

Depending on whether your cooperative is either a stock or non-stock corporation, terminology such as shareholder or share may be labeled as member or membership/membership equity. The following are typical provisions contained in housing cooperative bylaws, whether financed through HUD or not and whether stock or non-stock:

1. Name and address of corporation.
2. Purpose of corporation.
3. Provisions respecting membership equity/stock.
 - a. Statement that no shares (or memberships) may be issued except in connection with the execution of a proprietary lease/occupancy agreement.
 - b. Form of stock certificates (or membership certificate).
 - c. Maintenance of a register of shareholders (or members).
 - d. Statement that shares are to be issued to proprietary lessees/occupancy agreements as allocated by the directors.
 - e. Transfer of stock (or membership).
 - (1) How effected.
 - (2) Prohibition against dividing ownership of stock (or membership) allocated to single apartment.
 - f. Lien of corporation on stock (or membership) to insure performance of shareholder's (or member's) obligations as tenant/occupant.
 - g. Lost certificates.
 - h. Legend to appear on stock certificates (or membership certificate), providing that:
 - (1) Rights of holder are subject to proprietary lease/occupancy agreement, bylaws, and house rules of corporation;
 - (2) Shares (or equity) represented by certificate are transferable only as an entirety;
 - (3) Directors may refuse to consent to transfer of shares (or memberships) until all indebtedness of shareholder (or member) to corporation is paid; and
 - (4) Corporation has first lien on shares (or membership interest) for all sums due and to become due under proprietary lease/occupancy agreement.

4. Provisions respecting members or shareholders.
 - a. Annual and special meetings.
 - b. Calling of meetings; notice and waiver of notice.
 - c. Voting rights and procedures.
 - (1) Number of votes per share (or membership).
 - (2) Quorum, and number of votes needed to make decisions.
 - (3) Proxies.
 - d. Order of business at meetings; keeping of minutes.
5. Provisions respecting administration (board of directors).
 - a. Number and qualifications.
 - b. Manner of selection; resignation, removal and recall; filling of vacancies.
 - c. Powers and duties.
 - (1) Determination of annual cash requirements of cooperative.
 - (2) Authorization to adopt and amend house rules.
 - (3) Authorization to appoint executive committee and other committees.
 - (4) Statement that directors may not authorize, except on complete or partial liquidation of corporation, any distribution to tenant-shareholders not out of earnings and profits of corporation.
 - d. Meetings, and notice thereof; quorum, minutes; etc.
 - e. Compensation, if any.
 - f. Indemnification by corporation.
6. Provisions respecting officers.
 - a. Titles of officers.
 - b. Manner of selection and removal; filling of vacancies.

- c. Powers and duties.
 - d. Compensation, if any.
 - e. Indemnification by corporation.
7. Provisions respecting proprietary leases/occupancy agreements.
- a. Authority of directors to adopt a standard form of lease/occupancy agreement.
 - b. Assignability of leases/occupancy agreements.
 - c. Conditions on assignment of lease/occupancy agreement and transfer of shares/membership.
 - e. Fees payable on assignment.
 - f. Lost proprietary certificates.
 - g. Procedure on regrouping of space and reallocation of shares/memberships as between apartments.
8. Description of corporate seal.
9. Negotiable instruments.
- a. Who may sign checks, drafts, and other negotiable instruments.
 - b. Who may endorse transfers of shares (or membership certificates), bonds, or other securities of the corporation.
 - c. Who shall have access to safe deposit boxes.
 - d. Who shall have control over disposition of securities or other property of the corporation.
10. Fiscal year; accounting procedures.
11. Common expenses; assessments.
12. Transfer of units; transfer fees.
13. Annual budget; budget procedures.
14. Fidelity bonds.
15. Amendment of bylaws.
16. Optional provisions.

- a. Administrative rules.
- b. Use and maintenance restrictions.

- c. Other matters not inconsistent with law or with the cooperative documents as may be desired.

*NOTE: If your cooperative is financed/subsidized through HUD/FHA, the above bylaw provisions will be subject to approval by the Administration and will be required to state such approval where directed by HUD.