose thereof as well as the time and place where it is to be held to each Member.
- 4.2. In the case of an Annual Meeting, service must be accomplished at least ten (10), but no more than sixty (60), days prior to such meeting.
- 4.3. In the case of a Special Meeting, service must be accomplished at least ten (10) but no more than fifteen (15) days prior to such meeting.
- 4.4. Service of notice may also be accomplished by email, posting of notice in common areas, or mailing or personal delivery of a written notice to the Member at their Living Unit.

## 5. Quorum

- 5.1. The presence, either in person or by proxy, of at least twenty-five percent (25%) of the Members of record and in good standing of the Cooperative shall be requisite for, and shall constitute a quorum for the transaction of business at all meetings of the Members.
- 5.2. 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.

## 6. Adjourned Meetings

- 6.1. If any meeting of Members cannot be organized because a quorum has not been 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 another time that they believe will achieve the Quorum.

## 7. Voting

- 7.1. At every meeting of the regular Members, each Member present in person or by proxy shall have the right to cast one vote on each question and never more than one vote.
- 7.2. Notwithstanding the above section, an individual Member serving as proxy may cast one vote for themselves, and one vote for the Member for whom they serve as proxy.
- 7.3. The vote of the majority of those Members present shall decide any question brought before such meeting, unless the question is one upon which, by express provision of statute or the Articles of Incorporation or these By-Laws, a different vote is required, in which case such express provision will govern and control.
- 7.4. No Member shall be considered in good standing or eligible to vote or to be elected to the Board of Directors who is shown on the books or management accounts of the Cooperative to be delinquent in payments due the Cooperative under their Proprietary Lease or has not paid the Carrying Charges in full, including all costs, attorneys' fees, penalties and other expenses properly charged against them regarding their Living Unit and any other obligations owed to the Cooperative.
- 7.5. For any meeting, the determination of good standing shall be made at least seventy-two (72) hours prior to the date of said meeting.

## 8. Proxies

- 8.1. A Member may appoint only another Member as their proxy, except as provided in Article IV Section 10.1.1 of these By-Laws.
- 8.2. For each vote, a Member serving as proxy is entitled to vote once for the Member for whom they serve as proxy, and once for themselves.
- 8.3. A proxy cannot serve in such capacity as proxy for more than one (1) Member per meeting.
- 8.4. Any proxy must be filed with the Secretary before the appointed time of each meeting.

## 9. Order of Business

- 9.1. The order of business at all regularly scheduled meetings of the regular Members shall be as follows:
  - 9.1.1. Roll call and Treasurer's certification as to eligibility of Members
  - 9.1.2. Proof of notice of meeting or waiver of notice
  - 9.1.3. Adoption of minutes of preceding meeting
  - 9.1.4. Report of the Management Agent, if any
  - 9.1.5. Reports of Officers
  - 9.1.6. Reports of Committees
  - 9.1.7. Election of Directors, conducted through ballot by the Secretary
  - 9.1.8. Unfinished business
  - 9.1.9. New business
  - 9.1.10. Adjourn

9.2. In the case of special meetings, items (9.1.1) through (9.1.5) shall be applicable and thereafter the agenda shall consist of the items specified in the notice of the meeting.

## 10. Conduct of Meetings

The recent edition of Roberts Rules of Order shall govern the conduct of all meetings of Members when not in conflict with these By-Laws.

## ARTICLE VI: DIRECTORS

### 1. Number and Qualifications

- 1.1. The Board of Directors shall be composed of no less than three (3) persons and no more than eleven (11) persons.
- 1.2. For each building owned by the Cooperative, a corresponding seat shall be designated for a representative and resident from that building.
- 1.3. All other seats shall be at-large.
- 1.4. Any Member in good standing may nominate themselves to be a candidate for the Board of Directors, and must notify the Secretary of their choice to be a candidate at least ten (10) days prior to the election.
- 1.5. The Board of Directors shall be composed of at least two-thirds (2/3's) Members.
- 1.6. The Board of Directors shall not be composed of 65% or more of the total Membership
- 1.7. The Board of Directors, at their discretion, may nominate non-Members to be candidates.
- 1.8. An employee of the Cooperative shall not serve on the Board of Directors.

### 2. Duties and Responsibilities

- 2.1. The Board of Directors shall have all the powers, duties, and responsibilities necessary for the administration of the affairs of the Cooperative, in accordance with these By-Laws.
- 2.2. The duties and responsibilities of the Board of Directors shall include but not be limited to:
  - 2.2.1. Accept or reject all applications for Membership and admission to occupancy of a dwelling unit in the cooperative housing project;
  - 2.2.2. Assign monthly Carrying Charges as provided for in the Proprietary Lease, in amounts sufficient to meet the Cooperative's financial requirements fully, based on an annual operating budget, formally adopted by the Board of Directors, and on a timely basis, to modify and formally adapt the operating budget to meet changing requirements;
  - 2.2.3. Assign Special Assessments when needed;
  - 2.2.4. Engage and supervise an agent or employees for the management of the Cooperative's property, under such terms as the Board may determine;
  - 2.2.5. To Terminate Membership and rights under the Proprietary Lease for cause, and require that very prompt action be taken to evict Members who fail to pay all Carrying Charges or perform any other of their obligations to the Cooperative;



- 2.2.6. To promulgate such rules and regulations pertaining to use and occupancy of the premises as may be deemed proper and which are consistent with these By-Laws, the Articles of Incorporation, and the Proprietary Lease.
- 2.2.7. In the event a Director has a conflict of interest in any matter before the Board, the remaining Directors of the Board by majority vote may require that Director to recuse themselves from the matter, and shall always comply with the requirements of the IRS standard conflict of interest policy.

3. Election and Term of Office

- 3.1. The term of office for Directors shall be fixed as two (2) year terms.
- 3.2. The Directors shall hold office until their successors have been elected and hold their first meeting.
- 3.3. Directors appointed to office to fill a vacancy will hold office for a term equivalent to that of the Directors who were replaced.

4. Vacancies

- 4.1. In the event a Director's Membership is terminated, they will automatically relinquish their office of Director.
- 4.2. Vacancies in the Board of Directors among the Directors created by this action or any other reason other than removal of a Director by a vote of the Membership shall be filled by vote of the majority of the remaining Directors, even though they may constitute less than a quorum; and each person so 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.

5. Removal of Directors

- 5.1. At any regular or special meeting duly called, any Director may be removed with or without cause by the affirmative vote of the majority of the entire Membership of record, and a successor may then and there be appointed to fill the vacancy thus created.
- 5.2. Any Director whose removal has been proposed by the Members shall be given an opportunity to be heard at the meeting. Any Director who is not in good standing shall not be eligible to participate in a meeting of the board of Directors.
- 5.3. The term of any Director who becomes more than thirty (30) days delinquent in payment of their Carrying Charges shall be automatically terminated and the remaining Directors shall appoint the successor.

6. Compensation

- 6.1. No compensation shall be paid to Directors or Officers for their service in those roles. .
- 6.2. No remuneration shall be paid to a Director or Officer for services performed for the Cooperative or in any other capacity, unless a resolution authorizing such remuneration shall be unanimously adopted by the Board of Directors before the services are undertaken.

## 7. Regular Meetings

- 7.1. Regular meetings of the Board of Directors may be held at such time and place as shall be determined, from time to time, by a majority of the Directors, but at least four (4) such meetings shall be held during each fiscal year.
- 7.2. Notice of regular meetings of the Board of Directors shall be given to each Director, personally or by email or phone, at least three (3) days prior to the day named for such meeting.
- 7.3. All meetings of the Board of Directors shall be open to the Membership.

## 8. Special Meetings

- 8.1. Special meetings of the Board of Directors may be called by the President on three (3) days notice to each Director, given personally or by email or phone, which notice shall state the time, place, and purpose of the meeting.
- 8.2. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice, on the written request of two (2) Directors.

## 9. Waiver of Notice

- 9.1. Before or at any meeting of the Board of Directors, any Director may waive notice of such meeting in writing and such waiver shall be deemed equivalent to the giving of such notice.
- 9.2. Attendance by a Director at any meeting of the Board shall be a waiver of notice by them of the time and place thereof.
- 9.3. If all the Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.
- 9.4. Where all of the Directors unanimously approve and sign a resolution or authorization on behalf of the Cooperative, an original or copy of this signed document must be entered into the minutes records, it shall be recognized as proper corporate action taken at a duly authorized meeting, without proceeding under the provisions herein that would otherwise be applicable for calling and holding Directors' meetings.

## 10. Quorum

- 10.1. At all meetings of the Board of Directors, a majority of the Directors in good standing shall constitute a quorum for the transaction of business.
- 10.2. The acts of the majority of such Directors present at a meeting at which a quorum is present, shall be the acts of the Board of Directors.
- 10.3. If there is no quorum, a Director may move that any business before the Board of Directors be voted on by the absent Directors via electronic mail within 48 hours of that meeting.

## 11. Committees

- 11.1. Committees may be formed by a resolution adopted by the Board of Directors, and the President may appoint people to serve on such committees as they deem appropriate to facilitate the efficient management of the Cooperative's affairs.

- 11.2. Each committee shall have and may exercise such powers as shall be conferred or authorized by the resolution appointing it, provided that no such committee shall have any power to bind the Cooperative.
- 11.3. A majority of any such committee may determine its action and may fix the time and place of its meetings, unless provided otherwise by the Board of Directors.
- 11.4. The Board of Directors shall have the power at any time to fill vacancies in, to change the size or Membership of, and to discharge any such committee.
- 11.5. Each such committee shall keep a written record of its acts and proceedings, and shall submit such record to the Board of Directors at each regular meeting thereof, and at such other times as requested by the Board of Directors.

## 12. Interim Board of Directors

- 12.1. An Interim Board of Directors may serve as the Board of Directors until the first Membership Meeting takes place, at which time the Members must elect the Board of Directors.
- 12.2. The Interim Board of Directors shall be comprised of the Incorporators listed on the Articles of Incorporation, and may make appointments to fill vacancies as needed.

## 13. Conduct of Meetings

The recent edition of Roberts Rules of Order shall govern the conduct of all meetings of the Board of Directors when not in conflict with these By-Laws.

## ARTICLE VII: OFFICERS

### 1. Designation

- 1.1. The principal officers of the Cooperative shall be a President, one or more Vice Presidents, a Secretary, and a Treasurer, all of whom shall be elected by and from the Board of Directors.
- 1.2. The Directors may appoint Assistant Vice Presidents, Assistant Treasurers, and Assistant Secretaries, and such other officers as in their judgment are deemed advisable.

### 2. Election of Officers

The officers of the Cooperative shall be elected annually by the Board of Directors at the first meeting of each new Board of Directors.

### 3. Removal of Officers

Upon an affirmative vote of a majority of the Members of the Board of Directors, any officers may be removed, and their successor elected at any regular meeting of the Board of Directors, or at any special meeting of the Board called for such purpose.

### 4. President

- 4.1. The President shall be the chief executive officer of the Cooperative.

- 4.2. They shall preside at all meetings of the Members and of the Board of Directors.
- 4.3. They shall have all the general powers and duties which are usually vested in the office of President of a corporation, including but not limited to the power to authorize emergency actions or expenditures, negotiate on the Cooperative's behalf, and appoint committees.

5. Vice President

- 5.1. The Vice President shall take the place of the President and perform their duties whenever the President shall be absent or unable to act.
- 5.2. If neither the President nor the Vice President is able to act, the Board of Directors shall appoint some other Member of the Board of Directors to do so on an interim basis.
- 5.3. The Vice President shall also perform such other duties as shall from time to time be required by the Board of Directors.

6. Secretary

- 6.1. The Secretary shall keep the minutes of all meetings of the Board of Directors and the minutes of all meetings of the Members of the Cooperative.
- 6.2. They shall have the custody of the seal of the Cooperative.
- 6.3. They shall have charge of the Membership transfer books and of such other books and papers as the Board of Directors, may direct.
- 6.4. In general, they shall perform all the duties incident to the office of Secretary.

7. Treasurer

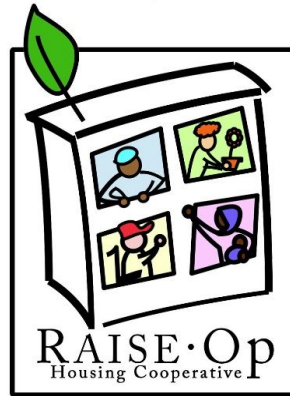
The Treasurer shall have the responsibility for corporate funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements for the deposit of all monies and other valuable effects in the name, and to the credit, of the Cooperative in such depositories as may from time to time be designated by the Board of Directors.

ARTICLE VIII: AMENDMENTS

1. These By-Laws may be amended by the affirmative vote of the majority of the entire regular Membership of record in good standing at any regular or special meeting.
2. Amendments may be proposed by the Board of Directors or by petition signed by at least twenty percent (20%) of the Members in good standing.
3. 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.

## ARTICLE IX : Corporate Seal

1. The Corporate Seal shall be the following image, which seal shall be in the charge of the Secretary:



2. 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.
3. The image of this seal may also be used as a brand or logo on promotional materials for the Cooperative, and small modifications, including size, color, and other items, may be applied so long as the corporate seal remains easily recognizable.

## ARTICLE X: FISCAL MANAGEMENT

1. Fiscal Year

The fiscal year of the Cooperative shall begin on the first day of January and end on the last day of December each year.

2. Books and Accounts

Books and accounts of the Cooperative shall be kept by the Treasurer.

3. Annual Report

At the close of each fiscal year, an annual report will be prepared by the President and furnished to Members with an annual financial statement including the income and disbursements of the Cooperative.

4. Inspection of Books

Financial reports such as are required to be furnished to lenders or the Membership records of the Cooperative shall be available at the principal office of the Cooperative for inspection at reasonable times by any Member; provided, that personal financial information of any Member may only be disclosed to that Member.

5. Execution of Corporate Documents

With the prior authorization of the Board of Directors, all notes and contracts, including Proprietary Leases, shall be executed on behalf of the Cooperative by either the President or the Vice President. The President or Vice President, at their discretion, may delegate such authority to Secretary, Treasurer, or an administrative employee of the Cooperative. Contracts that renew an existing agreement or service or that pertain to the general ongoing operation of the Cooperative may be executed by any Officer or an administrative employee of the Cooperative without prior authorization of the Board of Directors. (Amended 6/4/15)

6. Solidarity with Cooperative Movement

- 6.1. The Cooperative may become a Member of an association of cooperatives which join together for purposes of mutual aid, or an association that advances the right of all people to safe and affordable housing.
- 6.2. The Board of Directors, on behalf of the Cooperative, may adopt resolutions or speak in support of organizations or policies that promote the principles and goals of the Cooperative, as they relate to other facets of the local, regional, and global community.

ARTICLE XI: SEVERABILITY PROVISION

If any term or provision of these By-Laws or the application thereof to any persons or circumstances shall, to any extent and for any period of time, be invalid or unenforceable, said term or provision or the application thereof shall be considered inoperative, and the remainder of the By-Laws and the application of its terms or provisions to persons or circumstances, other than those to which it is held invalid or unenforceable, shall not be affected thereby.

ARTICLE XII: Dissolution

1. By a vote of at least eighty percent (80%) of the Members eligible to vote, the Cooperative may be dissolved.
2. Through a vote of a majority of the Members voting, three (3) people shall be designated as trustees, who shall, on behalf of the association and within a time fixed in their designation or within any extension thereof, liquidate the Cooperative's assets and shall distribute them in the manner set forth in this section.
3. In case of any dissolution of the Cooperative, its assets shall be distributed in the following manner and order:
  - 3.1. Paying outstanding debts and expenses.
  - 3.2. Returning to the Members the Transfer Value of their Shares.
  - 3.3. Giving to 501c3 non-profit organizations that promote or provide affordable housing in Androscoggin County. If no such affordable housing nonprofit exists in Androscoggin County, the remaining assets shall be donated to any other 501c3 non-profit affordable housing provider in a neighboring county.

### ARTICLE XIII: Definitions

1. Accountability – Being answerable for actions that one performs and for the consequences of those actions.
2. Annual Meeting – A meeting to which all Members of the Cooperative are invited. At the meeting, Members may elect representatives to the Board of Directors, hear financial reports, amend the Cooperative's By-Laws, or attend to other business.
3. Articles of Incorporation – A document filed with the Secretary of State that describes how the Cooperative is organized.
4. Assets – Resources, properties and property rights owned by an individual or business enterprise.
5. Audit – A formal examination and verification of an organization's books and records by an impartial, trained, outside party, usually a certified public accountant (CPA).
6. Board of Directors – Elected by a co-ops' Membership, the board of directors oversees the co-ops operations and finances on behalf of Members.
7. Annual Budget – An itemized plan that shows how resources will be used, including all projected costs and revenue for the year.
8. Carrying Charge – A carrying charge is the monthly payment that each Member makes to the Cooperative that covers all of the Cooperative's fixed and variable expenses, such as debt service, utilities, management, insurance, and legal fees.
9. Cooperative – A corporation jointly owned and governed either by its workers (a worker cooperative) or its customers (a consumer cooperative.)
10. Default – When a Member does not honor their legal commitment to the Cooperative.
11. Dissolution – When a company decides or is forced to go out of business.
12. Equity – The process of addressing everyone's basic needs within a community, according to each person's ability and need, while also reasonably and fairly rewarding people for their input.
13. Eviction – The legal process of forcing a Member or resident to surrender their Membership and leave the building. Eviction always requires court action.
14. Group Equity - The social and economic value that is developed and retained by the Cooperative for the long term benefit of Members and other participants, but which cannot be extracted from the Cooperative for individual gain or profit.
15. Guests - People invited to visit the Cooperative's property by Residents or Staff, and who are neither Members nor are they named in any lease agreement for housing services.

16. House Rules – Rules developed by Members that concern a person’s behavior on the Cooperative’s land, inside the Cooperative’s buildings, or other behavior that affects those people affiliated with the Cooperative. House rules cover such issues as parking, garbage, maintenance, noise and resolving conflicts.
17. Indemnification – To agree not to blame or sue someone for official actions taken on behalf of the Cooperative, and to protect someone from related lawsuits.
18. Limited Equity Housing Cooperative – A non-profit consumer association which provides the service of housing and restricts the Transfer Value of a Member’s Share, in order to preserve affordability for future Members.
19. Liquidation – The process of dissolving a corporation and selling off all its assets.
20. Living Unit – That part of the Cooperative’s property that is designed for private occupancy by one Member or Tenant and their respective family or roommates listed on their lease.
21. Low-Income Household - A household with an income at or below eighty percent (80%) Area Median Income, as defined by the Department of Housing and Urban Development (HUD).
22. Member – A Subscriber who has been approved by the Board of Directors, executed a Subscription Agreement and Proprietary Lease, paid all fees required to be paid by such person under said agreements, and issued a Share and corresponding Share Certificate.
23. Occupancy Agreement – An agreement (in a form approved by the board of directors, and as specified in the co-op’s bylaws) between a person and the cooperative in which the person is granted the right to occupy a specific dwelling unit, and which spells out the rights and obligations of the Member and the Cooperative.
24. Par Value – The starting value for shares in the Cooperative.
25. Proprietary Lease – An agreement signed by an Officer of the Board and a Member, which gives the Member the right to occupy a specific Living Unit within the Cooperative’s property, and which spells out the rights and obligations of the Member and the Cooperative.
26. Proxy – The authorization of one person to act on behalf of another; an individual acting as proxy for a second person. The proxy is entirely free to act as they see fit, and is not bound by any directive from the person authorizing the proxy.
27. Quorum – The minimum number of people who must be present at an official meeting of the Cooperative in order to transact official business.
28. Remedy – A special agreement and action carried out between a Resident and the Board of Directors that is meant to repair any damage or burden caused by Default on a previous agreement.
29. Reserves – Money set aside from net income to meet expected or unexpected expenses; usually kept in a form (like a savings account) that is easily converted to cash.



30. Resident - Any person, Member or non-Member, who lives in property owned by the Cooperative.
31. Right of First Refusal – The right of the Board of Directors to refuse the option to purchase the Membership of an outgoing Member.
32. Rochdale (Cooperative) Principles – A set of seven principles, developed by the international cooperative community, which define how cooperatives ought to behave: open membership, democratic control, limited return on member equity, one member one vote, continuous education, cooperation with other cooperatives, and sustainable community development.
33. Share of Stock (or Share) – A portion of the Cooperative’s total stock, ownership of which is required by a person to be a Member of the Cooperative..
34. Share Certificate - A document that represents the Member’s Share of Stock in the Cooperative.
35. Special Assessment - A one-time charge to address an urgent financial need, imposed on all Members by a vote of the Board of Directors.
36. Sublesser – A person who agrees to sublease a portion of a Living Unit from a Tenant or Member.
37. Subscription Agreement – A written agreement between a person and the Cooperative (in a form approved by the board of directors, and as specified in the co-op’s bylaws) in which such person agrees to execute a Proprietary Lease, purchase the required Share, assume monthly carrying charges, and become a Member of the Cooperative.
38. Subscriber - A person who has completed a Subscription Agreement and intends to become a Member of the Cooperative, pending approval of the Board of Directors.
39. Tenant - A person who is not a Member and enters into agreement with the Cooperative to lease a Living Unit.
40. Transfer Value – The dollar amount for which a Member’s Share may be sold, as specified in the By-Laws.
41. Waiver – An agreement that allows someone to be exempt from a policy or rule that applies to everyone else.