

ARTICLE I

Name and Location of Cooperative

- A. Name. The name of this cooperative is the Pilsen Housing Cooperative (PIHCO), hereafter the “Co-op.”
- B. Location. The principal office of the Co-op is located in the City of Chicago, Cook County, Illinois.

ARTICLE II

Purpose

This Co-op is organized under the Illinois General Not-For-Profit Corporation Act for the following purposes:

- A. To acquire, own, and operate real estate in the Pilsen neighborhood in order to provide its Members with affordable, stable housing on a cooperative basis;
- B. To expand opportunities for home ownership in the Pilsen community, especially for low- and moderate-income families and artists, and to prevent displacement due to gentrification.
- C. To develop as much limited-equity, cooperatively owned housing as possible;
- D. To recognize Pilsen’s unique history as the cultural heart of Mexican Chicago and work to keep that history alive;
- E. To create an intentionally supportive community of people who will work together with community institutions to benefit working-class families and Latino arts and culture;
- F. To promote the seven cooperative principles: voluntary and open Membership, democratic Member control, Member economic participation, autonomy and independence, community education, cooperation among cooperatives, and concern for the community.
- G. To utilize all legal rights and powers in furtherance of the above purposes; and to engage in any lawful activity for which cooperative corporations may be organized.

ARTICLE III

Definitions

- A. **Board of Directors (or “Board”)**: means the governing body of the Co-op, as described in Article VI. As described there, the initial Board is the Steering Committee.
- B. **Consensus-minus-one**: means ALL eligible voting Members must agree, except for a maximum of ONE (1) who may disagree or abstain. For example, if there are 100 eligible voters, a decision that requires consensus-minus-one can pass only if at least 99 voters agree.
- C. **Co-Owner**: means an adult Household Member who jointly owns a Membership with another adult Household Member.

- D. **Director:** means a person who currently serves on the Board of Directors.
- E. **Household:** means, for each Membership or Unit, the people listed as authorized occupants of the Unit in a Member’s Occupancy Agreement and who live in the Unit as their domicile.
- F. **Membership:** means a share in the Co-op, evidenced by a Membership Certificate, which carries with it the right to occupy the associated Unit and all the other rights and responsibilities of Membership described in these Bylaws and the Occupancy Agreement.
- G. **Membership Certificate:** means the printed certificate evidencing a Membership, as further described in Article IV.F. of the Bylaws.
- H. **Occupancy Agreement:** means the proprietary lease agreement between a Member and the Co-op governing the Member’s occupancy of the Unit that is associated with the Membership.
- I. **Purchase Agreement:** means the contract signed by an incoming Member for the purchase of a Membership, which identifies the required Purchase Fee and the Unit associated with that Membership.
- J. **Purchase Fee:** means the amount paid by a Member for their Membership in the Co-op. The Purchase Fee will be identified in the Purchase Agreement and will never exceed the Transfer Value.
- K. **Steering Committee:** means the Co-op’s initial Board of Directors as elaborated in Article VI.
- L. **Transfer Value:** means, for each Membership, the amount equal to the most recent Purchase Fee paid in connection with that Membership, plus the amount the departing Member has paid towards the principal of the Co-op’s mortgage(s) through the Member’s monthly housing charges, as calculated by the Co-op’s Treasurer, plus the cost of any Co-op-approved improvements.

$$\text{Transfer Value} = \begin{matrix} \text{Initial Purchase Fee} \\ \text{or} \\ \text{Price Paid by} \\ \text{Subsequent Member} \end{matrix} + \text{payments toward} \begin{matrix} \text{mortgage principal} \\ \text{of Co-op-} \\ \text{approved} \\ \text{improvements} \end{matrix} + \text{Co-op-approved cost}$$

- M. **Unit:** means a dwelling unit in the Co-op. Each Unit is associated with one and only one Membership.

ARTICLE IV
Membership

- A. Eligibility. Any person approved by the Co-op’s Board of Directors shall be eligible for Membership, provided that he or she executes a Purchase Agreement, an Occupancy Agreement, and other documents that may be required by the Co-op. Nothing in these bylaws shall prevent the Co-op from agreeing to limitations or priorities for applicants in accordance with any affordability restrictions imposed by Co-op financing.
- B. Application for Membership. Application for Membership shall be presented in person on a form prescribed by the Board of Directors. The Board of Directors will establish an application procedure.

- C. Purchase Agreement. Once an applicant is accepted for Membership, the applicant shall sign a Purchase Agreement and an Occupancy Agreement and pay the Purchase Fee identified in the Purchase Agreement.
- D. Purchase Funds. The Co-op will deposit Purchase Fees that it receives in an interest bearing, FDIC-insured bank account.
- E. Members.
1. The Members shall consist of the individuals who have been approved for Membership by the Board of Directors and who have paid their Purchase Fee and received Membership Certificates.
 2. The Co-op has a single class of Members. Each Unit has one Member, entitled to one vote. The number of Memberships within the Co-op will not be fixed, but will grow as the Co-op acquires more units and properties.
 3. A single Membership may be owned by two or more Co-Owners who are all adults in the same Household. In that case, Co-Owners may choose to hold ownership as tenants in common, as joint tenants with right of survivorship, or, if they are married, as tenants by the entirety. The mode of Co-Ownership, if applicable, will be listed on the Membership Certificate.
 4. When an individual has an ownership interest in more than one Membership, the Board (or committee that the Board appoints) will determine the voting rights for the affected Memberships and will be guided by the following principles and examples:
 - (a) Individuals are permitted to own multiple Memberships.
 - (b) The following examples illustrate how multiple ownership interests and voting rights should be decided by the Board or appointed committee:
 - i. For example: Imagine A has a small apartment in the Co-op. Then, with two other artists, A co-owns a large unit they share as studio space. A would have one vote (from his unit) —and the co-owners of the other space would also have a single combined vote. If A owned two small units, all on his own: one for work, one for home, then he should have one vote.
 - ii. For example: If B and C buy two units for their family where they live in one unit and their adult children live in the other unit, that is still one vote. If, however, the second membership is in the name of the adult children living in the second unit and they are active members of the Co-op, then there would be two votes: one for B and C, and the other for the adult children.
 - iii. If a couple meets in the Co-op as two separate members—they will not lose their individual voting rights if they come together as a couple.
- F. Membership Certificates. The Board will adopt a form of Membership Certificate, which at a minimum will list the name of the Co-op, the Unit that is associated with the Membership, the name(s) of the owner or Co-Owners of the Membership, and (if applicable) whether Co-Ownership is as tenants in common, joint tenants with right of survivorship, or (for married couples) as tenants by the entirety. A Membership Certificate will be issued only when the Purchase Fee has been paid in full, an Occupancy Agreement has been signed, and all other requirements for Membership are satisfied. The Secretary will maintain a record of Membership Certificates that have been issued and their owners or Co-Owners. Every Membership Certificate shall be signed by the President and the Secretary. A Membership Certificate may be held by a trust, with the Member(s) as the beneficiary or beneficiaries, or with the Member's children or other loved ones as designated beneficiaries, for estate planning purposes.

- G. Lost Certificates. If a Membership Certificate is lost or destroyed, the Board may replace it, and may first require the Member 1) to give notice in the manner determined by the Board to the public and to other Members that a new Membership Certificate is requested and 2) to give the Co-op a bond in the amount required by the Board as indemnity against any claim that may be made against the Co-op.
- H. Lien. The Co-op has a legal interest (a lien) on each Membership to secure payment of amounts due or that become due from the Member, for any reason whatsoever, including amounts due under any Occupancy Agreement. This lien restricts a Member's ability to sell the Membership if payments owed to the Co-op have not been made.
- I. Transfer of Membership. Members may transfer their Memberships only as provided in these bylaws. When a Membership is transferred, the Co-op may charge the incoming Member an appropriate fee set by the Board to compensate the Co-op for processing the transfer.

1. Death of a Member.

(a) Membership Transfers to Household Person after Member's Death. If a Member dies, the Membership passes to their heir. If the heir is part of the deceased Member's Household, the heir does not need to apply for Membership but may become a Member simply by agreeing in writing to the terms of the Member's Occupancy Agreement and paying any amounts due under the Occupancy Agreement and the Bylaws. This writing must be submitted within 60 days after the Member's death, unless extended by the Co-op. If the heir chooses not to become a Member, the heir must notify the Co-op in writing (a "No Action Notice"), and then the Co-op has the option (but not the obligation) to purchase the Membership directly following the procedures in Article IV.I.2. If the Co-op does not exercise its option to purchase, the heir must transfer the Membership to a new Member following the procedures in Article IV.I.2. In following the option to purchase process in Article IV.I.2, the No Action Notice (or the lapse of the heir's 60-day period, if the heir fails to provide a No Action Notice) will be equivalent to notice of intention to withdraw from the Co-op.

(b) Membership Transfers to Non-Household Person after Member's Death. If, upon death of a Member, the Membership passes to an heir who is not part of the deceased Member's Household, then the heir may apply for Membership in the Co-op, within 60 days after the Member's death. If the heir is not approved to be a Member, or does not apply for Membership, then the Co-op has the option (but not the obligation) to purchase the Membership directly following the procedures in Article IV.I.2. If the Co-op does not exercise its option to purchase, the heir must transfer the Membership to a new Member following the procedures in Article IV.I.2. In following the option to purchase process in Article IV.I.2, the Co-op's written communication to the heir denying membership (or, the lapse of the heir's 60-day period to apply for membership with no application being submitted) will be equivalent to notice of intention to withdraw from the Co-op.

2. Voluntary Sale by Member, Which Triggers Option to Purchase by Co-op, or Else A Sale to a Third Party. If a Member desires to leave the Co-op, the Member must notify the Co-op in writing at least three months before the date they want to leave the Co-op, as stated in the notice. The date the Member intends to leave is the "Transfer Date" and must be the first day of a calendar month. Within 45 days of receiving this notice of intention to withdraw, the Co-op shall have the option, but not the obligation, to purchase the Membership, together with all of the Member's rights with respect to the dwelling unit, for an amount determined by the Co-op to represent the Membership's Transfer Value, less the sum of (a) any amounts due to the Co-op from the Member under the Member's Occupancy Agreement or otherwise, and (b) the cost or estimated cost of all deferred maintenance, including painting, redecorating, floor finishing, and repairs and replacements deemed necessary by the Co-op to make the Unit suitable for another occupant, ordinary wear and tear excepted. The purchase by the Co-op of the Membership shall take effect on

the Transfer Date and shall immediately terminate the Member's rights under both the Membership Certificate and Occupancy Agreement. The Member shall vacate the premises on or prior to the Transfer Date.

If the Co-op chooses not to exercise its option to purchase or fails to complete the purchase within its 45-day window, then the departing Member may sell the Membership to a third party. The Membership may only be sold to someone whose application for Membership is approved by the Co-op. The proposed transferee must sign a Purchase Agreement and an Occupancy Agreement. The Purchase Fee can be any amount agreed to by the departing Member and the transferee, but cannot exceed the Transfer Value. Any lenders/closing costs incurred by the voluntary sale of a Membership are the responsibility of the transferee. The proposed transferee must pay the Purchase Fee to the Co-op, and then the Co-op will pay the departing Member the Purchase Fee less the sum of (c) any amounts due to the Co-op from the Member under the Member's Occupancy Agreement or otherwise, and (d) the cost or estimated cost of all deferred maintenance, including painting, redecorating, floor finishing, and repairs and replacements deemed necessary by the Co-op to make the Unit suitable for another occupant, ordinary wear and tear excepted. The Co-op reserves the right to withhold up to \$5,000 for up to 30 days after the payment of the Purchase Fee pending a full inspection of the vacated unit. However, if the deductions under (c) and (d) are greater than the amount of the Purchase Fee, the Co-op will keep the Purchase Fee and the departing Member shall pay the Co-op the difference. Until all amounts due to the Co-op are paid, the new Member may not take occupancy of the Unit (without the Co-op's written permission) and the departing Member will not be released from the departing Member's obligations under the Occupancy Agreement.

3. Termination of Membership for Cause. When Board has terminated the rights of a Member under the Member's Occupancy Agreement, the Member shall promptly turn in to the Co-op his or her Membership Certificate and Occupancy Agreement, both endorsed as required by the Co-op, and must vacate the Unit. The Co-op will then choose to either purchase the Membership within 60 days after termination or to proceed with reasonable diligence to locate a third party to purchase the Membership. At the purchase of the Membership by the Co-op or by a third party, the terminated Member will receive the Transfer Value, less the sum of (a) any amounts due to the Co-op from the terminated Member under the Member's Occupancy Agreement or otherwise, (b) the cost or estimated cost of all deferred maintenance, including painting, redecorating, floor finishing, and repairs and replacements deemed necessary by the Co-op to make the Unit suitable for another occupant, ordinary wear and tear excepted, and (c) legal and other expenses incurred by the Co-op in connection with the default of the Member and the resale of his or her Membership. If the Membership is sold to a third party, the Co-op reserves the right to withhold up to \$5,000 for up to 30 days after payment of the Purchase Fee pending a full inspection of the vacated unit. If amounts generated by the sale to a third party are insufficient to pay all amounts due to the Co-op, then the terminated Member remains liable for the deficiency.

If the terminated Member for any reason fails to deliver to the Co-op his or her endorsed Membership Certificate, the Co-op will deem it canceled and will reissue a new Membership Certificate for the corresponding Unit to the new incoming Member.

ARTICLE V

Meetings of Members

- A. Place of Meetings. Meetings of the Membership shall be held at a suitable place convenient to the Membership, as may be designated by the Board of Directors.
- B. Annual Meetings. When it becomes clear (through the addition of properties) that the Board will reach a size of 12, as further discussed in Article VI, the first annual meeting of the Co-op shall be held within ninety (90) days to hold the Board's first election. Subsequent annual meetings of the Co-op shall be held during the same month of each following year as set by the Board. At each annual meeting, the Members will vote to elect directors in accordance with Article VI, and may conduct other business as well.
- C. Special Meetings. The President must call a special meeting of the Members if the Board requires it or if a petition signed by thirty percent (30%) of the Members is presented to the Secretary. The notice of any special meeting shall state the time, place and purpose of such meeting. The special meeting may address only the matters stated in the notice, unless at least four-fifths of the Members present at the special meeting, either in person or by proxy, vote to address additional matters as well.
- D. Notice of Meetings. The Secretary must deliver a notice of each annual or special meeting, stating the purpose, time, and place of the meeting. Notice must be delivered by mail or personal delivery to each Member of record, at his or her address as it appears in the Membership records of the Co-op, or if no such address appears, at his or her last known place of address, or by email or other electronic means of communication (as registered as contact information in the records of the Co-op), at least seven (7) days but not more than thirty (30) days prior to such meeting. Notices of all meetings shall be posted in each common area, and may be posted to social media as well.
- E. Quorum. The presence, either in person, by live telecommunications, or by proxy, of a quorum of Members is required for the transaction of any business at all meetings of Members. A quorum shall be a minimum of seventy-five percent (75%) of the Members of record of the Co-op for meetings of the entire Membership. 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.
- F. Adjourned Meetings. If a meeting of the Members does not have a quorum, the Members who are present may adjourn the meeting and resume the meeting when a quorum is assembled, without further notice being required.
- G. Voting. At every meeting of the Members, each Member has the right to cast one vote on each question, but no more than one vote. If a Membership has Co-Owners, the Co-Owners must name one of their number to represent the Membership and cast the vote on behalf of that Membership. If Co-Owners do not agree how to vote, each Co-Owner may cast a partial vote based on their percentage interest in the Membership (e.g., half a vote if there are two Co-Owners), but the partial votes corresponding to any one Unit, when added up, cannot exceed one whole vote.
- H. Proxies. A Member may vote by proxy. In no case may a Member in attendance cast more than one vote by proxy for other Members, in addition to the attending Member's own vote. Any proxy must be filed with the Secretary by the Member who will vote by proxy before the appointed time of each meeting.
- I. Decision-making. In all matters, the Members shall reach decisions through a deliberative process, ideally leading to consensus. When consensus proves to be impossible, a vote of at least two-thirds of Members present in person, via telecommunications, or by proxy, shall decide any question brought before such meeting, unless the question is one upon which, by express provision of statute or of these By-Laws, a different vote is required, in which case such express provision shall govern and control.
- J. Order of Business. The order of business at all regularly scheduled meetings of the Members shall be as follows:
 - 1. Roll call and determination of quorum

2. Proof of notice of meeting or waiver of notice
3. Approval of minutes of preceding meeting, text of which will have been circulated in advance
4. Reports of Officers
5. Reports of Committees
6. Report of Management Agent (if any)
7. Unfinished business
8. New business
9. Election of Officers, if applicable

In the case of special meetings, items (1) through (4) apply and the rest of the agenda will be whatever business was specified in the notice of the special meeting, or as permitted according to the procedure stipulated in Article V.C.

ARTICLE VI

Directors

A. Steering Committee

The affairs of the Co-op shall be governed by a Board of Directors. Until the Co-op acquires its first property, the Board consists of the Steering Committee. This Steering Committee will serve as the initial Board organizing the start of the Co-op and is composed of both people who plan to become Members and others who may not become Members, but who contribute significantly to the goal of the Co-op's formation. The Steering Committee may, by a two-thirds vote of the Steering Committee participants, elect new members of the Steering Committee. Prior to acquiring the first building, the Steering Committee will be composed of 5-7 people.

B. Transition from Steering Committee to Board of Directors with Member Directors

When the Co-op acquires its first property, the Steering Committee will change its name to the Board of Directors, and members of the Steering Committee will continue on as Directors. The Members of the first property will automatically become a part of the Board of Directors, subject to paragraph C. below. As the Co-op acquires more properties and adds Units and, thereby, adds Members, those Members will automatically become part of the Board of Directors (if they are not Directors already), subject to paragraph C. below.

C. First Elected Board of Directors

Upon acquisition of each new property, all new Members of the Co-op will automatically join the Board of Directors until it becomes clear that the number of Directors will reach twelve. At that point, the Members will hold their first annual meeting, as described in Article V.B, to elect representatives to an elected Board of Directors. The governing body of the Co-op going forward will be the elected Board of Directors. Only Members vote in the election and choose both Member-Directors and Non-Member Directors.

D. Number, Terms and Qualifications (for the First Elected Board of Directors). The first elected Board will consist of exactly seven Directors subject to the following qualifications:

1. At least four Directors must be Members.

2. Up to three non-Members are permitted to serve as Directors with full voting rights. Non-member Directors must have served previously on the Steering Committee or Board of Directors.
 3. To create a staggered Board once the seven Board members are elected, they will be divided into two groups by mutual assent, or by lot if there is no mutual assent. Four Directors will serve 2-year terms, and three will serve 3-year terms. All subsequent Directors will serve 2-year terms. If there are three non-Member Directors, two of the three should serve 3-year terms and the third should serve a 2-year term.
 4. Members who are 45 or more days delinquent in payments to the Co-op are not eligible to be elected as Directors .
- E. Each Director may stand for re-election without any term limits and continue to serve until his/her successor is elected at the following annual meeting. The Second Election shall take place two years from the first election. Beginning with the second election, at least six months prior to each election, the Board shall publicize to all Members its proposals for composition of the Board of Directors. The Board may expand or contract between seven and eleven members from time to time. The size of the Board should be determined by a Member vote.
- F. Advisors. The Board, at its exclusive discretion, may invite Advisors to participate in its meetings, either for particular occasions or on a continuing basis. Advisors who sit on the Board may never vote, and do not count toward the quorum.
- G. Powers and Duties. The Board of Directors shall have all the powers and duties necessary for the administration of the Co-op. All actions of the Board shall be consistent with these Bylaws, the Articles of Incorporation, and any laws or contracts with which the Co-op is obligated to comply. The powers of the Board include but are not limited to the following:
1. To accept or reject all applications for Membership and admission to occupancy of a Unit;
 2. To establish monthly housing charges as provided for in the Occupancy Agreements, based on an operating budget formally adopted by the Board;
 3. To hire an agent or employees for the management of the Co-op under such terms as the Board may determine;
 4. To terminate Membership and occupancy rights for cause;
 5. To formulate rules and regulations pertaining to use and occupancy of Units and common areas, which may be supplemented (but not contradicted) by house rules established by vote of the Members who reside in Units within the same building or complex;
 6. To set Purchase Fees for Memberships being offered for purchase for the first time, and for Memberships the Co-op has purchased through its exercise of its option to purchase under Article IV paragraph I (Transfer of Membership).
- H. Specific Duties of Directors. Each Director is charged and expected to do all things necessary to carry out the purposes of the Co-op in a responsible manner, including but not limited to the following:
1. To attend Board meetings regularly;
 2. To receive and review regular financial statements, and to assure that all funds are being managed properly and responsibly;
 3. To become educated in the affairs of the Co-op so as to understand its operations, and to take actions that will advance the purposes of the Co-op; and

To regularly evaluate the operations of the Co-op.

- I. Vacancies. Vacancies on the Board caused by any reason other than the removal of a Director will be filled by a vote of 2/3 of the remaining Directors, even though they may constitute less than a quorum. Each person so elected shall be a Director until a successor is elected by the Members at the next annual meeting.
- J. Removal of Directors. At any regular or special meeting duly called, any Director elected by the Members may be removed with or without cause by the affirmative vote of 2/3 of the entire regular Membership of record and a successor may then and there be elected to fill the vacancy thus created. Any Director whose removal has been proposed by the Members shall be given an opportunity to be heard at the meeting. The term of any Director who becomes more than 45 days delinquent in payments of his or her monthly housing charges or who has missed three meetings consecutively shall be automatically terminated and the remaining Directors shall appoint his or her successor.
- K. Compensation. No compensation shall be paid to Directors for their services, nor shall any compensation be paid to a Director for services performed by such Director for the Co-op in any other capacity, unless a resolution authorizing such remuneration shall be adopted by 2/3 of the Board of Directors before the services are undertaken. A Director may not be an employee of the Co-op.
- L. Organization Meeting. The first meeting of a newly elected Board of Directors shall be held within ten (10) days of election, and no notice shall be necessary to the newly elected Directors in order legally to constitute such meeting, provided a quorum is present.
- M. Regular Meetings. The Board decides when and where to hold regular meetings, but the Board must have at least four regular meetings each fiscal year. The Secretary will provide notice of regular meetings to each Director, personally, or by mail, electronic communication, or telephone, at least seven (7) days prior to the meeting day.
- N. Special Meetings. Special meetings of the Board of Directors may be called by the President or Secretary on three (3) days' notice to each Director, given personally or by mail, electronic communication, or telephone, stating the time, place and purpose of the meeting. Special meetings of the Directors can also be called in the same manner on the written request of at least three (3) Directors.
- O. Waiver of Notice. Before or at any meeting of the Board, any Director may, in writing, waive notice of the meeting, and that waiver is deemed equivalent to the giving of such notice. If a Director attends a meeting, the Director may not object about inadequate notice. If all Directors are present at a meeting, no notice shall be required and any business may be transacted at the meeting. Where all of the Directors unanimously approve and sign a corporate resolution or authorization (which is to be included in the Co-op's minutes), this shall be recognized as proper corporate action taken at a duly authorized meeting, without needing to follow the usual process for calling and holding meetings of the Board.
- P. Quorum. At all meetings of the elected Board of Directors, three-fourths (75%) of the Directors then holding elected office shall constitute a quorum and that quorum may conduct the Co-op's business. An affirmative vote by two-thirds of Directors present shall be enough to pass any resolution (except those votes specifically requiring a greater consensus). No Advisors may be counted toward the satisfaction of the quorum. If less than a quorum of the Directors holding office appear at any meeting, the Directors who do appear may schedule a replacement meeting at a later date, and if a quorum of the Directors holding office appear at the replacement meeting, they may transact any business which might have been transacted at the meeting as originally called without giving further notice to any other Director.

ARTICLE VII

Officers

- A. Designation. The principal officers of the Co-op shall be a President, Vice-President, a Secretary, and a Treasurer, all of whom shall be elected by and from the Board of Directors. The Directors may elect an assistant treasurer, and an assistant secretary, and such other officers as in their judgment may be necessary. The offices of Treasurer and Secretary may be filled by the same person.
- B. Election of Officers. Officers shall be elected at the first meeting of the Board of Directors following the election of the Board of Directors at the annual meeting. The officers shall serve for a one-year term until the election of their successors.
- C. Removal of Officers. Upon an affirmative vote of two-thirds of the Board of Directors, any officer may be immediately removed, either with or without cause, and his or her successor elected at any regular meeting of the Board of Directors, or at any special meeting of the Board called for such purpose. The successor shall serve the remaining term of the officer removed.
- D. President. The President shall be the chief executive officer of the Co-op. The President shall preside at all meetings of the members and Board of Directors. He or she shall have all of 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 appoint committees from among the Membership from time to time as the President may in his or her discretion decide is appropriate, establish an agenda for Board meetings, insure implementation of Board decisions, and execute documents on behalf of the Co-op.
- E. Vice-President. The Vice-President shall take the place of the President and perform the President's duties whenever the President shall be absent or unable to act. If neither the President nor the Vice-President is able to act, the Board of Directors shall appoint some other member of the Board of Directors on an interim basis to act as President. The Vice-President shall also perform other duties imposed upon him or her by the Board of Directors.
- F. Secretary. The Secretary will keep the minutes of Board meetings and Member meetings. The Secretary shall be in charge of the Membership ownership and transfer records and of all other books and papers as the Board may direct. The Secretary will provide notices to Members and Directors as required by the Bylaws or the Board, and the Secretary shall, in general, perform all the duties of the office of Secretary.
- G. Treasurer. The Treasurer is responsible for Co-op funds and securities and will keep full and accurate accounts of all receipts and disbursements in the Co-op's books. The Treasurer will be responsible for the deposit of all moneys and other valuable effects in the name, and to the credit, of the Co-op in such depositories as may be designated by the Board. The Treasurer is also responsible for timely submittal of required reports and forms associated with Co-op finances and financial compliance to governments, lenders, Members and others. The responsibilities and duties of the Treasurer may be delegated to the management agent of this Co-op as directed by the Board of Directors, with the Treasurer in a supervisory role.

ARTICLE VIII

Amendments

- A. Proposed and Vote Required. These Bylaws may be amended by the affirmative vote of 75 % of the entire regular Membership of record at any regular or special meeting.

Amendments submitted to a vote of the Membership may be proposed by the Board of Directors, or by a petition of at least thirty percent (30%) of the Members. A description of any proposed amendment shall accompany the notice of any regular or special meeting at which the proposed amendment is to be voted upon.

- B. Transfer Value. The Co-op shall not amend the definition of Transfer Value without the consensus-minus-one approval of the entire Membership of record. An all-Membership meeting that merely satisfies the quorum is not sufficient to amend the Transfer Value; such a change requires a consensus-minus-one decision of the entire Membership of record, as may be affirmed in an all-Membership meeting by a vote in person, via telecommunications, by proxy.

ARTICLE IX

Fiscal Management

- A. Fiscal Year. The fiscal year of the Co-op shall be the calendar year. The Board may change the fiscal year from time to time if necessary.
- B. Books and Accounts. Books and accounts of the Co-op shall be kept under the direction of the Treasurer. The Treasurer shall report monthly on the status of expenditures and disbursements of the Co-op.
- C. Auditing. At the closing of each fiscal year, the books and records of the Co-op shall be audited by a Certified Public Accountant or other person whose report will be prepared and certified in accordance with the requirements of the Co-op. Based on such reports, the Co-op will furnish its Members with an annual financial statement, including the income and disbursements of the Co-op. The Co-op will also supply the Members, as soon as practicable after the end of each calendar year, with a statement showing each Member's pro rata share of the real estate taxes and mortgage interest paid by the Co-op during the preceding calendar year, and the cumulative amount of principal on the Co-op's mortgage(s) retired as a result of the Member's payment of monthly housing charges.
- D. Inspection of Books. Financial reports and the Membership records of the Co-op shall be available at the principal office of the Co-op for inspection at reasonable times by any Member.
- E. Execution of Corporate Documents. With the prior authorization of the Board of Directors, all notes, leases, mortgages, contracts, or other agreements, including Occupancy Agreements, shall be executed on behalf of the Co-op by either the President or the Vice-President, and all checks shall be executed on behalf of the Co-op by the Treasurer and any one of the other officers of the Co-op.
- F. Insurance and Indemnification. The Co-op shall maintain liability insurance, directors' & officers' liability insurance, and crime insurance/fidelity bonds to cover personnel who handle money for the Co-op. Coverage amounts shall be determined by the Board. The Co-op shall indemnify Directors and officers against any and all claims and losses incurred in their exercise of duties on behalf of the Co-op.

ARTICLE X

Sale, Conveyance, Transfer or Encumbrance of Co-op Property

- A. Real Property.

Whereas the established mission and purpose of the Co-op is to acquire properties to be secured as affordable, limited-equity housing in perpetuity, the only justifiable occasion for the sale, conveyance, or transfer of real property shall be if the dwelling units contained on any property become uninhabitable due to fire or other severe damage. Upon reasonable assessment of the financial unviability of repair or replacement of any Co-op property, the Co-op may sell such real estate at market rate in the interest of fortifying the Co-op's financial holdings and thereby furthering the Co-op's mission of acquiring additional housing property as limited-equity housing.

The sale of any Co-op property under such circumstances requires a 2/3 vote by the Membership. If the Co-op sells an unviable property, the Memberships associated with Units in that property will terminate, and each terminated Member will receive their Transfer Value, less any amounts due to the Co-op from the terminated Member under the Member's Occupancy Agreement or otherwise. If there are insufficient funds available for such payment, each terminated Member will receive a prorated share of the funds available, based on the ratio of the Member's Transfer Value divided by the sum of all Transfer Values in the unviable property. Each terminated Member will move to the top of the waiting list for Memberships controlled by the Co-op, in the order in which they first joined the Co-op.

- B. Dissolution. The dissolution and disbanding of the Co-op requires an affirmative consensus-minus-one vote of all the Members at an all-Membership meeting duly called and noticed for that purpose. An all-membership meeting that merely satisfies the quorum is not sufficient to dissolve the Co-op; such a dissolution requires a consensus-minus-one decision of the entire Membership of record, as may be affirmed in an all-Membership meeting by a vote in person, via telecommunications, by proxy. Total sale, conveyance and/or transfer of all the real property owned by the Co-op shall take place only upon dissolution of the Co-op.
- C. Distribution of Assets Upon Dissolution. At the dissolution of the Co-op through the total sale, conveyance, and/or transfer of all the real property of the Co-op, proceeds shall be distributed in the following order:
 - 1. To satisfy any outstanding financial obligations and costs of winding down the Co-op as determined by the Board of Directors;
 - 2. To pay each Member their Transfer Value, less any amounts due to the Co-op from the Member under the Member's Occupancy Agreement or otherwise, if sufficient funds exist; otherwise a prorated share based on the ratio of the Member's Transfer Value divided by the sum of all Transfer Values in the Co-op;
 - 3. If funds remain after providing for (1) and (2) above, the balance of funds shall be donated to a charitable organization for the purpose of providing affordable housing in Pilsen.

ARTICLE XI

Organizational Association

- A. The Co-op may join or affiliate with any association of cooperatives who join together for purposes of mutual aid and of advancing the cooperative movement as a means of providing affordable housing for consumers, and of other organizations or coalitions dedicated to improvement of the quality and affordability of housing.