

BY-LAWS OF CAMP SARGENT ROAD CO-OPERATIVE

1.1 The name of the corporation shall be Camp Sargent Road Co-operative, Inc., hereinafter referred to as the “Co-operative”, located in the Town of Merrimack, County of Hillsborough, and State of New Hampshire.

PURPOSE

2.1 This Corporation is formed to own and operate a manufactured housing Co-operative and be involved in other Co-operative activities on a not-for-profit basis for the benefit of the residents.

2.2 The broad purpose is to control the costs and preserve the Co-operative for current and future residents, to keep it affordable for the long term.

MEMBERSHIP/NON-MEMBERSHIP

How is one a member of this Co-operative? A member in good standing is a member whose lot fee is current and/or an agreement has been signed with the Finance Committee or Board of Directors to bring the monies owed current.

A member in good standing is a member who complies with the Co-operatives By-Laws and Rules and Regulation.

A member in good standing has 1 vote per household at any Co-operative meeting and 1 member of that household can run for election in any board position should they wish to. Any member can also be on any committee within the Co-operative.

3.1 Membership is open to adult residents who own and occupy a manufactured housing unit in the Co-operative and are in good standing with the Co-operative. Only one (1) membership will be assigned to a manufactured housing unit. Only one (1) full vote may be exercised under a membership, regardless of the number of owners or persons included within the membership. A person owns or co-owns a unit, if he/she/they:

(1) Acquire title to the unit in his/her/their names(s) by a deed recorded in the Hillsborough County Registry of Deeds: or

(2) Acquire title to the unit by a deed duly recorded in the Hillsborough County Registry of Deeds which:

(a) Conveys the unit to the trustees of a “Grantor” or “Living” Trust which conveyance also gives the names of the Trust; and

(b) The trust is established by a member or members with each being appointed as Trustee/Co-Trustee during his/her/their lifetime; and which the member or members are the sole beneficiaries during his/her/their lifetime.

3.2 New buyers of any manufactured homes seeking to reside on a lot in the Co-operative must become members of the Co-operative. New buyers 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 on a form prescribed by the Membership Committee.
- (5) Have a contract to buy and will occupy as a primary residence a manufactured housing unit in the Co-operative as verified by the statement on the Co-operative Application for Residency Form.
- (6) Commit to the purposes and policies of the Co-operative including the Co-operative Rules, Regulations, Policies, Procedures and these By-Laws on a form prescribed by the Membership Committee.

A person is considered a buyer or owner if he/she seeks to own or co-own a manufactured housing unit directly or through his/her/their "Living" or "Grantor" Trust 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 manufactured housing unit in his/her "Living" or "Grantor" Trust, the trust will not be considered a new owner or buyer under this paragraph. Members transferring their ownership into a permissible "Living" or "Grantor" must furnish the Co-operative with either a copy of said trust 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. This may constitute ownership but is not the equivalent of membership in the Co-operative.

3.3 The membership fee shall be Five hundred dollars (\$500.00). This is the par value. There is no book value.

3.4 A Certificate of Membership shall be issued to any member, or trustee of any member's "Living" or "Grantor" Trust who has paid the membership fee. This Certificate shall entitle the holder to occupy the lot in accordance with the Occupancy Agreement provided that the holder (or, in the case of a Living or Grantor Trust, the Trustee/Beneficiary only) also abides by the purposes, policies, Rules and Regulation and these By-Laws of the Co-operative and does not interfere with the effective operation of the Co-operative. An owner of a unit may transfer his/her interest in the unit upon death. The Certificate of Membership of a deceased owner is not transferable upon death unless the transferee, beneficiary, devisee, legatee, heir or distributee complies fully with the provisions of paragraph 3.2 above within a reasonable period of time following death of an owner but not to exceed six (6) months.

3.5 The Board of Directors reserve the right to use all or part of a member's Membership Fee to pay any debt and expenses due the Co-operative. As used herein, the term debt includes, but is not limited to, the cost and expenses, including reasonable attorney fees, incurred by the Board to insure or obtain members compliance with the Co-operative Rules and Regulations and By-Laws, which include eviction and other legal proceedings.

In the event any legal action is commenced by the Co-operative to collect past due lot fees, to evict, or for any other reason, the homeowner must pay all legal fees and costs incurred by the Co-operative. These fees and costs will be paid by the homeowner, even if the eviction is terminated or cancelled by the Co-operative. The legal fees and costs incurred by the Co-operative shall be considered additional lot fees for the unit in question, and this additional lot fee shall be due and payable by the homeowner in accordance with these By-Laws.

In the event a legal action is commenced against the Co-operative by a homeowner and the Co-operative prevails in said action or the action is withdrawn by the homeowner, the homeowner shall be required to reimburse the Co-operative in defending such action. In no event shall the Co-operative be responsible for paying the homeowner's legal fees. The term legal action shall include any civil action brought before the court of law and any action or claim brought before the Board, administrative agency or other such committee.

3.6 All members and non-members are required to pay a lot fee on a monthly basis. The lot fee is payable in advance and due on the first day of each month but no later than the 6th of each month. In the event that the lot fee is not paid by the 6th, Late Fees may apply and are due with the lot fee immediately. Lot fees may be increased by the Co-operative Board of Directors or by a majority vote or ballot of the membership. A sixty (60) day written notice of the increase will be sent to all members and non-members.

3.7 How does one become a non-member of this Co-operative?

A non-member is a resident who is not in compliance with Co-operative Rules and Regulation and/or By-Laws and/or whose lot fee and all other charges have not been paid and/or does not have a current agreement with the Finance Committee or Board of Director to bring the monies owed current.

A non-member of the Co-operative has NO voting rights in the Co-operative and cannot run for election or hold any board position or be on any committee within the Co-operative.

A non-member is required to pay the non-member lot fee which is a higher lot fee determined by the Board of Directors or by a majority vote or ballot of the membership.

3.8 Any member whose activity in the association is contrary to basic consumer Co-operation, principles or who endangers effective operation of the association may be expelled by the Board of Directors. Written notice of the charges against each member and reasonable opportunity for a hearing shall be provided before any such expulsion. A reasonable opportunity is defined as twenty (20) days. The membership fee shall be repurchased at par value, when there are sufficient reserve funds, less any debts owed and expenses incurred by the Co-operative for this

action. The member shall have the right to appeal at a membership meeting and will be given the opportunity to be heard, either in person or by counsel. Re-application for membership will require Board review and membership approval before reissuance of the Certificate of Membership. The reasons for expulsion shall be clearly stated, recorded, placed in the permanent files and a copy given to the member. A member need not be expelled from membership before eviction. RSA301-A-20

3.9 Any member who requests a hearing as a result of a Co-operative action, and intends to appear with, or be represented by legal counsel, must notify the Board of this fact ten (10) days in advance of said hearing.

HOME SALES / RENTAL OF UNITS

4.1 Any lot in the Co-operative that becomes vacant (other than a temporary vacancy when a member of the Co-operative replaces his or her existing manufactured home with a new or different one), shall be leased by the Board of Directors to an approved lower-income family or individual; provided, however, if the Board does not receive an offer to lease from a lower-income family or individual reasonably capable of affording to live in the Co-operative, the Board or Directors may lease the lot to any suitable household.

4.2 Any member wishing to make an on-site sale of their home shall give immediate written notice to the Board of Directors stating the intention to sell, the asking price, the phone number of any potential buyer(s) and the name, address and phone number of the selling agent. During a 30-day period following said notice, if the member receives more than one offer for the same price upon the same terms and conditions, and one of the said offers is from a lower-income family or individual the member shall accept the offer from the lower-income family or individual. The Board will keep a waiting list for this purpose. 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.

4.3 If the Co-operative is owed money by the resident, or the resident is in breach of any other obligation to the Co-operative, the Board of Directors will create a Lien, as defined in RSA 477:44. Upon the sale of the resident's unit to a new buyer, a Notice of Lien will be transmitted directly to the escrow or closing agent with a Notice of Lien on the resident's unit for those amounts due and owed the Co-operative.

4.4 The Board of Directors shall purchase the membership share from the said member household within thirty (30) days of the removal or sale of the home. The amount will be the share's par sum, without interest, less any debt owed to the Co-operative by the member, when there are sufficient reserve funds.

4.5 Rental or leasing of manufactured housing units by any resident in the Co-operative is not allowed.

4.6 The following shall apply in all situations where Fannie May holds an eligible loan on a home in this Co-operative:

- Notwithstanding any other by-law 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 RSA 205-A:4-a) or directly from the holder of an eligible loan, shall be exempt from any “low income” requirement.
- Notwithstanding rights of the Co-operative, under RSA 205-A:4a or other 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 lot fee and other charges owed by a member under an occupancy agreement shall not be required to advance more than six (6) months of lot fees and other charges, and the Co-operative’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 Co-operative 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 lot fee and other charges, have been paid in full.

ELECTIONS

5.1 Before elections, the Board of Directors shall appoint three (3) impartial members to conduct balloting operations. Their duties shall include issuing and receiving Ballots and tabulating results. The Board of Directors may assign other duties.

5.2 The Board of Directors shall call for nominations of Officers of the Co-operative sixty (60) days before the Annual Meeting. The ballot nominees shall be presented to the membership not less than thirty (30) days before elections.

5.3 The final ballot shall contain sufficient space for write-in candidates for all open positions. If a write-in candidate is elected and declines the office, the runner-up shall fill the position. A member may be a candidate for only one (1) position at a time.

5.4 All ballots shall be retained in a secure place for thirty (30) days after the elections. The Board of Directors shall set procedures to help resolve any dispute that arises over the elections.

VOTING

6.1 Forty (40) percent of the current membership shall constitute a quorum at a membership meeting. The existence of a quorum shall be established at the beginning of each meeting and shall remain valid until the meeting is adjourned. There shall be no voting by proxy.

6.2 Any business required or permitted to be taken at a membership meeting may be referred to a ballot vote of the entire membership. Any ballot must clearly state the written motion and will be mailed or hand delivered but must be signed for by each member at the time of receipt. All

votes must be returned to the Board of Directors no later than ten (10) days after receipt. A copy of said action must be kept on file with the Co-operative's meeting minutes.

6.3 The By-Laws and Rules & Regulations may be adopted, amended or repealed by a majority vote of the members present at any Annual or Special Meeting, provided notice of the proposed changes have been submitted as a clearly written motion to all members ten (10) days prior to such meetings or if preferred by the Board of Directors, said notice /ballot may be hand delivered and signed for at the time of receipt as stated in Article 6.2 above. All notice/ballots, whether mailed or hand delivered, must be returned within ten (10) days. After the ten (10) day notice/ballot, technical changes in wording or details of the proposed amendment or rule change that do not alter the subject matter shall not require additional notice.

6.4 Any decision that may commit an expenditure of three-thousand (\$3,000.00) dollars or more of the Co-operative resources, that does not appear in the approved Annual Budget, shall be made by the membership at an Annual or Special Meeting of the membership. Capital Improvement and Replacement expenditures that exceed five thousand (\$5,000.00) dollars require the approval of the membership except in cases of emergency repairs. The Board shall notify the membership of such action at the next Regular or Special Meeting of the membership.

ANNUAL AND SPECIAL MEETINGS

7.1 The Annual meeting of the membership is to be held at least once a year RSA301-A: 21. The meeting shall be held in the month of May of each year in Merrimack, New Hampshire or at a place designated by the Board of Directors.

7.2 Notice of the time and place of the Annual Meeting and the subject matter to come before it, shall be given in writing to each member at his/her residence not less than thirty (30) days prior to the meeting and also posted and maintained at a common area. RSA301-A-23

7.3 An Annual Report and proposed Annual Budget of the Co-operative shall be made available to each member no later than thirty (30) days before the Annual Meeting for approval by the membership at the Annual Meeting.

7.4 Special Meetings of the membership may be called by the Board of Directors or by petition of one-tenth (1/10) of the membership. A petition may be delivered to any Board Member. The Board of Directors shall set the date of said Special Meeting to be held within thirty (30) days after such demand. Written notice stating the place, day, hour and purpose of the Special Meeting shall be issued by the Secretary and delivered personally, or mailed, to all members and also posted in a common area not less than ten (10) days in advance of the meeting date. RSA301-A

7.5 The principal guidelines of Parliamentary Procedures shall prevail in case of any question not covered in these By-Laws, and/or RSA301-A

BOARD OF DIRECTORS

8.1 The Board of Directors shall consist of seven (7) members who are resident owners of a manufactured housing unit in the Co-operative and are members in good standing (See 3.1) with the Co-operative. The Board of Directors shall be elected by the membership at the Annual Meeting of the Co-operative, or at a Special Meeting held in place thereof. All newly elected Directors will take office thirty (30) days after elections or at the next Board of Directors Meeting, whichever comes first.

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 a term of two (2) years. Any Director wishing to serve additional terms may be nominated for election as often as they are willing and able to carry out the duties of the office for which they are nominated. It is the responsibility of the membership, by their judgment and vote, to determine whether he/she has effectively filled the Board position to the satisfaction and to the benefit of the Co-operative.

8.4 Vacancies, which 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.

8.5 No more than one (1) individual from each member household may serve on the Board of Directors at the same time.

8.6 The Board of Directors shall be responsible for the day-to-day management and control of the Co-operative 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 management guide.

8.7 Regular meetings of the Directors shall be held monthly. Notice of the time, date and place, together with the agenda of the Board of Directors meeting, shall be posted in a public place in the Co-operative ten (10) days in advance.

8.8 Special meetings of the Directors may be held at the call of the President or any two (2) Directors. Written notice stating the place, date 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.

8.9 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 the purpose of protecting a person's reputation and confidentiality. Any decisions that result from an Executive Session must be made public at the next Board Meeting.

8.10 At any meeting of the Board of Directors a simple majority of the number of Directors then in office 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.

8.11 Any action required or permitted to be taken by the Board of Directors at a meeting may be taken without a meeting, if a written notice is signed and approved by a majority of the Directors. A copy must be kept on file with the Board Minutes.

8.12 Directors shall serve without compensation, but shall be entitled to reasonable compensation for expenses paid while conducting legitimate Co-operative business. Any expenses incurred must have prior approval of the Board. Receipts must accompany all requests for reimbursement. Directors may receive compensation for freely executed contracts approved by the Board or membership as the case may require, so long as the contract is not related to their duties as a Director.

8.13 Any Director whose actions are determined to negatively affect the operation of the Co-operative may be removed by a majority vote of the membership at any Regular 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 Board of Directors or after the Board receives a written petition requesting the proposed removal, signed by at least ten (10) percent 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, subsequently, by a vote of the membership at any Regular or Special Meeting of the members. This section does not restrict any Directors voluntary resignation from the Board or from office.

8.14 Conflict of Interest: No member of the Board of Directors of the Camp Sargent Road Co-operative, or any of its Committees, shall derive any personal profit or gain, directly or indirectly, by reason of his or her participation with this Co-operative. In addition, enforcement of the By-Laws and Rules and Regulation, must be uniformly and consistently enforced without discrimination and bias on the part of the Board or Committee member. If there is a conflict of interest by a Board or Committee member that member is obligated to divulge to the other members of the Board or Committee that they have a conflict of interest in the matter to be resolved. If a conflict of interest should arise, no Board or Committee member shall vote in the decision affecting that conflict and must in fact recuse themselves from this decision process and will not sit with the Board or Committee while the vote is being taken.

OFFICERS

9.1 The officers of the Co-operative shall consist of President, Vice-President, Secretary, Treasurer, three (3) Co-operative Representatives and any other designated position as decided by the membership. All officers are Directors of the Co-operative and must meet the requirements for being a Director.

9.2 Officers shall be elected by the membership.

9.3 The President shall preside at all meetings of the Directors and Membership. He/she shall manage the affairs and be responsible for the general administration of the guidelines established

by the Board and the Membership. The President shall perform such duties prescribed by the Board or that are necessary to accomplish the objectives of the Co-operative.

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 to the Board on the activities of the President in his/her absence.

9.5 The Secretary shall keep the records of the Co-operative and these By-Laws. Amendments to the By-Laws shall be typed, noted, dated and maintained with these By-Laws and copies distributed to the membership. He or she shall keep true record of the proceedings of all meetings of the Directors and membership. Copies of the minutes will be available to each member. 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.

9.6 The Treasurer shall have charge of all the funds of the Co-operative and shall be responsible for all disbursements and collections. The Treasurer shall be responsible for maintaining all financial records of the Co-operative which include previous fiscal years, Financial Reports, Bank Statements, Returned Checks, Invoices, Records and any other Financial Records. These will be retained as required by Federal, State and Local Laws and/or in accordance 12.1. The Treasurer will see that all checks drawn on the Co-operative accounts shall bear the signature of at least two (2) of these four officers: President, Vice-President, Secretary or Treasurer. Each month the Treasurer will oversee the reconciliation of the Co-operative accounts. The Treasurer shall be responsible for having the books prepared for audit. The Treasurer may delegate any tasks and responsibilities to any member of the Finance Committee while maintaining final responsibility.

9.7 The three (3) elected or appointed Representatives on the Board shall act as the channel through which the members of the Co-operative may transmit their concerns and/or obtain information regarding activities, services, rules & regulations, sales, etc. The primary responsibility of each Representative is to make themselves known to as many residents of the Co-operative as possible, to answer their questions and solve their Co-operative-related problems or direct the member to the proper committee and/or person for a timely response. The President and/or any Officer of the Board should be advised immediately when further interpretation and/or guidance is needed or if the matter requires being brought to the Board for discussion and vote.

9.8 All Officers of the Co-operative shall be subject to these By-Laws and to any vote of the Directors and 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 (\$1,000.00) dollars or more in any one (1) year shall be covered by adequate Bond in accordance with RSA301-A: 29

INDEMNITY

10.1 The Directors, Officers and members shall not be personally liable for debts, liabilities or other obligations of the Co-operative.

10.2 Should any person be sued or threatened with suit, either alone or with others, because he/she was or is a Director, Officer or Employee of the Co-operative, in any proceedings arising out of his/her alleged malfeasance or non-misfeasance in the performance of his/her duties or out of any wrongful act against the Co-operative, indemnity for his/her reasonable expenses, including attorney's fees incurred in the defense of the proceeding, may be assessed against the Co-operative, its Receiver or 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/her is settled with the approval of the court and (2) the court finds that his/her conduct fairly merits such indemnity, the amount of such indemnity shall be so much of the attorney 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/she was or is a Director, Officer or Employee of the Co-operative, in any proceedings other than an action by the Co-operative, indemnity for his/her reasonable expenses including attorney fees incurred in the defense of the proceeding may be paid by the Co-operative if the person acted in good faith and in a manner he/she reasonably believed to be in, or not opposed, to the best interest of the Co-operative; any such indemnity shall be made as authorized by majority vote of the membership.

FISCAL YEAR

11.1 The fiscal year of the Co-operative shall be a twelve (12) month period ending May 31st of each year. The Co-operative shall cause its books to be audited or reviewed at the end of each year in accordance with requirements of RSA301-A:30

RECORDS

12.1. The records of the Co-operative shall be maintained by the Directors and filed in the Co-operative office. The responsibility transferred to newly elected Directors upon changeover. Records of the Corporation shall be kept for the periods indicated by the following schedule:

(A) Articles of Incorporation, By-Laws (original and changes), Board Lists and Minutes (Membership & Board) as long as the Corporation exists plus seven (7) years.

(B) Financial records (accounts payable & receivable and checkbook) as long as the statute of limitations plus three (3) years longer if there is a recent Lawsuit.

12.2 Records of the Co-operative shall be open to the inspection of any member at a reasonable time and place within forty-eight (48) hours of a member's request, limited to those items not protected under any Privacy Act.

DISSOLUTION

13.1 Dissolution of the Co-operative shall be as outlined in RSA301-A: 33 In the event of dissolution of the Co-operative, the assets, after payment of the Co-operative's debts and expenses, shall be distributed in the following manner:

1. (a) The par value of the Membership Certificates or Shares shall be returned to the members. The amounts allocated in distribution of net savings under RSA301-A: 28 shall be returned to those members entitled to them.

(b) If, after paying all debts and expenses, there are not adequate assets remaining to return the par value fee to all members, then the remaining assets shall be distributed equally to the members.

2. Any surplus remaining after distribution in paragraph 1 (a) and (b) may be distributed as a contribution to any Co-operative association or other non-profit association selected by a majority vote of the membership and to which contributions are deductible from income tax under current Internal Revenue Service Regulations.

SEVERABILITY

14.1 Should any part of these By-Laws be deemed to be illegal, it does not mean that these entire By-Laws are illegal. All remaining By-Laws not deemed to be illegal, shall remain in full force and effect.

-END- RSA's available on request Total Pages: 9

Original document on file and signed by:

Connie Holbert, President Stephen King, Vice-President

Helene Toursie, Secretary Jean Frenette, Treasurer

Tracy Constant, Representative Michael Gallant, Representative

And Charlene Lemieux, Representative