

BYLAWS  
OF  
BROOK AVENUE STUDENT HOUSING COOPERATIVE

ARTICLE 1

GENERAL

1.1. Organization and Purposes. The following are the By-Laws of Brook Avenue Housing Cooperative, Inc., a Minnesota cooperative housing corporation (the "Cooperative"). The Cooperative is organized pursuant to Minnesota Statutes Chapter 308A (the "Act") for the purpose of operating as a cooperative housing corporation, and is intended to qualify as a cooperative association under Section 273.13, Subd. 25(d)(4) of Minnesota Statutes (the "Cooperative Association Statute"). The definitions contained in the Master Lease referred to herein shall apply to the same words used in these Bylaws, unless expressly indicated otherwise.

1.2. Cooperative Property and Lease. The cooperative property, consists of a ninety-five (95) unit residential property, located at 1220 Brook Ave SE, Minneapolis, Minnesota 55414 (the "Property"), and is owned by Riverton Community Housing ("Riverton"). The Property is leased by Riverton to the Cooperative under a lease (the "Master Lease"). Each of the ninety-five (95) residential units (the "Dwelling Units") located in the cooperative building may be leased under a unit lease (the "Occupancy Agreement") between the Cooperative, as lessor, and the individual members/tenants, as lessees. The Occupancy Agreements set forth the monthly charges payable by the Members to the Cooperative for the occupancy of their Units, and their rights and obligations with respect to such occupancy. The Occupancy Agreements, and the rights of the Members and other occupants thereunder, are subject to the Master Lease and to the Financing Documents as defined in the Master Lease.

SECTION 2

MEMBERSHIP

2.1. Membership

2.1.1. Class of Members. There is one class of Members whose voting and other rights and interests are equal.

2.1.2. Qualifications. Each residential tenant of the building(s) owned and/or operated by this Cooperative who (1) agrees in writing to comply with the Bylaws, with the rules and regulations of this Cooperative as promulgated from time to time by the Board of Directors, and with the terms of the Occupancy Agreement in force from time to time as authorized by the Board of Directors, and (2)

satisfies the income requirements, if any, imposed by the Financing Documents, if any, shall be a Member of this Cooperative.

2.1.3. Residency. Residency in the building owned and/or operated by the Cooperative shall be provided to a person without regard to national origin, creed, race, sex, or to membership in or affiliation with any social, fraternal, or honorary society or organization.

2.1.4. Dues & Assessments. Membership fees, dues and assessments may be imposed upon the Members. The Board of Directors shall be authorized to fix the amount from time to time and determine the method of collection.

2.1.5. Membership Certificates. Each membership shall be represented by a membership certificate. Each membership certificate shall state, at a minimum, the following: (1) the Cooperative is organized under the laws of the State of Minnesota, (2) the name or names of the registered holder(s) of the membership, and (3) the Cooperative's lien rights relating to the membership as set forth hereafter in this Article, and shall be in such form as shall be approved by the Board of Directors. Each original membership certificate shall be maintained in the Cooperative's records and shall control as to all matters pertaining to the membership. A membership certificate shall be deemed cancelled immediately upon the termination of the Member's Occupancy Agreement.

2.1.6. Subordination of Members' Rights. All rights of Members shall be subject and subordinate to the Master Lease, the Financing Documents and any statute, regulation, mortgage, security agreement or other instrument to which the Property is subject at the time these By-Laws were adopted or to which the Property becomes subject in the future. If under any such statute, regulation, document or agreement the (1) terms and conditions of occupancy, or right of continued occupancy, or (2) monetary or other obligations of the Cooperative (whether or not specifically related to a particular Member or Dwelling Unit) are based upon family or household income, or the composition of a family or household of a Member, or of some proportion of Members, then the Cooperative shall have the right to change the amount of monthly rent or other consideration, and otherwise directly impose upon and pass through to the Member or Members the effect of operation of any such statute, regulation, document or agreement resulting from any change in the Members' family or household income or composition; without regard to any right of apportionment otherwise required under the Articles of Incorporation, these Bylaws or any Occupancy Agreement, or to cancel the Occupancy Agreement if the Member or Members refuse to agree to such changes.

2.1.7. Transfer of Membership. Members may not transfer their memberships, or any interest therein, except to the Cooperative. The membership shall be deemed transferred to the Cooperative immediately upon termination of the Member's Occupancy Agreement.

- a. Departure or Ineligibility of Member: If a Member in good standing leaves the Cooperative voluntarily, he or she shall notify the Cooperative in the manner required under the Occupancy Agreement and the Cooperative shall purchase the membership in accordance with the Occupancy Agreement and these Bylaws. If a Member loses eligibility for membership, other than for cause under this Subdivision, then the Occupancy Agreement and the rights of the Member shall terminate as provided by

the Occupancy Agreement, and the Cooperative shall purchase the membership effective as of that date. The membership need not terminate as to any co-holder of the membership if the remaining co-holder continues to qualify for membership as determined by the Board of Directors.

- b. Purchase by Cooperative. If the departing Member is not in default under the Member's Occupancy Agreement, the purchase by the Cooperative of the Member's membership shall be at a price determined by the Board of Directors to represent the membership's "transfer value" as described in this Subdivision. The Member shall vacate the Property, effective as of the termination of the membership, subject to the discretion of the Board of Directors to permit temporary continued occupancy due to emergency or extenuating circumstances.
  
- c. Transfer Value. The term "transfer value" shall mean the sum of the following: (1) The membership fee paid for the membership by the member as shown in the Cooperative's records, plus (2) Interest on the membership fee at the rate required to be paid on tenant security deposits pursuant to Minnesota Statutes § 504.20, less (3) Any amounts to which the Cooperative is entitled under the Occupancy Agreement due to damage to the Dwelling Unit by the Member or other occupants of the Dwelling Unit, or due to other violations of the Occupancy Agreement.

2.1.8. Termination of Membership for Cause. If the Cooperative terminates a membership for a violation by the Member of the Member's Occupancy Agreement (as opposed to voluntary termination or loss of eligibility under the income or related requirements), the Member's membership certificate and Occupancy Agreement shall be deemed to be automatically cancelled as of the date of such termination, subject to the resolution of any arbitration or court proceeding. The Cooperative shall purchase the membership at its transfer value as defined in this Subdivision, less the following amounts (the determination of such amounts by the Board of Directors to be conclusive):

- A. Any rents due to the Cooperative from the member under the Occupancy Agreement;
  
- B. Legal fees and other expenses incurred by the Cooperative in connection with the default of the Member, the recovery of possession of the Dwelling Unit, the collection of amounts due to the Cooperative and the resale of the membership

## 2.2. Meetings

2.2.1. Annual. The annual meeting of the Members shall be held for the election of directors and for the transaction of any other business as may properly come before the meeting.

2.2.2. Time & Place. The annual meeting of the Members shall be held each year at a time and place designated by the Board of Directors. However, the annual meeting shall be held within 120

days after the end of the Cooperative's fiscal year. If the Cooperative's audit has not been completed within the 120 day period, the annual meeting may be held upon completion of the audit.

2.2.3. Special. Special meetings of the Members may be called for any purpose, at any time, by the majority of the Board of Directors or upon the written petition of at least twenty percent (20%) of the Members. The written request from the Board of Directors or the written petition from the Members must be submitted to the President. Notice of the special meeting must be sent by the President within ten (10) days of the President's receipt of the Board's request or the Members' petition. Such notice must contain the time, place and purpose of the special meeting, which must be held within thirty (30) days of the President's receipt of the Board's request or the Members' petition.

2.2.4. Notice. Notice of meetings of the Members shall be given by the Secretary at least fifteen (15) days but not more than thirty (30) days prior to the meeting. Notice of any special meeting shall include the purpose or purposes of the proposed meeting.

2.2.5. Quorum. A quorum for meetings of the Members shall exist if Members present in person or by proxy at the meeting constitute at least ten percent (10%) of all Members entitled to vote. In the case of any meeting held by an approved remote or electronic vote, a quorum shall exist if twenty percent (20%) of the Members return valid remote/electronic ballots within the time prescribed in the notice thereof. When a quorum has been present at a meeting and Members have withdrawn from the meeting so that less than a quorum remains, the Members still present may continue to transact business until adjournment.

2.2.6. Proxies. Proxies shall be permitted at all meetings. The appointment of a proxy shall be in writing filed at or before the meeting with the persons who has been designated to act as secretary of the meeting.

2.2.7. Voting. Each Member shall have one vote at each meeting of the Members. There shall be no cumulative voting. Members may vote by voice vote, written ballot, or approved remote or electronic ballot in all elections, including elections of Directors. Remote and electronic ballots shall be counted in the same manner as a voice vote or written ballot for the purpose of determining the vote on any question stated in the notice of the meeting. If the notice of the meeting so states, the entire vote on any question stated in the notice of meeting may be made by mail, remote or electronic ballots, provided that at least twenty percent (20%) of the Members vote by such means.

### 2.3. Removal of Members.

2.3.1. Termination. Termination of a Member's residency in any building owned and/or operated by the Cooperative, shall terminate the Member's membership in the Cooperative immediately without notice.

2.3.2. Eviction. The Board of Directors may delegate authority to the manager (or managing agent) to pursue appropriate legal collection or eviction procedures without specific Board action.

2.3.3. Obligations. Termination of membership shall not relieve any Member from the obligation to pay dues, assessments, or other charges which remain unpaid on the effective date of his/her termination.

2.3.4. Rights Not Transferable. (1) The right of a Member to vote and his or her interest in the Cooperative or its property ceases upon the termination of membership. (2) A Member may not voluntarily or involuntarily transfer his membership, or any right arising therefrom, except for designating a proxy at a Member meeting as provided herein.

### **SECTION 3**

#### **BOARD OF DIRECTORS**

3.1. Number, Term and Qualification. The first Board of Directors shall consist of the persons designated as directors in the Articles of Incorporation of the Cooperative. Thereafter, the Board of Directors shall consist of not less than three (3) and not more than eleven (11) persons. Two of the directors (the "Associate Directors") shall be appointed by Riverton, and shall not have the right to vote nor to be counted toward a quorum. The remaining directors (the "Elected Directors") shall be elected by the Members. At each annual meeting, the Members shall determine the number of Elected Directors; provided, that between annual meetings the authorized number of Elected Directors may be increased or decreased by the Members or increased by the Board of Directors. Elected Directors shall be Members of the Cooperative. The term of each Elected Director shall expire at the next annual meeting of the Members or at such earlier time as he or she resigns or a successor is duly elected and qualified. The terms of the Associate Directors shall continue until a replacement is appointed by Riverton.

3.2. Powers. The affairs of the Cooperative shall be governed by the Board of Directors. The Board of Directors shall have all powers necessary for the administration of the affairs of the Cooperative, and may exercise for the Cooperative all powers and authority vested in or delegated to the Cooperative (and not expressly prohibited or reserved to the Members) by the Act, the Articles of Incorporation or these Bylaws. The powers of the Board of Directors shall include; without limitation, the following:

- a) To establish and implement criteria and procedures for admission to occupancy of Units, either directly or through a committee appointed by the Board of Directors, consistent with the Financing Documents and the Cooperative Association Statute;
- b) To establish rents for the Units;
- c) To terminate membership and occupancy rights for cause;
- d) To promulgate Rules and Regulations pertaining to the use and occupancy of the Property.
- e) To make changes in the transfer value consistent with the Financing Documents and the Technical Requirements;

- f) To take all actions, legal or administrative, necessary to collect sums due to the Cooperative; and
- g) To enforce the Articles of Incorporation, the Bylaws, the Occupancy Agreements, the Rules and Regulations, the Master Lease and the Act.

3.3. Responsibilities of Directors. The responsibilities of the Directors shall include, without limitation:

- a) Remain aware of the state of affairs of the Cooperative, and seek out information missed as the result of absence from official meetings and activities of the Board.
- b) Notify one of the officers of the Cooperative in writing of any impending absence from an officially scheduled meeting or other function of the Board.
- c) Not interfere with or undermine any legally arrived at Board policy or decision. Any Director unable to comply with this requirement is expected to resign from the Board.
- d) Remain responsive to the membership's comments and complaints, and convey the content of such input to the Board of Directors, it's committees, or the management, whichever shall be deemed appropriate by the Director.

### 3.4. Nominations & Elections.

3.4.1. Nominations. Nominations for Members of the Board of Directors shall be accepted by the President no more than twenty five (25) days and not less than ten (10) days prior to the annual meeting of the Members. Such nominations shall be made known to the membership not less than five days prior to the annual meeting of the Members. Such nominations may be self-nominations. Riverton shall appoint the Associate Directors and notify the Nominating Committee not less than ten (10) days prior to the annual meeting. In the absence of such notice, the existing Associate Directors shall continue in office.

3.4.2. Additional Nominations. At the discretion of the chair, additional nominations may be called for prior to the election at the annual meeting of the Members.

3.4.3. Write-ins. Write-in votes for persons not properly nominated shall not be accepted or counted by the tellers.

3.4.4. Elections. Election of the Elected Directors shall be by plurality of those Members voting in person, by proxy, or by mail with a minimum of twenty (20) percent required for election, unless a majority of those Members attending the meeting in person or by proxy approves an alternate method prior to the election.

### 3.5. Annual Meeting & Seating of Directors.

3.5.1. Annual Meeting & Seating. The annual meeting of the Board of Directors shall be held within thirty (30) days after the annual meeting of the Member. All directors-elect are expected to attend. Seating of directors shall be automatic at the commencement of that meeting.

3.5.2. Leave of Absence. Any Elected Director may petition the Board of Directors for a leave of absence, which may be granted by a two-thirds vote of the directors present. During such leave, the Elected Director shall not be considered a director in office for quorum and other purposes. Such leave may not exceed three (3) months in duration.

### 3.6. Meetings, Place, and Notice.

3.6.1. Place. Meetings of the Board of Directors may be held from time to time at any place within the State of Minnesota that the Board of Directors may designate. In the absence of designation by the Board of Directors, Board meetings shall be held at the principal offices of the Cooperative, except as may be otherwise unanimously agreed orally, in writing or by attendance.

3.6.2. Notice and Special Meetings. If a meeting schedule is adopted by the Board, or if the date and time of a Board meeting has been announced at a previous Board meeting, no notice of the meeting is required to the directors. The President, Vice President or any two (2) directors may call a special meeting of the Board of Directors by giving twenty four (24) hours notice to all directors of the date and time of the meeting. The notice need not state the purpose of the meeting, and may be given by mail, e-mail or in person. Members of the Cooperative shall be given two (2) days notice of regular Board meetings and twenty four (24) hours notice of a special Board meeting. However, failure to give such notice to the Members shall not effect the validity of the meeting.

3.6.3. Waiver of Notice. Any director may waive notice of a meeting before or after the meeting, in writing, orally, or by attendance. Attendance at a Board meeting by the director is a waiver of notice of that meeting unless the director objects at the beginning of the meeting to the transaction of business because the meeting is not lawfully called or convened and does not participate thereafter in the meeting.

3.6.4. Board Action Without A Meeting. Any action required or permitted to be taken at a Board meeting may be taken by written action signed by all of the Elected Directors or, in cases where the action need not be approved by the Members, by written action signed by the number of Elected Directors that would be required to take the same action at a meeting of the Board at which all directors were present, provided that all directors must be notified of the text of the written action prior to the signing by any of the directors. The written action is effective when signed by the required number of Elected Directors unless a different effective time is provided in the written action. When written action is permitted to be taken by less than all of the directors, all directors shall be notified immediately of its effective date.

3.6.5. Telephone Conference Meetings. (1) A conference among directors, or among members of any committee designated by the Board of Directors, by any means of communication through which

the participants simultaneously hear each other during the conference, constitutes a meeting of the Board or the committee, as the case may be, if the same notice is given of the conference as would be required for a meeting and if the number of persons participating in the conference would be sufficient to constitute a quorum at the meeting. Participation in a meeting by conference constitutes personal presence at the meeting. (2) A director may participate in a non-conference meeting of the Board, of any committee designated by the Board, by any means of communication through which he, other persons so participating, and all persons physically present at the meeting may simultaneously hear each other during the meeting. Participation in a meeting by such means constitutes personal presence at the meeting.

3.7. Quorum. A majority of the Elected Directors in office shall constitute a quorum for the transaction of business at any meeting of the Board. A director may not appoint a proxy for himself or vote by proxy. In the absence of a quorum, a majority of the Elected Directors present may adjourn the meeting from time to time until a quorum is present. If a quorum is present when a duly called or held meeting is convened and Elected Directors have withdrawn from the meeting so that less than a quorum remains, the directors still present may continue to transact business until adjournment. The acts of a majority of the Elected Directors present at a meeting at which a quorum is present shall be the acts of the Board of Director.

### 3.8. Removal.

3.8.1. Termination. Any Elected Director of the Cooperative shall be automatically removed from the Board of Directors by termination of his or her membership in the Cooperative.

3.8.2. By the Members. Any Elected Director of the Cooperative may, for cause, at any annual or special meeting of Members at which a quorum of the Members shall be present be removed from office by a vote of a majority of the Members present. Associate Directors may be removed only by Riverton.

3.8.3. Notice. The removal of a director shall not be considered at a special meeting unless that fact has been stated in the notice of such meeting. No Elected Director shall be removed from office at any meeting unless he/she shall be informed of the meeting at which the matter is to be considered at least seven (7) days before such meeting.

3.8.4. By Absence. An Elected Director shall be automatically removed for cause if such director fails to attend two (2) regularly scheduled Board meetings and fails to provide proper written notice of such absences.

3.9. Vacancy. Whenever the number of Elected Directors shall be fewer than the number set at the last annual meeting of the Members, except as may be caused by official leave of absence, vacancies may be filled until the next annual meeting of the Members by the affirmative vote of a majority of the remaining Elected Directors, though less than a quorum. Persons so elected shall be a director until their successors are elected by the Members who may take such election at the next annual or special meeting of the Members.



3.10. Per Diem & Expenses. The directors and officers of the Cooperative may be paid a per diem for their services to the Cooperative and reimbursed for expenses, if authorized by a resolution adopted by the Members at any annual or special meeting of the Members.

#### **SECTION 4**

##### **EXECUTIVE COMMITTEE**

4.1. Designation. The Executive Committee shall consist of those Elected Directors who are elected officers of the Cooperative, those Elected Directors who are the chairs of the standing committees and one Associate Director. No person shall serve on the Executive Committee who is not also a director of the Cooperative.

4.2. Duties & Authority. To the extent determined by the Board, the Executive Committee shall have and exercise the authority of all the functions and powers of the Board in the management of the business of the Cooperative. The Executive Committee shall act only in the interval between meetings of the Board, and shall be subject at all times to the general control and direction of the Board. The Executive Committee shall make a complete report at each meeting of the Board with action to be approved by the Board. Notice of all emergency action taken by the Executive Committee shall be given to each director in writing or by phone by the end of the following business day.

4.3. Meetings. The Executive Committee shall meet at the call of the President or upon request of three (3) members of the committee.

4.4. Quorum. A quorum for meetings of the Executive Committee shall be a majority of the membership of the committee.

#### **SECTION 5**

##### **OFFICERS**

5.1. Designation. The officers of the Cooperative shall be a President, one or more Vice-Presidents, a Secretary, a Treasurer, and such other officers as the Board of Directors may deem necessary. All officers of the Cooperative shall be natural persons who are Elected Directors, except that the office of Treasurer may be held by any person designated by the Board. The officers shall have the powers, rights, duties and responsibilities set forth in these Bylaws unless otherwise determined by the Board.

5.2. President. The President shall have the following duties and responsibilities including, but not limited to:

- a) Preside over all meetings of the Members, the Board of Directors and the Executive Committee.
- b) Sign as President, with the Secretary, all notes, deeds, and conveyances of the Cooperative.
- c) Appoint members and chairs of all standing committees with confirmation by the Board of Directors.
- d) Attend at least twenty five percent (25%) of the meetings of the standing committees.
- e) Prepare and distribute an agenda prior to each meeting of the Members, the Board of Directors and the Executive Committee, subject to approval by the group which is meeting.
- f) Submit to the annual meeting of the Members a report on the "state of the Cooperative".

5.3. Vice-President. The Vice-President shall have the following duties and responsibilities including, but not limited to:

- a) In the absence or disability of the President, preside and perform the duties of the President.
- b) Attend at least twenty five percent (25%) of the meetings of the standing committees.
- c) Keep the Board apprised of community issues affecting the Cooperative.

5.4. Secretary. The Secretary shall have the following duties and responsibilities including, but not limited to:

- a) Keep a complete record of all of the proceedings of the meetings of the Members, the Board of Directors and the Executive Committee.
- b) Keep a current file of the Bylaws, policies, and rules and regulations, and minutes of all meetings of the Members, Board meetings, and committee meetings in an officially designated place.
- c) Sign as Secretary, with the President, all notes, deeds, and conveyances of the Cooperative.
- d) Send out a notice of each meeting of the Members, the Board of Directors, and the Executive Committee.

- e) In the absence of the President and Vice-President, call the meeting to order and preside until the election of a chair pro tempore.

5.5. Treasurer. The treasurer shall have the following duties and responsibilities including, but not limited to:

- a) Keep a complete record of all financial transactions of the Cooperative unless such duties are delegated by the Board of Directors to an employee or agent of the Cooperative.
- b) Receive and disburse all funds of the Cooperative unless such duties are delegated by the Board of Directors to some employee or agent of the Cooperative.
- c) Review proposed expenditures to determine that they are properly authorized, for legal purposes, and do not exceed budgeted amounts or available resources.
- d) Present a monthly financial report to the Board of Directors.
- e) Submit to the annual meeting of the Members a full financial report on the current year's business, including a statement of assets and liabilities, a statement of income and expenses, and such other statements as the Board of Directors may deem to be necessary.

#### 5.6. Other Officers.

5.6.1. Appointment. The Board of Directors may elect or appoint such other officers as it may deem to be necessary.

5.6.2. Restrictions. The same persons shall not at the same time hold the offices of (1) President and Vice-President or (2) President and Secretary, but may hold any other two offices at the same time.

5.6.3. Secretary-Treasurer. The offices of Secretary and Treasurer may be combined and when so combined the duties shall be a combination of the duties of the Secretary and the Treasurer and the person filling the office shall be termed Secretary-Treasurer.

5.7. Election. The Board of Directors shall elect persons to exercise the functions of the offices of the Cooperative at the annual meeting of the Board of Directors, provided, that the Board may elect persons to a new office and to fill vacancies at regular or special meetings of the Board.

5.8. Removal. An officer may be removed with or without cause by a majority vote of all current Board members at a regularly scheduled or special meeting, but not by telephone meeting. All members of the Board must be notified of the issue two (2) days in advance of this meeting.

5.9. Vacancy. The Board of Directors may fill a vacancy occurring in an office until the next annual meeting of the Board of Directors. Notice of filling a vacancy shall be given to the members of the Board of Directors.

## SECTION 6

### STANDING COMMITTEES

6.1. Designation. There shall be four (4) standing committees of the Cooperative: Finance & Operations, Education, Policy, and Nominations. The standing committees shall consist of at least three (3) persons, at least two (2) of whom shall be members of the Board of Directors. The President and Vice-President shall serve as ex-officio members of the standing committees.

6.2. Finance & Operations. The Finance & Operations Committee shall:

6.2.1. Duties.

- a) Be responsible for motivating Members to help keep the buildings in good physical condition.
- b) Serve as a channel whereby Members can present their ideas on maintenance to the management.
- c) Monitor the general maintenance of the buildings and surrounding grounds.
- d) Establish priorities for the expenditure of the maintenance budget.
- e) Recommend improvements for the buildings' operating systems.
- f) Review long and short-range financial policy and performance reported by management or the auditor.
- g) Work with management to prepare and submit an annual budget for each fiscal year, and supplements thereto.
- h) Propose and review rent schedules.
- i) Hold an open hearing on each proposed annual budget and proposed increases in the rent schedule.
- j) Perform such other duties and responsibilities as the Board of Directors may confer upon the committee from time to time.

6.3. Education. The Education Committee shall:

6.3.1. Duties.

- a) Be responsible for attracting, identifying, and orienting new Members.
- b) Evaluate membership criteria and make recommendations to the Board.
- c) Develop and maintain an education program for the Members.
- d) Be responsible for the general promotion of cooperation through special education programs, through the development of new Cooperative ventures, and through membership in organizations specifically promoting cooperation.
- e) Develop and coordinate a program to educate the membership to the use of the electoral system.
- f) Coordinate and publish a regular membership newsletter.
- g) Perform such other duties and responsibilities as the Board of Directors may confer upon the committee from time to time.

6.3.2. Appropriations. The Board of Directors shall make an annual appropriation to this committee adequate to fund proposed activities not to exceed one (1%) of the gross annual revenue projection of the Cooperative.

6.4. Policy. The Policy Committee shall:

- a) Propose and review the bylaws, policies, rules & regulations, and recommend changes to the Board.
- b) Prepare long-range plans and supervise their implementation.
- c) Maintain a current and up to date policy manual.
- d) Perform such other duties and responsibilities as the Board of Directors may confer upon the committee from time to time.

6.5. Nominations. The Nominations Committee shall solicit nominations for the Board of Directors and prepare a nomination report to be presented at the annual meeting.

6.6. Meetings. Meetings of the standing committees, except the Nominations Committee, shall be held at least quarterly, unless otherwise authorized by the President. Standing committees shall meet at the call of the committee chair, a majority of the committee or the Board of Directors.

6.7. Quorum. A quorum for meetings of the standing committees shall be a majority of the membership of the committee. A current list of committee members shall be maintained by committee chairs and the President.

## **SECTION 7**

### **OTHER COMMITTEES**

7.1. The Board of Directors may, by resolution approved by the affirmative vote of a majority of the Elected Directors, establish committees having the authority of the Board in the management of business of the Cooperative, but only to the extent provided in the resolution. Each such committee shall consist of two or more natural persons (who need not be directors) appointed by an affirmative vote of a majority of the Elected Directors present, and shall be subject at all times to the direction and control of the Board. A majority of the members of a committee shall constitute a quorum for the transaction of business.

## **SECTION 8**

### **EMPLOYEES**

8.1. Designation. A regular Cooperative employee shall be defined as someone who is employed by the Cooperative, either directly or through a managing agent, on a continuing basis of at least thirty (30) hours per week or more.

#### **8.2. Restrictions.**

8.2.1. Employees. No person who is a regular employee of the Cooperative may serve on the Board of Directors or its committees. No person who is a brother, sister, son, daughter, father, mother, husband or wife of a regular Cooperative employee may serve on the Board of Directors or its committees. The Board of Directors and the manager are prohibited from hiring as a regular Cooperative employee anyone who serves on the Board or its committees or who is a brother, sister, son, daughter, father, mother, husband or wife of a member of the Board of Directors or its committees.

8.2.2. Contract Services. No contract for services, material, labor, etc., with a value in excess of \$300.00 may be let to any company owned in whole or in part by a director, committee member, manager, regular Cooperative employee, or to any person prohibited under Section 8.2.1 during any calendar year.

8.2.3. Conflict of Interest Policy. The Board of Directors shall be required to have a comprehensive "Conflict of Interest Policy" relating to the persons prohibited under Sections 8.2.1 or 8.2.2 which may only be suspended or amended by a two-thirds vote of the Board of Directors.

8.2.4. Exemptions. Persons otherwise prohibited under Section 8.2.1, 8.2.2 or 8.3.3 may be hired by the Board of Directors or the manager on a part-time rent credit basis.

8.3. Bonding. The Board of Directors shall require the officers, manager, employees, and agents charged by the Cooperative with responsibility for the custody of any of its funds or property to provide a fidelity bond in such sum as the Board of Directors shall determine. Such bond shall be furnished by a responsible bonding company or other surety satisfactory to the Board of Directors, and the cost thereof shall be paid by the Cooperative unless a management agreement provides that the managing agent shall provide a fidelity bond in such a sum as the Board of Directors shall determine.

## SECTION 9

### FINANCIAL OPERATIONS

9.1. Account Signature. All checks or bank drafts drawn on the Cooperative's depository accounts, or accounts held by Riverton for the benefit of the Cooperative, shall bear the signature of two officers of the Cooperative. In the event that the Board of Directors shall authorize an employee or agent to sign checks or drafts, such checks or bank drafts of a nonrecurring nature in the amount of \$25,000 or more shall be co-signed by at least one of the officers of the Cooperative.

9.2. Loans. No officer, employee, or agent of the Cooperative shall have any power or authority to borrow money on its behalf, to pledge its credit, or to mortgage or pledge its real or personal property, except to the extent of the authority delegated by resolution of the officers of the Cooperative.

9.3. Loans to Officers & Directors. The Cooperative shall not make any loans to an officer or director of the Cooperative. If any such loan be made, the officers and directors who make such loan, or assent thereto, shall be jointly and severally liable for its repayment or the return thereof.

9.4. Fiscal Year. The fiscal year of the Cooperative shall begin on October 1 and end on September 30, unless otherwise designated by the Board of Directors.

9.5. Audits. The Board of Directors shall examine all accounts at their meetings at least four times a year, and shall, in addition, have the books audited at least once a year by a competent auditing service, preferably a Cooperative auditing service. At least one such audit shall be made between the date of the close of the fiscal year and date of the annual meeting of the Members. A report of such audit shall be submitted to the Members at the annual meeting and shall contain a balance sheet showing the financial condition of the Cooperative at the close of the fiscal year and a statement of income and expense for the year, and other statements as the Board of Directors may deem to be necessary.

## SECTION 10

### CORPORATE SEAL

10.1. The Cooperative shall have no corporate seal.

#### **SECTION 11**

#### **PARLIAMENTARY AUTHORITY**

11.1. The rules in the then current edition of Robert's Rules of Order shall be the parliamentary authority in all cases not covered in these Bylaws, or by policy of the Board of Directors, or required by local, state, or federal law.

#### **SECTION 12**

#### **AMENDMENT OF THE BYLAWS**

12.1. Any amendment of the Bylaws may be proposed by (1) a majority vote of the Board of Directors or (2) twenty percent (20%) of the Members who have filed with the Secretary a signed petition for amendment. Notice of the Members meeting, stating the purpose of the meeting, including the resolution setting forth the proposed amendment, shall be given to each officer, director and Member at least fifteen (15) days but not more than thirty (30) days prior to the meeting. All amendments shall be adopted by a majority vote of the Members constituting a quorum at the duly called Members meeting and shall go into effect immediately upon adoption, unless otherwise specified in the adopted resolution.

#### **SECTION 13**

#### **AMENDMENT OF THE ARTICLES**

13.1. Any amendment to the Articles of Incorporation shall be proposed by a majority vote of the Board of Directors. Notice of the Members meeting, stating the purpose of the meeting including the resolution setting forth the proposed amendment, shall be given to each officer, director and Member at least fifteen (15) days but not more than thirty (30) days prior to the meeting. All amendments shall be adopted by a majority vote of the Members constituting a quorum at the duly called Members meeting.

#### **SECTION 14**

#### **INDEMNIFICATION**



14.1. This Cooperative shall indemnify its directors and officers to the maximum extent permissible by law in the State of Minnesota, but in no event shall such indemnification be less than that provided by Minnesota Statutes Section 302A.521, as now enacted or hereafter amended.

The undersigned hereby executes the foregoing Bylaws and certifies that they were adopted as the Bylaws of Brook Avenue Housing Cooperative, Inc., by action of the Board of Directors, effective August, 2019.

Sloane MacSwain  
Sloane MacSwain (Jul 29, 2019)

\_\_\_\_\_  
Sloane MacSwain

Maya Tazel  
Maya Tazel (Jul 31, 2019)

\_\_\_\_\_  
Maya Tazel









# Brook By Laws

Final Audit Report

2019-07-31

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