

BY-LAWS
of
Fieldstone Village Cooperative, Inc.

- 1.1 The name of this corporation shall be Fieldstone Village Cooperative, Inc., hereinafter referred to as the "Community", located in Rochester, County of Strafford, State of New Hampshire.

PURPOSE

- 2.1 The purpose for which this Corporation is formed is to own and operate a manufactured housing park, hereinafter referred to as the "Community", as a cooperative (RSA 301A) and be involved in other cooperative activities on a nonprofit basis for the benefit of the residents.
- 2.2 The broad purpose is to gain control of housing costs, preserve the community for the current residents, and to keep it affordable to new members.

MEMBERSHIP

- 3.1 A member is defined as the adult (18 years or older) individual(s), without regard to his/her sex, sexual orientation, disability; or social, political, racial, religious or marital status who
- (1) own(s) and reside(s) in a manufactured housing unit (hereinafter referred to as the "home") in the community and the other adult members of his/her household who have signed an Occupancy Agreement, being the 'ultimate consumer(s)' of the housing opportunity provided by the cooperative. A person is seen as owning or co-owning a home if he/she owns the home directly or through his or her 'living' or 'grantor' trust. A 'grantor' or 'living' trust is any trust that is established by an individual under such terms as: (1) appointment of him/herself as trustee during his/her lifetime and/or competency; (2) revocability by him or her; and (3) designation of him/herself as the beneficiary for his, her, or their lifetime.
 - (2) is/are in good standing with the community. A 'member in good standing' is a member whose lot rent and membership fees are current or who has signed an agreement satisfactory to the Board of Directors to bring these charges and fees current.
 - (3) is/are willing to accept membership responsibilities including, but not limited to, voluntary participation in the governance of the Cooperative and in the operation of the community.
- 3.2 Upon continued payment of the lot rent and compliance with the other terms of the Occupancy Agreement, the Bylaws of the Cooperative, and the Community Rules established by the members, all as they may be amended from time to time, the member shall have a perpetual right to occupy said lot.
- 3.3 Only one membership interest will be assigned to a home, and only one full vote may be exercised under a membership interest.

- 3.4 Buyers or owners of homes seeking to reside in a home and lease a lot in the community must become members of the Cooperative. Buyers and owners seeking membership shall:
- (1) apply for membership on a form prescribed by the Board of Directors
 - (2) be approved for membership by a majority vote of the Board of Directors
 - (3) pay in full the membership fee
 - (4) execute an Occupancy Agreement
 - (5) have a contract to buy and intent to occupy a home in the community
 - (6) commit to the purposes and policies of the Cooperative, including the Community Rules and these Bylaws.
- A person is considered a buyer or owner if he or she seeks to or does own or co-own a home directly or through his/her/their 'living' or 'grantor' trust (see definition in paragraph 3.1 above) or becomes the subsequent beneficiary of a trust, previously existing as a living trust, upon death of the grantor, or upon devise or distribution from a deceased member's estate, or any other event. If an existing member transfers title to a unit to his or her 'living' or 'grantor' trust, the trust will not be considered a new owner or buyer under this paragraph. Members transferring his/her membership into a permissible 'living' or 'grantor' trust must furnish the Board of Directors with either a copy of said trust document or a letter of opinion from an attorney stating that the trust to which the title has transferred is a revocable, grantor trust wherein the member(s) is/are the trustee(s) during his/her/their lifetime, or competency, and with said member(s) as the sole beneficiary during his/her/their lifetime.
- 3.5 The membership fee shall be one thousand dollars (\$1,000.00). This is the par value. There is no book value. (Membership fees accumulate no interest.)
- 3.6 A Certificate of Membership shall be issued to any member, or to the trustee of any member's 'living' or 'grantor' trust, who has fully paid the membership fee. This certificate, or a fully executed and accepted Subscription Agreement, shall entitle the holder (or, in the case of a living or grantor trust, the trust grantor only) to occupancy of his/her lot in accordance with the Occupancy Agreement, provided that the holder also abides by the rules and regulations of the community and does not interfere with the effective operation of the Cooperative. The certificate is not transferable, except by will or trust distribution by a permissible trust, or the rules of law that apply if someone dies without a will, to someone that would otherwise be eligible for membership. A membership may not be transferred to someone or some trustee or beneficiary who does not plan to own the home and reside in the community nor shall a 'living' or 'grantor' trust continue to hold a membership interest beyond the usual and customary time required for a wind-up of a probate estate, should title have passed by that means and occupancy during such periods shall not extend to any other party not previously permitted membership and occupancy.
- 3.7 The Board of Directors reserves the right to use all or part of a member's membership fee to pay any back lot rent, fines, taxes, and/or legal fees due to the Cooperative; such debts and expenses being legally the responsibility of the member. The member shall replenish a capital balance decreased on such account in order to remain in 'good standing'.
- 3.8 All members and non-members are required to pay their lot rent. This lot rent, initially established by the membership of the Cooperative, may be increased by a majority vote of the membership, consistent with Article 5 of these Bylaws, with a sixty (60) day written notice to all members and non-members.

- 3.9 Any member whose activity in the community is contrary to basic community principles or who endangers the effective operation of the Cooperative, which includes unexcused absence from the annual meeting, may be expelled from membership in the community by the Board of Directors. Loss of membership carries with it loss of privilege to lower lot rent. Written notice of the charges against each member, and reasonable opportunity for a hearing before the Board of Directors, shall be provided before any such expulsion. A reasonable opportunity is defined as fifteen (15) days notice. The member's certificate or subscription shall be repurchased at par value, less any debts owed and expenses incurred by the community on behalf of the member, and if and when there are sufficient reserve funds as determined by the Board of Directors.
- 3.10 Any member who wishes to be represented by legal counsel as the result of a Cooperative action must notify the Board, in writing, of this fact ten (10) days in advance of the meeting.
- 3.11 All members and non-members are required to obey community rules and regulations and are subject to fines/penalties as set forth for non-compliance.

SALE OF HOMES

- 4.1 Any member or non-member who plans to move his/her unit out of the park shall give written notice thirty (30) days in advance of that happening to the Board of Directors. Failure to give notice can result in a 30-day additional lot rent.
- 4.2 Notice to the Board of Directors stating the intention to sell a home in place shall be received by the Board of Directors 30 days prior to listing the property. It is the responsibility of the seller to supply potential buyers with information regarding the requirement that all buyers become members of the community. The seller shall supply the Cooperative with the names and phone numbers of sales agents and any buyers who have signed a Purchase and Sales Agreement. See the exception for certain trust transfers contained in paragraph 3.2, which applies here as well.
- 4.3 If the Cooperative is owed money by the resident or the resident is in breach of any other obligation to the Cooperative, the Board of Directors may sign a deed, as requested by that resident for the sale of his/her unit to a new buyer, but may insist that the deed be transmitted directly to the escrow or closing agent with a Notice of Lien on the resident's home for those amounts due and owing the Cooperative. See RSA 377:44 and 205-A:4-a.
- 4.4 The Board of Directors shall purchase the membership interest from said member household by paying them the interest's par sum, equal to the member's total payment toward their membership fee, without interest, less any debt owed by the member to the Cooperative, within sixty (60) days of the removal or sale of the home, or at such later date when the purchase can be made without jeopardizing the solvency of the Cooperative.
- 4.5 When leaving the Park, by the sale of a home, eviction, or any other means, the outgoing member must sign a release of indemnity which must be notarized and kept in the outgoing member's file.
- 4.6 Rental or leasing of manufactured housing units in the community **shall not be allowed**.

VOTING

- 5.1 One third of the current membership shall constitute a quorum at a membership meeting. There shall be no voting by proxy; nor shall a proxy be counted towards the establishment of a quorum. The existence of a quorum shall be established at the beginning of each meeting and shall remain valid until the meeting is adjourned. If a quorum has been achieved, any motions for consideration shall be approved by a majority vote of members present except for motions affecting the Bylaws and Community Rules.
- 5.2 Any business required or permitted to be taken at a membership meeting may be taken without a meeting, by means of a ballot clearly stating a Board-approved motion. To be passed, the motion must be approved by a majority of the entire membership. A copy of the motion and vote must be kept on file with the Cooperative's membership meeting minutes.
- 5.3 The Bylaws of the Cooperative and the Community Rules shall be adopted or repealed by a majority vote of the entire membership.
- 5.4 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 ten (10) days prior to such meeting. 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.
- 5.5 Any decision that may commit an expenditure of two thousand five hundred dollars (\$2,500.00) or more of community resources, that does not appear in the approved annual budget, shall be made by the membership at an annual, special, or regular meeting of the members. Capital improvement and replacement reserve expenditures that exceed three thousand dollars (\$3,000.00) require the approval of the membership, except in cases of emergency repairs. The Board shall notify the membership of such an emergency action at the next regular or special meeting of the membership.

FISCAL YEAR

- 6.1 The fiscal year of the Cooperative shall be the twelve- (12) month period ending the last day of December of each year. The Cooperative shall cause its books to be examined within a reasonable time after the end of each fiscal year in accordance with the audit/review requirements of RSA 301-A:30.

ANNUAL AND SPECIAL MEETINGS

- 7.1 The annual meeting of the members shall be held in the month of October each year in Rochester, New Hampshire or a place designated by the Board of Directors within five (5) miles of the community. An annual meeting of members is to be held at least once a year. RSA 301-A:21.

- 7.2 Notice of the time and place of the 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 at a common area not less than ten (10) days prior to the date of the meeting. RSA 301-A:23. The annual report to the Secretary of State, the report of the examination of the prior year's finances, and the proposed annual budget of the Cooperative shall be made available to each member no later than ten (10) days before the annual meeting for approval by the membership at the annual meeting.
- 7.3 Special meetings of the membership may be called by the Board of Directors or by petition of at least one tenth (1/10) of the members. Such member petition may be delivered to any Board member. The Board shall set the date, place and time of the special meeting, to be held within thirty (30) days after receipt of such demand. The Secretary of the Cooperative shall deliver or mail written notice stating the place, day, hour and purpose of the special meeting to each member and post the notice in a common area not less than ten (10) days in advance of the meeting date. RSA 301-A:22.
- 7.4 In case of any question not covered in these Bylaws, RSA 301-A or adopted Board policies, the guidelines in "Parliamentary Procedure for Manufactured Housing Park Cooperatives" as published by the NHCLF in the *Management Guide*, or the foundation document, *The Standard Code of Parliamentary Procedure, Fourth Edition*, by Alice Sturgis, 2001 shall prevail.

BOARD OF DIRECTORS

- 8.1 The Board of Directors shall consist of nine (9) persons who are residents, having signed an *Occupancy Agreement*, and homeowners in the community who have applied and been approved for membership and are in good standing with the Cooperative. The Board of Directors shall be elected by the membership at an annual or special meeting of the Cooperative, or at a special meeting held in place thereof.
- 8.2 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.
- 8.3 All Directors shall serve for a term of two (2) years.
- 8.4 Vacancies that result from resignation or other means may be filled by a majority vote of the Directors present at any regular meeting of the Board of Directors. The Director so appointed shall serve the remainder of the unexpired term, which shall not be counted as a consecutive term for the purposes of Article 8.3 of these Bylaws.
- 8.5 Any Board member or Committee Chair who does not attend 3 (three) meetings in a year will be asked to resign.
- 8.6 Any Board member who is asked to resign, or feels the necessity to resign, must do so formally and in writing. The Board, upon acceptance of the resignation, will advise the resigning Director of his/her eligibility to sit on the Board in the future.

- 8.7 Two signatures are required on checks and legal documents. No more than one individual from each member household may have signing authority.
- 8.8 No more than one individual from each member household may serve on the Board of Directors at any one time.
- 8.9 The Board of Directors shall be responsible for the day-to-day management and control of the Cooperative operations. The Board of Directors may from time to time set up committees and/or ad hoc groups to work on specific responsibilities. 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.
- 8.10 Regular meetings of the Directors shall be held monthly. Notice of the time and place together with the agenda of the Board of Directors' meeting shall be posted in a public place in the community.
- 8.11 Special meetings of the Directors may be held at the call of the President or any two Directors. Written notice stating the place, day, and hour of any special meeting shall be posted in a common area and communicated personally to each Board member not less than three (3) days before the date of the meeting. In an emergency situation, a shorter notice may be given, provided that the agenda for that meeting is limited to dealing with the emergency at hand and that all actions taken be ratified at a subsequent properly noticed meeting.
- 8.12 Regular and special meetings of the Board of Directors shall be open to the membership except when the Board moves to an executive session. Executive sessions are used only for purposes of protecting a person's reputation and confidentiality, or to receive or discuss advice from legal counsel. A decision may not be made in executive session, where minutes are not kept. Decisions must be made in the form of a motion at a public meeting.
- 8.13 At any meeting of the Board of Directors, a simple majority of the number of Directors then in office shall constitute a quorum for the transaction of business. A majority of those present must vote in the affirmative to pass a motion, once a quorum has been established.
- 8.14 Any action required or permitted to be taken by the Board of Directors at a meeting may be taken without a meeting if the written motion is approved and signed by all Board members. Authority for such action commences when the last Director signs. A copy of the written motion with all signatures must be kept with the Board minutes.
- 8.15 Directors shall serve without compensation, but shall be entitled to reasonable compensation for expenses paid while conducting legitimate Cooperative business. Any expenses incurred must have prior approval by the Board of Directors. Receipts must accompany all requests for reimbursement. Directors may receive compensation for their freely executed contracts approved by the Board or membership as the case may require, so long as the contract does not create a conflict of interest.
- 8.16 Any Director whose actions are determined to negatively affect the operation of the Cooperative may be removed by a majority vote of the members present at any regularly scheduled or special meeting of the membership where a quorum is present, provided that a ten- (10) day notice of the

impending vote has been given to the Director who may be removed. Said notice of a vote to remove shall only be made after a majority vote of the entire Board of Directors or after the Board of Directors receives a written petition requesting the proposed removal, signed by at least ten percent (10%) of the membership. Said resolution shall clearly state that a majority vote of the membership will be needed to remove the Director. The notice shall state the date, time and place of the meeting where said vote will be taken. Vacancies on the Board of Directors, which result from a removal vote of the membership, shall be filled in accordance with Article 8.4 of these Bylaws. This section does not restrict any Director's voluntary resignation from the Board of Directors or from office.

OFFICERS

- 9.1 The officers of the Cooperative shall consist of a President, Vice President, Secretary, Treasurer, and five (5) Park Representatives and any other designated position as decided by the membership. All officers are Directors of the Cooperative and must meet the requirements for being a Director set forth in paragraph 8.1.
- 9.2 Officers shall be elected by the membership.
- 9.3 The President shall serve as Chair and preside at all meetings of the Directors and membership. He or she shall be responsible for general administration according to the guidelines established by the Board and the membership. The President shall perform such duties prescribed by the Board or as necessary to accomplish the objectives of the Cooperative.
- 9.4 The Vice President shall preside at all meetings in the absence of the President and shall perform such duties delegated to him/her by either the Board or the President. He/she shall report on the activities of the President to the Board in the absence of the President.
- 9.5 The Secretary shall keep the records of the Cooperative and these Bylaws. Amendments to these Bylaws shall be typed, noted, dated, and maintained with these Bylaws, and copies distributed to the membership. He or she shall keep a true record of the proceedings of all meetings of the Directors and members. If the Secretary is absent from any such meetings, the Chair may request that some person act as a recording secretary to take the minutes. The Secretary shall also be responsible for posting meeting notices, typing correspondence, and maintaining and updating membership and resident lists. The signature of the Secretary, or acting secretary, on minutes and actions of the Board shall serve as evidence of their authenticity.
- 9.6 The Treasurer shall have charge of all the funds of the Cooperative and shall be responsible for all disbursements and collections. The Treasurer shall be responsible for maintaining all financial records of the Cooperative including previous fiscal years, financial reports, bank statements and returned checks, invoices, records and any and all other financial records. The Treasurer will see that all checks drawn on Cooperative accounts shall bear the signature of at least two of these three officers: President, Vice President, or Treasurer. Each month, the Treasurer will oversee the reconciliation of the Cooperative accounts. The Treasurer shall be responsible for having the books

prepared for examination. The Treasurer may delegate any task to any member of the Finance Committee or a contracted bookkeeping service.

- 9.7 The Park Representative acts as a liaison between the residents in his/her district and the Board of Directors and is responsible for conducting an annual inspection of each lot in his/her district. No Park Rep may reside in the district for which he/she is responsible. A Park Representative may also preside as Chair over designated subcommittees and will be responsible for reporting subcommittee activities to the Board of Directors.
- 9.8 All officers of the Cooperative shall, subject to these Bylaws and to any vote of the Directors, have such powers and duties as the Directors shall from time to time designate, in addition to the specific powers and duties set forth above.
- 9.9 Each officer, Director, employee, and agent handling funds or securities amounting to one thousand dollars (\$1,000.00) or more in any one year shall be covered by adequate bond in accordance with RSA 302-A:29.

INDEMNITY

- 10.1 The Directors, officers and members shall not be personally liable for the debts, liabilities or other obligations of the Cooperative.
- 10.2 Should any person be sued or threatened with suit, either alone or with others, because he or she was or is a Director or officer of the Cooperative, in any proceedings arising out of his or her alleged misfeasance or nonfeasance in the performance of his or her duties or out of any alleged wrongful act against the Cooperative, indemnity for his or her reasonable expenses, including attorney's fees incurred in the defense of the proceeding, may be assessed against the Cooperative, its receiver, or its trustee, by the court in the same or a separate proceeding if (1) the person sued is successful in whole or in part, or the proceeding against him or her is settled with the approval of the court; and (2) the court finds that his or her conduct fairly merits such indemnity. The amount of such indemnity shall be so much of the attorney's fees incurred and other expenses as the court finds to be reasonable.
- 10.3 Should any person be sued or threatened with suit, either alone or with others, because he or she was or is a Director, officer, or employee of the Cooperative, in any proceedings other than an action by the Cooperative, indemnity for his or her reasonable expenses, including attorney's fees incurred in the defense of the proceeding, may be paid by the Cooperative if the person acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interest of the Cooperative; any such indemnity shall be made as authorized by majority vote of the membership.

RECORDS

- 11.1 The records of the Cooperative shall be kept by the Directors then in office and transferred to newly elected Directors upon changeover. Records of the Cooperative shall be kept for the periods indicated by the following schedule:
- (1) Articles of Incorporation, Bylaws (originals and changes), Board lists and minutes (membership and Board): as long as the corporation exists plus seven (7) years.
 - (2) Financial records (accounts receivable, accounts payable, and checkbooks): five (5) years – more if there is a recent or pending lawsuit.
 - (3) Membership records: two (2) years.
 - (4) Occupancy Agreements and all contracts signed by members: term of membership plus one year.
- 11.2 Records of the Cooperative shall be open to the inspection of any member at a reasonable time and place within 48 hours of a member's request, excluding financial applications, credit reports, hardship applications, materials discussed in executive session, and individual collection matters.

DISSOLUTION

- 12.1 Dissolution of the Cooperative shall be as outlined in RSA 301-A:33. In the event of dissolution of the Cooperative, the assets, after payment of the Cooperative's debts and expenses, shall be distributed in the following manner:
- (1) The par value of the membership certificates or shares shall be returned to the members. Amounts paid on subscriptions shall be returned to subscribers. The amounts allocated in distribution of net savings under RSA 301-A:28 shall be returned to those members entitled to them.
 - (2) If, after paying all debts and expenses, there are not adequate assets remaining to return the par value to all members, then the remaining assets shall be distributed to the members and subscribers in proportion to the amounts paid in by each member on their membership fee.
 - (3) Any surplus remaining after the distribution in paragraph (1) or (2) may be distributed as a contribution to any cooperative association or other non-profit association to which contributions are deductible from income tax under current Internal Revenue Service regulations, selected by a majority vote of the membership.

Fieldstone Village Cooperative, Inc.

BYLAWS

Amendments approved by two-thirds vote of the entire membership
and incorporated in this printing as of **October 16, 2009**
and enacted on December 15, 2009.

Total 10 pages

The foregoing is a true and accurate account,

attested by _____

Judy Cronin
Secretary of the Cooperative