

BYLAWS of NORTHWOOD COMMUNITY, INC.

ARTICLE I BYLAWS

- 1.1 Bylaws.** These Bylaws constitute the code of rules adopted by Northwood Inc. for the regulation and management of its affairs. The Corporation is located in Pablo, County of Lake, State of Montana.
- 1.2 Bylaw Amendment.** The Bylaws of the Corporation shall be adopted or repealed by at least a majority vote of the Membership.
- (1)** The Bylaws may be amended by a majority vote of the Members present at any regular or special meeting at which a quorum is present, provided that notice of the proposed amendment shall be given in writing to all members not less than ten (10) days prior to such meeting.
 - (2)** 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.

ARTICLE II PURPOSE

- 2.1 Purpose.** The purpose for which this Corporation is formed is to own and operate a manufactured housing community (commonly known as "park"), hereinafter referred to as the "Corporation," as a corporation and be involved in other Corporation activities, on a non-profit, "cooperative" basis for the benefit of the current and future residents.
- 2.2 Business.** 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.
- (1)** In accordance with the purpose stated in the Corporation's Articles of Incorporation, the Corporation will conduct its business in a manner designed to preserve the affordability of the sites within the community for low- to moderate- income homeowners.

ARTICLE III MEMBERS

- 3.1 Member Defined.** A "Member" is defined as an adult (18 years-or-older) individual(s), without regard to their social, political, racial, religious, age, sex, sexual orientation, disability, or marital status who; Own and reside in a manufactured housing unit (hereinafter referred to as a "Home") in the Community and any spouse or partner in a civil union entitled to a homestead interest, who has signed a Lease Agreement, being the "ultimate consumer(s)" of the housing opportunity provided by the Corporation. A person is seen as owning or co- owning a Home if he/she owns the Home directly or through his/her revocable "living" or other "Grantor" trust. A "Grantor" or "living" trust is any trust established by an individual under such terms as:
- (1)** is established during the lifetime of the grantor;
 - (2)** names the grantor as trustee and beneficiary of the trust's income and principal during the grantor's lifetime, provided he or she has full mental capacity; and
 - (3)** gives the grantor the power to alter, modify or otherwise change or terminate the trust during the grantor's lifetime, provided he or she has full mental capacity. All references to "he" or "she" or "his" or "her" in these Bylaws shall mean the trustee and beneficiary of said Grantor trust, and any references to "Member" in the case of a Grantor trust applies to the Grantor trust, the trustee and the beneficiary., as applicable in the instance.

"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.

Is/are in good standing with the Corporation. A "Member in good standing" is a Member who is complying with the Membership Obligations set forth in Article 3.3 of these Bylaws, or has signed an agreement satisfactory to the to bring him or herself into compliance.

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

3.2 Membership Rights.

- (1) Upon continued payment of the lot rent and compliance with the other terms of the Lease Agreement, the Bylaws of the Corporation 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 unit provided that, if a Member is evicted from the Community or moves out of the community, that Member will lose his or her right to occupy said unit.
- (2) Membership provides Members with prevailing lot rent. Loss of Membership rights will result in an increased lot rent in accordance with the Community Rules and these Bylaws.
- (3) Only one Membership interest will be assigned to a home, and only one full vote may be exercised under a Membership interest.
- (4) In accordance with Montana Code Annotated § 35-2-514, a Member may not transfer a Membership or any rights arising from Membership.

3.3 Membership Obligations.

- (1) All Members and non-Members are required to pay their lot rent. This rent, initially established by the membership of the Corporation, may be increased by a majority vote of the Corporation Board of Directors or by a majority vote of the Membership, consistent with these Bylaws, with a thirty (30) day written notice to all Members and non-Members.
- (2) All Members are required to pay their Membership Deposit, consistent with Article 3.5 of these Bylaws
- (3) A Member will participate cooperatively in the operation of the Corporation. This includes, but is not limited to, voluntary participation in the governance of the Corporation and in the operation of the Community.

3.4 Enrollment of Members. After the purchase of the Community, buyers or owners of Homes seeking to reside in a Home and lease a unit in the Community must become Members of the Corporation.

- (1) Owners seeking Membership shall:
 - a. Apply for Membership on a form prescribed by the Membership Committee;
 - b. Be approved for Membership by a majority vote of the Board of Directors;
 - c. Pay in full the Membership Deposit;
 - d. Execute an Lease Agreement;
 - e. Own and occupy a Home in the Community;
 - f. Commit to the purposes and policies of the Corporation including the Community Rules and these Bylaws.
- (2) Owners of homes in place at the time the corporation purchases the community have the right to become members without Board approval as per (b) above; but, must fulfill all other membership enrollment conditions (a), (c), (d), (e), and (f) above.
- (3) Buyers of homes may be approved for membership conditional upon purchase and occupancy of the home.

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 revocable "living" or other "Grantor" trust (see definition at 3.1-1) or if he or she is the purchaser

under a contract for deed or installment sales contract, as those terms are defined in Article 3.1(A) above. If an existing Member transfers title to a home to his or her revocable "living" or other "Grantor" trust, the trust will not be considered a new owner or buyer under this paragraph. Members transferring their Membership into a permissible revocable "living" or other "Grantor" trust must furnish the Corporation with a Certification, Abstract or Memorandum of Trust stating that: the trust is a revocable living trust or other "Grantor" trust; the Member(s) is or are trustees of the trust; and the trust remains in full force and effect and has not been revoked, modified or amended in such a way that would contradict what is stated in the Certification (or Abstract or Memorandum) of Trust.

If a person inherits a home from a deceased Member by any means (will, trust or intestate distribution), that person is considered a Buyer for the purposes of this Article and must apply for Membership.

3.5 Membership Deposit. The Membership Deposit will be one-hundred dollars (\$100.00). The Membership Deposit does not result in the acquisition of any equity or fee interest in the Corporation, but rather is a condition to Membership.

A Certificate of Membership shall be issued to any Member, or to trustee of any Member's revocable "living" or other "Grantor" trust, who has fully paid their Membership Deposit.

- (1) This certificate shall entitle the holder (or, in the case of a revocable living or other Grantor trust, the trust grantor only) to occupancy of their unit in accordance with the Member Lease Agreement, provided that the holder also abides by the Community Rules of the Corporation and does not interfere with the effective operation of the Corporation.
- (2) The certificate is not transferable.
- (3) The Board of Directors reserves the right to use all or part of the Member's Membership Deposit to pay any debt due to the Corporation by the Member, or any expenses incurred by the Corporation as a result of a Member's actions or non-actions, as such debts and expenses are legally the responsibility of the Member. The Member will replenish a Membership Deposit decreased on such account in order to remain in "good standing," and any amounts due but unpaid by the Member shall be treated as unpaid lot rent for all purposes.

3.6 Loss of Membership. Any Member whose activity in the Corporation is contrary to basic cooperation principles (see copy of International Cooperative Principles attached hereto and incorporated herein by this reference) or who endangers the effective operation of the Corporation may be expelled from Membership in the Corporation by the Board of Directors pursuant to a fair and reasonable procedure.

- (1) In accordance with Montana Code Annotated § 35-2-520, a procedure is "fair and reasonable" if the Member receives not less than fifteen (15) days' prior written notice of the expulsion, termination or suspension, including a clear statement of the reasons for it; and the Member is given an opportunity to be heard before the Board of Directors, orally or in writing, not less than five (5) days before the effective date of the expulsion, suspension or termination. Written notice will be given by first-class or certified mail sent to the Member's last address shown on the Corporation's records.
- (2) Loss of Membership carries with it loss of all Membership privileges, including the perpetual right to occupy said lot and any Member lot rent.
- (3) An eviction of the Member shall automatically terminate his or her Membership.
- (4) A Member need not be expelled before being evicted.

3.7 Loss of Membership Appeal. The Member shall have the right to appeal the decision to terminate membership to the Board of Directors at the next Membership meeting and will be given a reasonable opportunity to be heard, either in person or by their attorney.

- (1) Members may request a Special Meeting of the Membership within a reasonable time period and such request will not be unreasonably denied.
- (2) In the absence of a board call for a Special Meeting, the member may do so in accordance with Section 5.4.2 of these Bylaws.
- (3) 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.

Any Member who wishes to be represented by legal counsel as the result of a Corporation action must notify the Board of the 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 Corporation be responsible for the legal fees of the Member.

3.8 Resignation

A Member may resign from Membership at any time. Resignation of a Member carries with it the loss of all Membership Rights listed in Article 3.2 of these Bylaws, including the perpetual right to occupy said lot and voting interests. Resignation does not relieve the Member from any obligations the Member may have to the Corporation as a result of obligations incurred or commitments made prior to resignation.

3.9 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 Corporation may refund or credit to the Member, within ninety (90) days of the end of its fiscal year; but only insofar as such refund or credit is consistent with state law or permissible under the terms and provisions of any loan terms, as applicable from time to time. Such patronage refunds are limited to a pro rata return of carrying charges paid by Members in excess of the corporations needs and are not from earned income from other sources.

ARTICLE IV OCCUPATION, SALE, AND RENTAL OF HOMES

4.1 Occupation of Home. In order to unify the Members and make the Corporation stronger, all homes within the Community must be occupied. Failure to comply with this article could result in an eviction from the Community.

4.2 Rental of Home. Rental or leasing of homes in the Community shall not be allowed unless approved by the Board of Directors.

- (1)** Existing rentals shall be allowed to remain until those homes are offered for sale. Whoever buys the unit then must be approved through the screening process, become a member of the community and occupy the home; or they must move the home out of the community.
- (2)** The Board of Directors shall not approve a new rental or lease unless:
 - a.** A written request is submitted by the Member alleging hardship and the board of directors determines that hardship exists,
 - b.** A rental application must be submitted to the Board of Directors detailing the ability of the renter to meet financial obligations,
 - c.** If an approval is granted, the Board's decision will specify the hardship circumstance(s) and the condition(s) of approval. The vote of the Board of Directors shall be maintained in the official records of the Corporation.

4.3 Sale of Home. Any Member or non-Member who plans to sell or move their Home out of the Community or demolish the Home on site shall give written notice thirty (30) days in advance of that happening to the Board of Directors.

- (1)** Failure to give notice can result in 30 days additional unit rent.
- (2)** A notice to the Board of Directors stating the intention to sell a Home in place shall contain the estimated date of sale, the name, address, and phone number of the selling agent, if any.
- (3)** It is the responsibility of the Owner to supply potential buyers with information regarding the requirement that all buyers reside in the Community and become Members of the Corporation. The seller shall supply the Corporation with the name and telephone numbers of any buyers who have signed a Purchase and

Sales Agreement. See the exception for certain trust transfers contained in Section 3.4 which applies here as well.

- (4) If the Member receives more than one offer for the same price upon the same terms and conditions, and one of said offers is from a lower-income family or individual, the Corporation's preference is that the Member accept the offer from the lower- income family or individual.
- (5) A lower-income family or individual shall be defined as a family or individual whose total income does not exceed 80% of the median income in the country as determined by the U.S. Dept. of Housing and Urban Development and published in the Federal Register.
- (6) The Board of Directors shall repay the amount equal to the Membership Deposit paid by said Member household, without interest, less any debt owed by the Member to the Corporation, within sixty (60) days of the removal or sale of the home, or at such later date when the repayment can be made without jeopardizing the solvency of the Corporation.

[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 NWMT.]

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

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, will be exempt from any "low income" requirement.

A. 2 Notwithstanding rights of the Corporation 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 Corporation Rent and Other Charges owing by a Member under an Lease Agreement, will not be required to advance more than six (6) months of Rent and Other Charges, and the Corporation's lien rights, as to amounts owing to it by the Member under the Lease Agreement or otherwise, will be subordinate to the rights of the holder of an Eligible Loan, and amounts owing to the Corporation will 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.

4.4 Vacant Units. Any lot in the Community that becomes vacant (other than a temporary vacancy when a Member of the Corporation replaces his or her existing manufactured home with a new or different one), shall be leased by the Board of Directors to a lower- income household approved for Corporation Membership.

- (1) Provided, however, that if after advertising the lot for thirty (30) days, the Board does not receive an offer to lease from a lower-income household reasonably capable of affording the Home and living in the Community, the Board of Directors may lease the lot to any suitable household.
- (2) The Board will keep a waiting list for these purposes.

4.5 Statement of Intent. The property owner should not unreasonably withhold a requested signature on a Statement of Intent to Declare a Manufactured Home an Improvement to Real Property. If the Member or Non-Member Owner owes the Corporation money, or if the Member or Non-Member Owner is in breach of any other obligation to the Corporation, the Statement of Intent may be furnished "in escrow" to the closing or settlement agent until those amounts are paid in full.

ARTICLE V MEMBERSHIP MEETINGS

5.1 **Membership Actions**

- (1) The Membership may act only at a properly called meeting of the Membership where a quorum is present.
- (2) The Bylaws of the Corporation and the Community Rules shall be adopted or repealed by at least a majority vote of the total Membership of the corporation.
- (3) The Bylaws and the Community Rules may be amended by a majority vote of the Members present at any regular or special meeting at which a quorum is present, provided that notice of the proposed amendment shall be given in writing to all Members not less than ten (10) days prior to such meetings. After the ten (10) day notice, technical changes in wording or detail of the proposed amendment that do not alter the subject matter shall not require an additional notice.

5.2 **Voting Quorum.** 1/3 of the current Membership shall constitute a quorum at a Membership meeting.

- (1) The existence of a quorum shall be established at the beginning of each meeting and shall remain valid until the meeting is adjourned.
- (2) If a quorum has been achieved, any motion for consideration that is properly noticed before the meeting shall be approved by a majority vote of Members present except for motions affecting the Bylaws and Community Rules.
- (3) A Member not in good standing (as defined by these Bylaws at 3.1) and their household will be ineligible to vote upon any matter and will not be counted toward a quorum.
- (4) There shall be no voting by proxy; nor shall a proxy be counted towards the establishment of a quorum.

5.3 **Action Without a Meeting.** 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 that clearly states each proposed action and provides an opportunity to vote for or against each proposed action.

- (1) To be passed, the number of votes cast by ballot must equal or exceed the quorum required to be present at a meeting authorizing the action; and the number of approvals must equal or exceed the number of votes that would be required to approve the matter at a meeting. All solicitations for votes by written ballot must indicate the number of responses needed to meet quorum requirements; state the percentage of approvals necessary to approve each matter (other than election of Directors); and specify the time by which a ballot must be received by the Corporation in order to be counted. A written ballot may not be revoked. A copy of the motion and vote must be kept on file with the Corporation's Membership meeting minutes.
- (2) Notice that such an action took place, including the nature of the action, and the availability of the resolution shall be posted or otherwise published to the members within 3 days.

5.4 **Member Meetings.** A meeting of Members is to be held at least twice a year.

- (1) The bi-Annual Meetings of the Members shall be held in the months of May and November each year in Pablo at a place designated by the Board of Directors within 10 miles of the Community.
 - a. Notice of the time and place of each bi-Annual Meeting and the agenda items or subject matter to come before it, shall be given in writing to each Member at his/her address, and posted and maintained in a common area not less than ten (10) days nor more than 60 days prior to the date of the meeting.
 - b. At the Annual Membership Meeting, the President and Treasurer will report on the activities and financial condition of the Corporation; and the Members shall consider and act upon other matters that are raised consistent with the notice and voting requirements of Montana Code Annotated §§ 35-2-530 & 35-2-538(2). The bi-Annual Report to the Secretary of State, the report of the examination of the

prior year's finances, and the proposed annual budget with proposed future rents of the Corporation shall be made available to each Member no later than ten (10) days before the Meeting for approval by the Membership at the bi-Annual November Meeting.

- a. 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.
- (2) Special meetings of the Membership may be called by the Board of Directors or by petition of at least one tenth (1/10) of the Members.
- a. Such Member petition may be delivered to any Board Member but must describe the purpose(s) for which the meeting is to be held.
 - b. The Board shall set the date, place and time of the Special Meeting, to be held within 30 days after receipt of such demand. If the Board fails to provide such notice, a person signing the demand(s) may set the time and place of the special meeting and give notice pursuant to Montana Code Annotated § 35-2-530.
 - c. The Secretary of the Corporation shall deliver, or mail written notice stating the place, day, hour and purpose of the Special Meeting to each Member and post the notice in a common area not less than 10 days nor more than 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.
- (3) Notice of Annual and Special Meeting
- a. Notice of an Annual Meeting will include a description of any matter or matters that must be approved by the Members; and notice of a special meeting will include a description of the matter(s) for which the meeting is called.
 - b. When giving notice of an Annual or special meeting, the Corporation must also give notice of any matter a Member intends to raise at the meeting if requested in writing to do so by a person entitled to call a special meeting; and the request is received by the Secretary or President of the Corporation at least ten (10) days before the Corporation gives notice of the meeting.
 - c. The record date for determining Members entitled to receive notice and vote at a Members' Meeting is fixed at the close of business on the business day preceding the day on which notice is given.

ARTICLE VI BOARD OF DIRECTORS

- 6.1** Number of Directors. The Corporation shall be managed by a Board of Directors. The Board of Directors shall consist of five members who are residents and owners of a manufactured housing unit in the Community and are in good standing with the Corporation.
- 6.2** Qualifications. Directorships shall not be denied to any person on the basis of race, creed, sex, religion, color, age, physical or mental disability, or national origin. To be eligible to serve as a Director, an individual must be a Member in good standing with the Corporation. No more than one individual from each Member household may serve on the Board of Directors at any given time.
- 6.3** Selection and Term of Office. The Board of Directors shall be elected by the Membership at an Annual or Special meeting of the Corporation, or at a special meeting held in place thereof.
- (1) All newly elected Directors will take office thirty (30) days after elections or at the next Board of Directors meeting, whichever is first.
 - (2) At each election for Directors, every Member entitled to vote shall have the right to vote for as many persons as there are Directors to be elected. Members will elect Directors to each Officer position as well as those Directors serving at large. Directors and Officers must be approved by a majority vote of the Members present at a properly noticed meeting of the Membership where a quorum is present.

- (3) Nominations:
 - a. Come from the floor during the October Board of Directors Meeting
 - b. Board approved Nomination mailout form, only used after October board meeting if no member quorum is present. The Call for Nominees form shall include:
 - Due date for nominations to be received no later than 10 days prior to November Member Meeting.
 - State board position up for election
 - Clearly state all options to return form
 - c. Final call from the floor during November Meeting
- (4) All Directors shall serve for a term of two years, except that at the first election, the **Treasurer** and **Vice President** will be elected for one-year terms.
- (5) No Director may serve for more than three consecutive two-year terms, or until their successor are duly chosen.
- (6) Vacancies that result from resignation or other means may be filled by a majority vote of the members present at any regular or special meeting of the Board of Directors.
- (7) The Director so appointed shall serve the remainder of the unexpired term, which shall not be counted as a consecutive term for the purpose of Section 6.3.4 of these Bylaws.

6.4 **Ballots.** A ballot provided on a form approved by the Board of Directors shall be used for the election of Directors.

- (1) Ballots to be used at November Member Meeting where there is a quorum.
 - a. It shall clearly state the slate of nominees and be identifiable by either a lot number or other means. Members may write-in additional names not listed on the ballot.
- (2) The ballots shall be sealed and opened by Board of Directors.
- (3) The Board of Directors may allow for an absentee ballot for the following reasons: hospitalization, shift work, infirmity, or out of town.
- (4) 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.
- (5) Absentee ballots may not be counted towards a quorum.
- (6) If the ballot is to be mailed, the Member must request it ten (10) days before the meeting.

6.5 **Powers.** The Board of Directors of this Corporation is vested with the management of the business and affairs of this Corporation, subject to the Montana Nonprofit Corporations Act, the Articles of Incorporation, and these Bylaws.

- (1) No Director may act on behalf of the corporation unless duly authorized by the Board of Directors.
- (2) Any matters outside of the ordinary course of business or that involve the sale or encumbrance of assets shall require Member approval.

6.6 **Committees.** The Board of Directors may from time to time set up committees and/or ad- hoc groups to work on specific responsibilities, with the committee members serving at the pleasure of the Board of Directors.

- (1) 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.

6.7 **Adverse Interest.** The Membership of the Corporation shall adopt a Conflict of Interest policy and procedure.

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

6.9 **Removal/Vacancies.** Any Directors whose actions are determined to negatively affect the operation of the Corporation may be removed by a majority vote of the Members present at any regularly scheduled or special

meeting of the Membership where a quorum is present, provided that a 10-day notice of the impending vote has been given to the Director who may be removed. The vote must take place within 30 days of receipt of the petition.

- (1) Said notice of a vote to remove shall only be made after a majority vote of the Board of Directors or after the Board of Directors receives a written petition requesting the proposed removal, signed by at least 10% of the Membership.
- (2) Said resolution shall clearly state that once a quorum is established, a majority vote of the Members present will be needed to remove the Director.
- (3) The notice shall state the date, time and place of the meeting where said vote will be taken.
- (4) If the Members' petition for removal of a Director does not state that the vote to remove is requested for the next regularly scheduled meeting, or if the Board of Director lacks time to give the required notice to the Director to be removed before the next regular meeting, then the Board of Directors shall take said Petition for Removal to also be a request for a special Membership Meeting for said purposes, and proceed in accordance with these Bylaws regarding special meetings, and shall set the date, place and time of the special meeting, to be held within 30 days after receipt of such Petition. The Secretary of the Corporation shall deliver or mail written notice stating the place, day, hour and purpose of the special meeting to each Member and post the notice in a common area not less than 10 days in advance of the meeting date.
- (5) Any Director who misses more than two (2) Board meetings in a six (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.
- (6) Vacancies that result from resignation or other means may be filled by majority vote of the Members present at a Membership Meeting where a quorum is reached, or by majority vote of the Directors present at a Board Meeting where a quorum is reached. If the Directors remaining in office constitute fewer than a quorum of the Board, they may fill the vacancy by majority vote of all Directors remaining in office. The Director so appointed will serve the remainder of the unexpired term.
- (7) If a vacancy is to occur at a specified later date, by reason of a resignation or otherwise, the vacancy may be filled before the vacancy occurs. However, the new Director may not take office until the vacancy occurs.

6.10 Compensation. Directors shall serve without compensation but shall be entitled to reasonable compensation for expenses paid while conducting legitimate Corporation business. Any expenses incurred must have prior approval by the Board of Directors.

- (1) Receipts must accompany all requests for reimbursement.
- (2) Directors may not simultaneously serve on the Board and receive compensation for services, products, or contracts, and may not be employed by the Corporation.

ARTICLE VII OFFICERS

7.1 Roster of Officers. The Officers of the Corporation shall consist of a President, Vice-President, Secretary, Treasurer, Operations Manager and any other designated position as decided by the Membership.

- (1) All Officers are Directors of the Corporation and must meet the requirements for being a Director set forth in Section 6.1.

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

7.3 Officer's Duties.

- (1) **The President** shall serve as chair and preside at all meetings of the Directors and Membership.
 - a. He or she shall be responsible for general administration according to the guidelines established by the Board and the Membership.

- b.** The President shall perform such duties prescribed by the Board or as necessary to accomplish the objectives of the Corporation.
- (2) 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.
 - a.** He/she shall report on the activities of the President to the Board in the absence of the President.
- (3) The Secretary** shall keep the records of the Corporation and these Bylaws.
 - a.** Amendments to these Bylaws shall be typed, noted, dated and maintained with these Bylaws, and copies distributed to the Membership.
 - b.** He or she shall keep a true record of the proceedings of all meetings of the Directors and Members. If the Secretary is absent from any such meetings, the chair may request that some person act as a recording secretary to take the minutes.
 - c.** The Secretary shall also be responsible for posting meeting notices, typing correspondence and maintaining and updating Membership and resident lists.
 - d.** The signature of the Secretary, or acting secretary, on minutes and actions of the Board shall serve as evidence of their authenticity.
- (4) The Treasurer** shall have charge of all the funds of the Corporation and shall be responsible for all disbursements and collections.
 - a.** The Treasurer shall be responsible for maintaining all financial records of the Corporation including previous fiscal years; financial reports, bank statements and returned checks, invoices, records and any and all other financial records.
 - b.** The Treasurer will see that all checks drawn on the Corporation accounts shall bear the signature of at least two of these three Officers: President, Treasurer, or Secretary.
 - c.** As a standard fiscal control, a Member of the Corporation other than the Treasurer shall reconcile the Corporation accounts each month.
 - d.** The Treasurer shall be responsible for having the books prepared for examination.
 - e.** The Treasurer may delegate any tasks to any Member of the Finance Committee or a contracted bookkeeping service.
- (5) The Operations Manager** sits on the Maintenance Committee and is responsible for the effective upkeep of grounds and systems including:
 - a.** Developing services, standards, emergency and general repair procedures.
 - b.** Maintaining a list of qualified trades people and obtaining bids.
 - c.** Maximizing volunteer contributions.
 - d.** Submitting a capital improvements plan and annual projected maintenance budgets.
- (6) All Officers of the Corporation** shall, subject to these Bylaws and to any vote of the Directors, have such powers and duties as the Directors shall from time to time designate, in addition to the specific powers and duties set forth above.

ARTICLE VIII BOARD MEETINGS

- 8.1 Regular Meetings.** Regular meetings of the Directors shall be held monthly.
 - (1)** Notice of the time and place together with the agenda of the Board of Directors' meeting shall be posted in a public place in the Community no less than three days before the date of the meeting.
 - (2)** 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.
 - (1)** Written notice stating the place, day, hour and agenda of any special meeting shall be posted in a common area and communicated personally to each Board Member not less than three days before the date of the meeting.

(2) 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. Meetings of the Board of Directors shall be open to the Membership except when the Board moves to an Executive Session.

(1) Executive Sessions are used only for the purposes of protecting a person's reputation and confidentiality, or to receive or discuss advice from legal counsel.

(2) A decision may not be made in Executive Session where minutes are not kept.

(3) Decisions must be made in the form of a motion at a meeting open to the membership.

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

8.5 Quorum. At any meeting of the Board of Directors, a simple majority of the number of Directors then in office shall constitute a quorum for the transaction of business.

(1) A majority of these present must vote in the affirmative to pass a motion, once a quorum has been established.

(2) 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.

(3) Authority for such action commences when the last Director signs.

(4) A copy of the written motion with all signatures must be kept with the Board minutes.

8.6 Action Without a Meeting. 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, unless the consent specifies a different effective date.

The action must be evidenced by one or more written consents describing the action taken, be signed by each Director, and be included in the minutes filed with the Corporate Records reflecting the action taken. A consent signed under this section has the effect of a meeting vote and may be described as a vote in any document.

A copy of the written motion with all signatures must be kept with the Board minutes. 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 AND BOND

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

(1) The Corporation will indemnify a Director who was wholly successful, on the merits or otherwise, in the defense of any proceeding to which the Director was a party because the individual is or was a Director of the Corporation, against reasonable expenses actually incurred by the Director in connection with the proceeding.

(2) Except as provided in subsection (4) below, an individual made a party to a proceeding because the individual is or was a Director may be indemnified against liability incurred in the proceeding if the individual:

a. engaged in good faith conduct;

- b. reasonably believed:
 - i. in the case of conduct in the individual's official capacity with the Corporation, that the conduct was in its best interests; and
 - ii. in all other cases, that the conduct was at least not opposed to its best interests; and
- c. in the case of any criminal proceeding, had no reasonable cause to believe the conduct was unlawful.

Indemnification permitted under this subsection in connection with a proceeding by or in the right of the Corporation is limited to reasonable expenses incurred in connection with the proceeding.

- (3) The Corporation may not indemnify a Director under subsection (3):
 - a. in connection with a proceeding by or in the right of the Corporation in which the Director was adjudged liable to the Corporation; or
 - b. in connection with any other proceeding that charges improper personal benefit to the Director, whether or not involving action in the Director's official capacity, in which the Director was adjudged liable on the basis that personal benefit was improperly received by the Director.

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 based on industry standards.

ARTICLE X OPERATIONS

10.1 **Signing of Documents.** Unless specifically authorized by the Board of Directors or as otherwise required by law, all final contracts, deeds, conveyances, leases, promissory notes, or legal written instruments executed in the name of and on behalf of the Corporation will be signed and executed by the President and one other Director. The Board will authorize by written resolution all final documents to be so executed. No more than one individual from each Member household may have signing authority.

10.2 **Disbursement of Funds.** All checks drawn on the Corporation accounts shall bear the signature of at least two of these three Officers: President, Treasurer, or Secretary.

- (1) Any decisions that may commit expenditures of two thousand dollars (\$2,000.00), or more of corporation resources per Fiscal year, that does not appear in the approved annual budget, shall be made by the Membership at a bi-Annual, special, or regular meeting of the Members.
- (2) Capital Improvement and Replacement Reserve expenditures that do not appear in the Member-approved Capital Improvement Plan and that exceed three thousand dollars (\$3,000.00) per fiscal year require the approval of the Membership except in cases of emergency repairs.
- (3) 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.** The Corporation shall adopt and all Director-Officers shall abide by a Code of Ethics, a Procurement Policy, and a Conflict of Interest policy and Procedure. No member of the Board of Directors may be retained by the Corporation for compensation whether as an employee, independent contractor, consultant or in any other capacity. The role of employee, contractor, or vendor is inherently a conflict of interest with a 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 Corporation shall be kept by the Directors in an office and transferred to newly elected Directors upon change over.

10.5 **Record Inspection.** Records of the Corporation shall be open to the inspection of any Member at a reasonable time and place within 72 hours of a Member's request, limited to those items not protected for

reasonable privacy concerns of Members, including but not limited to financial applications, credit reports, hardship application, materials discussed in executive session and individual collection matters. The Treasurer will make the Annual Financial Statements available to the Board within three months after the end of the fiscal year.

10.6 Fiscal Year. The fiscal year of the Corporation shall be the twelve (12) month period ending the last day of December of each year. (Fiscal year exception is the year of purchase which will/may not contain twelve (12) months, ending date does not change.) The Corporation shall cause its books to be examined within a reasonable time after the end of the fiscal year in accordance with the audit/review requirements of state law and any relevant lenders.

10.7 Dissolution. The Corporation may be dissolved only with the authorization of its Board of Directors given at a special meeting called for that purpose, and with the subsequent approval by no less than two-thirds (2/3) vote of the members.

Dissolution payment. In the event of dissolution of the Corporation, the assets, after payment of the Corporation's debts and expenses, shall 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**

11.1 In the case of any question not covered in these Bylaws or the adopted Board policies, or by Title 35, Chapter 2 of the Montana Code Annotated, 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) will prevail.

CERTIFICATION

I hereby certify that these Bylaws were adopted by the Membership of Northwood Community Inc. at its meeting held on December 19, 2023..

The foregoing is a true and accurate account, attested by:

DocuSigned by:	
<i>Annie Billman</i>	
CC0C7BDC79554F9... DocuSigned by:	Board President
<i>[Signature]</i>	
4D93EA8433B0492...	Board Secretary

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://ica.coop/en/what-co-op/co-operative-identity-values-principles/>.

Approved on 12/19/2023 Amended on 12/19/2023