

BYLAWS
GREEN ACRES COOPERATIVE, INC., a PUBLIC BENEFIT NON-PROFIT CORPORATION

ARTICLE I

These Bylaws constitute the code of rules adopted by Green Acres Cooperative, Inc. (the "Corporation") for the regulation and management of its affairs.

ARTICLE II

Purpose

The Corporation is formed as a public benefit non-profit corporation for the following purposes pursuant to the Montana Nonprofit Corporation Act section 35-2-113 et. seq., regardless of whether or not it seeks recognition of tax exempt status by the Internal Revenue Service pursuant to sec. 501(c)(3) of the Internal Revenue Code:

To own and operate a manufactured housing community ("Community") as a Corporation and be involved in other Corporation activities, on a non-profit, "cooperative" basis for the benefit of all current and future residents/homeowners.

To manage, operate, and maintain the property in or of the residential manufactured home community, held for residential use, in which the resident owners of individual manufactured homes join as members of this non-profit corporation and have 100% voting control of the Corporation.

The broad purpose is to gain control of the rental costs, preserve the Community for the current and future homeowners, and to keep it affordable long-term for low and moderate-income individuals and families. 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

(1) Eligibility

"Member" is defined as a household, and collectively to its occupants, made up of one or more adults (18-years-or-older) individual(s), without regard to their social, political, racial, religious, age, sex, sexual orientation, disability, or marital status who:

- A. Owns and resides in a manufactured housing unit (herein after referred to as the "Home") in the Community and who has signed a Member Occupancy Agreement, being the "ultimate consumer" of the housing opportunity provided by the Corporation. A person is seen as owning or co-owning a Home if he or 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) appoint him or herself as the trustee during his or her lifetime (and or competency); (2) is revocable by him or her; and (3) designates him or herself as the beneficiary for his, her or their lifetime. "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 is brought into good standing by agreement acceptable to the Board of Directors, and where the home buyer has some established equity in the home.
- B. Is in good standing with the Corporation. A "Member in good standing" is a Member whose lot rent and Membership Fee are current or who has signed an agreement satisfactory to the Board of Directors to bring these rents and fees current.

- C. Is 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.

(2) Membership Rights

- A. A Member will have an ongoing right to occupy said lot as long as he or she continues payment of the lot rent and complies with the other terms of the Occupancy Agreement, the Bylaws of the Corporation and the Community Rules adopted by the Members, all as they may be amended from time to time. However, if a Member is evicted from the Community or moves out of the Community, that Member will lose membership and, therefore, the right to occupy said lot following the procedure in §35-2-520, Montana Code Annotated.
- B. Only one Membership interest will be assigned to each home, and only one full vote may be exercised under a Membership interest.

(3) Enrollment of Members

- A. Owners of homes seeking to reside in a Home and lease a lot in the Community must become Members of the Corporation. Owners seeking Membership shall:
 - (1) Apply for Membership on a form prescribed by the **Membership Committee**
 - (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 an intent to occupy a Home in the Community; and
 - (6) Commit to the purposes and policies of the Corporation including the Community Rules and these Bylaws.
- B. Owners of homes in place at the time the corporation purchases the community have the right but not the obligation to become members. They may obtain membership without Board approval as per (2) above, but, must fulfill all other membership enrollment conditions (i.e., (1), (3), (4), (5), (6) above).
- C. Buyers of homes may be approved for membership conditional upon purchase and occupancy of the home.
- D. 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 at paragraph III.1.A. above).

(4) Membership Fee

- A. The non-refundable Membership Fee will be \$250.00.
- B. The Corporation will issue a Certificate of Membership to any adult individual members of the Member household (as specified by the definition of "Member"), or trustee of any Member's "living" or "Grantor" trust, who has fully paid their Membership Fee. This certificate will entitle the individuals' Member Household, and the Home itself, to occupancy of a lot in accordance with the Occupancy Agreement, provided that the Member also abides by the Community Rules of the Corporation and does not interfere with the effective operation of the Corporation. Membership in the Corporation is not transferable.

- C. The Board of Directors reserves the right to use all or part of a Member's Membership Fee to pay any debt due to the Corporation, or expenses incurred as a result of a Member's actions or non-actions, in regards to the Corporation; 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."

(5) Membership Obligations

- A. All Members and non-members are required to pay their lot rent. This lot rent, initially established by the Members may be increased by a majority vote of the Corporation's Board of Directors and by a majority vote of the Membership, consistent with Article V of these Bylaws, with a sixty (60) day written notice to all Members and non-members.
- B. A Member will participate cooperatively in the operation of the Corporation.

(6) Termination and Expulsion

- A. Any Member whose activity in the Corporation is contrary to basic cooperative principles (see copy of International Cooperative Alliance Principles attached hereto and incorporated herein by this reference), insofar as said Principles do not conflict with the Montana Non-Profit Corporation Act, or who endangers the effective operation of the Corporation, through non-payment of rent or fees or other acts or omissions, may be expelled as a Member of the Corporation by the Board of Directors. Loss of Membership carries with it loss of all Membership privileges, including lower lot rent. At least fifteen (15) days prior to expulsion or termination of Membership, the Board of Directors shall deliver to the Member, by certified U.S. mail, return-receipt-requested, written notice of such expulsion, suspension or termination and the charges against each Member. Each Member shall be entitled to orally, or in writing, argue against such proceedings to the Board of Directors.. Such arguments shall be presented not less than five (5) days before the effective date of any such termination and expulsion. An eviction of the Member shall automatically terminate his or her Membership.
- B. The Member shall have the right to appeal to the next Membership meeting and will be given a reasonable opportunity to be heard, either in person or by their attorney. Members may request a Special Meeting of the Membership within a reasonable time period and such request will not be unreasonably denied. In the absence of a board call for a Special Meeting, the member may do so in accordance with Article V, Section 3.A of these Bylaws. A Member need not be expelled before being evicted. 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.
- C. Any Member who wishes to be represented by legal counsel as the result of a Corporation action must notify the Board of this fact ten (10) days in advance of the meeting. The Members shall solely be responsible for the cost of his or her attorney.

(7) Patronage Refunds:

Members shall have a right to determine whether excess membership fees 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 fees paid by Members in excess of the corporations needs and are not from earned income from other sources.

ARTICLE IV
Sale and Rental of Homes

(1) Use of Homes

- A. In order to unify the Members and make the Corporation stronger, all homes within the Community must be owner-occupied except as otherwise herein provided. Failure to comply with this article shall result in an eviction from the Community.
- B. Rental or leasing of homes in the Community **shall not be allowed** unless approved by the Board of Directors. The Board of Directors shall not approve a rental or lease unless (1) a written request is submitted by the Member alleging hardship and (2) the Board of Directors determines that a hardship exists. If an approval is granted, the decision shall 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.

(2) All Home Sales

- A. Any 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. Failure to give notice can result in 30 days additional lot rent.
- B. Notice to the Board of Directors stating the intention to sell a Home in place shall contain the estimated date of sale, and the name, address, and phone number of the selling agent, if any. It is the responsibility of the seller to supply potential buyers with information regarding the requirement that all buyers become Members of the Corporation. The seller shall supply the Corporation with the names and telephone numbers of any buyers who have signed a Purchase and Sales Agreement. See the exception for certain trust transfers contained in paragraph 3.3, which applies here as well.
- C. If the Corporation is owed money by the resident or the resident is in breach of any other obligation to the Corporation, the Board of Directors may consent to the transfer, as requested by that resident for the sale of his/her/their Home to a new buyer, but may insist, if permitted by law, that the consent or transfer documents or 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 Corporation. The documents shall only be recorded upon payment to the Corporation of all outstanding balances due to the Corporation.

(3) Sale of Member Homes

- A. For a period of thirty (30) days following the delivery of the notice to the Board, 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 Member shall accept the offer from the lower-income family or individual. Provided, that the Board may authorize the sale to someone other than a lower-income family or individual at the request of the selling Member in the case of a sale to a family Member or where the delay in selling would pose an unreasonable hardship for the selling Member.
- B. 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 county as determined by the U.S. Dept. of Housing and Urban Development and published in the Federal Register.
- C. The Board of Directors shall purchase the Membership interest from said Member household by paying them the an amount equal to the Member's total payment toward their

Membership Fee, 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 purchase can be made without jeopardizing the solvency of the Corporation.

(4) Vacant Lots

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; 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. The Board will keep a waiting list for these purposes.

(5) Fannie Mae

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

A. 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, shall be exempt from any "low income" requirement.

B. 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 Occupancy Agreement, shall 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 Occupancy Agreement or otherwise, shall be subordinate to the rights of the holder of an Eligible Loan, and amounts owing to the Corporation shall 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.

ARTICLE V
Membership Meetings

(1) How the Membership Can Legally Act

A. The membership may act only at a properly called meeting of the membership where a quorum is present. At such a meeting, a vote of a majority of the members in attendance shall be an act of the membership, except that a two-thirds majority of the members in attendance, or a majority of all members entitled to vote, whichever is less, shall be required for the following: dissolution of the corporation, merger or consolidation with another corporation, sale of substantially all the corporation's assets, and most amendments to the corporation's certificate of formation. The attendance of **one-third** of members shall constitute a quorum for the conduct of business at either an Annual or Special Membership Meeting.

- B. 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 that are properly before the meeting shall be approved by a majority vote of Members present except for motions affecting the Bylaws and Community Rules.
- C. Any business required or permitted to be taken at a Membership meeting may be taken without a meeting pursuant to §35-2-533, Montana Code Annotated and 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 or a higher percentage if it would be required in the event the vote was taken at a membership meeting. A copy of the motion and vote must be kept on file with the Corporation's Membership meeting minutes. 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.

(2) Annual Meeting

- A. The Annual meeting of the Members. The Members shall elect directors and transact any other business as may come before the meeting. The Annual Meeting will take place at _____ PM on the first _____ of _____ each year in the Community. The Board of Directors may designate an alternate date, time and place designated within _____ miles of the Community as needed.
- B. The Board shall give written notice of the Annual Membership Meeting not less than 10 days before the meeting date or, if notice is mailed by certified mail, not less than 30 or more than 60 days before the meeting date. Such written notice shall be given in writing to each Member at his/her address, and posted and maintained at a common area, and shall state the place, day, and time of the meeting, as well as a description of any matter or matters that must be approved by the members under the Montana statutes; including but not limited to Section 35-2-sections:
 - 223-Amendments Proposed by the Board of Directors
 - 230-Amendments by Directors and Members
 - 418-Matters in which the Directors have some conflict of interest
 - 452-Matters involving the indemnification of Directors and Officers
 - 611-Articles of Merger
 - 617-Approval of the sale of assets other than in the ordinary course of business
 - 720-Dissolution by incorporators or directors and third persons
 - 721- Dissolution by directors, members, and third persons,
- C. 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 Corporation 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.
- D. The Board shall recommend for the approval by Membership the annual budget with proposed future rents. 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.

(3) Special Membership Meetings

- A. Special Membership Meetings may be called at any time by the President, by a majority of the Board of Directors, or on written request of one-tenth of the members. Such Member petition may

be delivered to any corporate officer. The Board shall set the date, place and time of the Special Meeting, to be held within 30 days after receipt of such demand.

- B. The Secretary of the Corporation shall give written notice of the Special Membership Meeting not less than 10 days before the meeting date or, if notice is mailed by certified mail, not less than 30 or more than 60 days before the meeting date. Such written notice shall be given in writing to each Member at his/her address, and posted and maintained at a common area, and shall state the place, day, and time of the meeting, as well as a description of any matter or matters that must be approved by the members.

ARTICLE VI **Board of Directors**

(1) 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.

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

(2) Qualifications

Directorships shall not be denied to any person on the basis of race, creed, sex, religion, or national origin. To be eligible to serve as a Director, an individual must be a Member in good standing with the Corporation.

(3) Number and Term of Directors

- A. The Board of Directors shall consist of five (5) Directors.
- B. Directors shall serve terms of two years. Directors shall serve until their successors are duly chosen. A Director may be elected to an unlimited number of terms.

(4) Election of Directors

The Board of Directors shall be elected by the Members at an Annual Meeting of the Corporation, or at a special meeting held in place thereof. 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. A ballot provided on a form approved by the Board of Directors shall be used for the election of Directors. It shall clearly state the slate of nominees and be identifiable by either a lot number or other means. The ballots shall be sealed and opened at the Membership meeting.

(5) 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) Removal

- A. Any Director 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. Said notice of a vote to remove shall only be made after:
- i. If initiated by the Board of Directors-a majority vote of the Board of Directors, or
 - ii. If initiated by a Membership Petition-after the Board of Directors receives a written petition requesting the proposed removal, signed by at least 10% of the Membership.
- B. Said Notice shall clearly advise that, once a quorum is established, a majority vote of the Members present will be needed to remove the Director.
- C. The notice shall state the date, time and place of the meeting where said vote will be taken.
- D. 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. The Secretary of the Corporation shall give written notice of the Special Membership Meeting not less than 10 days before the meeting date or, if notice is mailed by certified mail, not less than 30 or more than 60 days before the meeting date. Such written notice shall be given in writing to each Member at his/her address, and posted and maintained at a common area, and shall state the place, day, and time of the meeting, as well as a description of any matter or matters that must be approved by the members.

(7) Vacancies

The Board shall fill vacancies as soon as practical. Vacancies that result from resignation or any means other than removal by the Membership may be filled by a majority vote of the Directors present at any regular or special 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 VI, Section (3) B of these Bylaws. The term for a newly appointed Director will begin immediately after election to the Board.

(8) Compensation

Directors shall not receive any salaries or other compensation for their services, but may be reimbursed for any actual expenses incurred in the performance of their duties for the Corporation (including legal expenses), as long as a majority of disinterested Directors approve the reimbursement in advance. Receipts must accompany all requests for reimbursement. The Corporation shall not loan money or property to, or guarantee the obligation of, any Director. 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.

ARTICLE VII
Board Meetings

(1) Regular Meetings

Regular meetings of the Board of Directors shall be held in the Community on the 2nd Wednesday of each month at 6:30 p.m. 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. The Board shall have the sole discretion to establish the agenda for all regular meetings.

(2) Special Meetings

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 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 are ratified at a subsequent properly noticed meeting.

(3) Waiver of Notice

Attendance by a Director at any meeting of the Board of Directors for which the Director did not receive the required notice will constitute a waiver of notice of such meeting unless the Director objects at the beginning of the meeting to the transaction of business on the grounds that the meeting was not lawfully called or convened.

(4) Quorum and Voting

- A. A majority of the Directors then in office will constitute a quorum for the purposes of convening a meeting or conducting business. A Director may attend a meeting by telephone, and such Director is included in a quorum count.
- B. Where these Bylaws or the Articles of Incorporation require approval by a certain fraction of the "then current Board," the fraction will be calculated based on the entire number of Directors serving at that time. For all other actions, including where these Bylaws or the Articles of Incorporation require approval by a "majority vote of the Board", at Board meetings where a quorum is present, a majority vote of the Directors attending will constitute an act of the Board

(5) Proxy Voting Prohibited

Proxy voting is prohibited.

(6) Open Meetings

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.

(7) Action without a Meeting

- A. 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.

- B. 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.

ARTICLE VIII

Officers

(1) Election and Removal of Officers

The Board of Directors shall elect the Officers at an Annual or special meeting. All Officers must be members of the Board of Directors. An Officer may be reelected to an unlimited number of terms and shall remain in office until their successors have been elected.

(2) Roster of Officers

The Corporation shall have a President, Vice President, Secretary, Treasurer, and Operations Manager. The Corporation may have, at the discretion of the Board of Directors, such other officers as may be elected by the Directors. One person may hold two or more offices, except that the offices of President or Secretary may not be held by the same person. In addition to the specific duties listed below, each officer will also perform the duties as assigned by these Bylaws.

(3) President

The President shall serve as chair and preside at all meetings of the Directors and Membership. He or she shall be responsible for general day-to-day administration according to the authority granted by the Board and the Membership. The President shall perform such duties prescribed by the Board or as necessary to accomplish the directives of the Board of Directors.

(4) Vice President

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 of Directors or the President. He or she shall report on the activities of the President to the Board of Directors in the absence of the President.

(5) Secretary

The Secretary shall keep the records of the Corporation and these Bylaws. Amendments to these Bylaws shall be typed, noted, dated and maintained with these Bylaws, and copies distributed to the Members. 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 President may appoint some person to 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 the Membership and resident lists. The signature of the Secretary, or acting secretary, on minutes and actions of the Board of Directors shall serve as evidence of their authenticity.

(6) Treasurer

The Treasurer shall have charge of all the funds of the Corporation and shall be responsible for all disbursements and collections. 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. The Treasurer shall see that all checks drawn on Corporation accounts bear the signature of at least two of these three Officers: **President, Treasurer, or Secretary**. As a standard fiscal control, a Member of the Corporation other than the Treasurer shall reconcile the Corporation accounts each month. The Treasurer shall be responsible for having the books prepared for examination. The Treasurer may delegate any tasks to any Member of the Finance Committee or a contracted bookkeeping service.

(7) Operations Manager

The Operations Manager shall sit on the Maintenance Committee and shall be responsible for the effective upkeep of grounds and systems; development of services, standards, emergency and general repair procedures; maintenance of a list of qualified trades people; acquisition of bids, maximization of volunteer contributions, submission of a capital improvements plan and annual projected maintenance budgets.

(8) Powers

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 IX **Committees**

The Board of Directors shall be responsible for the day-to-day management and control of the Corporation operations. The Board of Directors shall 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. These committees shall 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.

ARTICLE X **Indemnification and Insurance**

(1) Insurance

The Corporation shall provide indemnification insurance for its Board members and officers. The Board shall select the amount and limits of such insurance policy at the first Board Meeting of every fiscal year.

(2) Indemnification

- A. Except as provided in this section, 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: i. conducted himself in good faith; ii. reasonably believed: a. in the case of conduct in his official capacity with the Corporation, that his conduct was in its best interests; and b. in all other cases, that his conduct was at least not opposed to its best interests; and iii. in the case of any criminal proceeding, had no reasonable cause to believe his conduct was unlawful.
- B. A director's conduct with respect to an employee benefit plan for a purpose the director reasonably believed to be in the interests of the participants in and beneficiaries of the plan is conduct that satisfies the requirements of Article X, Section (2)Aii.
- C. The termination of a proceeding by judgment, order, settlement, conviction, or upon a plea of *nolo contendere* or its equivalent is not, of itself, a determination that the director did not meet the standard of conduct described in this section,

- D. The Corporation may not indemnify a director under this section: i. in connection with a proceeding by or in the right of the corporation in which the director was adjudged liable to the corporation; or ii. in connection with any other proceeding that charges improper personal benefit to the director, whether or not involving action in his official capacity, in which the director was adjudged liable on the basis that personal benefit was improperly received by the director.
- E. Indemnification permitted under this section in connection with a proceeding by or in the right of the Corporation is limited to reasonable expenses incurred in connection with the proceeding. Unless limited by the Articles of Incorporation, the Corporation shall 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 he is or was a director of the Corporation, against reasonable expenses actually incurred by the director in connection with the proceeding.

(3) Bond

Each Officer, Director, employee, and agent handling funds or securities amounting to \$1,000.00 or more in any one year shall be covered by adequate bond in accordance with state law.

ARTICLE XI **Operations**

(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 Officer. 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.

(2) Disbursement of Funds

- A. Financial transactions which have a value of **Two Hundred Fifty Dollars (\$250)** or more shall require majority approval of the Board of Directors. In all other transaction, the President may dispense with the funds of the Corporation in accordance with the annual budget approved by the Board of Directors and the purposes of the Corporation as set out in the Articles of Incorporation and these Bylaws.
- B. All checks disbursing funds from any of the Corporation's accounts will require the signatures of at least two Officers. No more than one individual from each Member household may have signing authority.
- C. Any decisions that may commit expenditures of **Two Thousand Dollars (\$2,000)** or more of Corporation resources per Fiscal Year, that does **not** appear in the approved annual budget, shall be made by the Members at an Annual or special meeting of the Members. Capital Improvement and Replacement Reserve expenditures that exceed **Three Thousand Dollars (\$3,000)** per Fiscal year, require the approval of the Members except in cases of emergency repairs. The Board shall notify the Members of such an emergency action at the next regular or special meeting of the Members.

(3) Code of Ethics/Procurement Policy/ Conflict of Interest Policy

The Corporation shall adopt and abide a Code of Ethics, Procurement Policy, and a Conflict of Interest Policy.

(4) Records

The records of the Corporation shall be kept by the Directors then in office and transferred to newly elected Directors upon change over.

(5) Inspection of Books and Records

- A. 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 applications, materials discussed in executive session and individual collection matters.
- B. The Treasurer shall make the Annual Financial Statements available to the Board within three months after the end of the fiscal year.

(6) Loans to Management

The Corporation shall make no loans to any of its Members, Officers, Directors, or staff.

(7) Amendments

- A. The Members may adopt by written resolution amendments to the Articles of Incorporation by a vote of two-thirds of the membership at a Special Meeting called for this purpose.
- B. The Bylaws and the Community Rules may be amended by two-thirds of the Members in attendance at any regular or special meeting at which a quorum is present or a majority of all members entitled to vote, whichever is less, provided that notice of the meeting (i) states the place, day, and time of the meeting, (ii) was given to all Members in writing not less than 10 days before the meeting date or, if notice is mailed by certified mail, not less than 30 or more than 60 days before the meeting date, and (iii) states that the one of the purposes of the meeting is to consider the proposed amendment and contains or is accompanied by a summary of the amendment. Such written notice shall also be posted and maintained at a common area. After the notice is delivered, technical changes in wording or detail of the proposed amendment that do not alter the subject matter shall not require an additional notice.

(8) Fiscal Year

The Fiscal Year for the Corporation shall be the twelve (12) month period ending the last day of the calendar year, December 31st. The Corporation 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 state law.

(9) Dissolution of the Corporation

In the event of dissolution of the Corporation, the assets, after payment of the Corporation's debts and expenses, shall be distributed in the following manner:

- A. The face value, or the amount equal to the Membership Fee paid minus any outstanding obligation to the corporation, whichever is lower, shall be returned to the Members.
- B. Any surplus remaining after the distributions in paragraph A may be distributed as a contribution to any cooperative association or other nonprofit association to which contributions are deductible from income tax under current internal revenue service regulations.

ARTICLE XII
Rules of Procedure

In the case of any question not covered in these Bylaws or the adopted Board policies, the Montana Non-Profit Corporation Act shall apply. All meetings shall be conducted in accordance with Roberts Rules.

CERTIFICATION

I hereby certify that these Bylaws were adopted by the Board of Directors of Green Acres Cooperative, Inc. at its meeting held on July 20, 2010.

Name: JANE L. FORD FOR DIANE MILLER
Secretary of the Corporation

Approved on 8/1/2010