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Article I.
Name and Location of Corporation

The name of this corporation is XXXXXXXXXXXXXXXXXX Its principal office is located in the County of Clayton, State of Arizona.

Article II.
Purpose

The purpose of this Corporation is to provide its members with housing and community facilities, if any, on a nonprofit basis consonant with the provisions set forth in its Articles of Incorporation.

Article III
Membership

Section 1. Eligibility. Any natural person approved by the Board of Directors shall be eligible for membership, provided that he or she executes a Subscription Agreement and Occupancy Agreement in the usual form employed by the Corporation covering a specific unit in a particular mortgage area of the housing project.

Section 2. Application for Membership. Application for membership shall be presented in person on a form prescribed by the Board of Directors, and all such applications shall be acted upon promptly by the Board of Directors.

Section 3. Subscription Funds. All Subscription Funds (which term includes the funds collected from each subscriber on account of the Subscription Price and the Initial Payment under the Occupancy Agreement, but excludes the funds required for credit reports) received from applicants prior to the insurance endorsement of the mortgage note by the Federal Housing Administration (hereinafter sometimes referred to as the "Administration") shall be deposited promptly without deduction in a special account or accounts (savings or checking) of the Corporation as escrowee or trustee for the Subscribers to Membership, which monies shall not be general corporate funds, but shall be held solely for the benefit of the Subscribers until transferred to the account of the Corporation as hereinafter provided. Such special account or accounts shall be established with such bank or banks or savings and loan association or associations (whose deposits are insured by an agency of the Federal Government) as may be approved by the Administration. Such account or accounts may be interest bearing, with the interest earned to be retained and owned by the Corporation.

Section 4. Members, Authorized Memberships, and Occupancy Agreements.
(a) The members shall consist of the individuals comprising the first Board of Directors, as identified in the Articles of Incorporation, or their successors and such subscribers as have been approved for membership by the Board of Directors and who have paid for their membership and received membership certificates. The status of the Directors named in the Articles of Incorporation (or their successors elected by them) as members shall terminate at the first annual membership meeting, unless they have executed Subscription Agreements and, where required by the Administration, Occupancy Agreements.

(b) The authorized membership of the Corporation shall consist of 280 memberships, all of one class, with a par value and Subscription price of $50.00 each.

(c) The Corporation will offer to the members Occupancy Agreements on the dwelling units in the housing project. The Occupancy Agreements shall all be of one class, except that there will be differences in the monthly housing charges thereunder and there may likewise be differences in the Initial Payments thereunder to reflect differences in the dwelling units involved. In each instance, the Initial Payment under the Occupancy Agreement (which Initial Payment is hereinafter sometimes referred to as "Value of Occupancy Agreement") shall be the amount established by the Corporation and approved by the Administration to be paid by the first occupant of the unit involved as shown on the books of the Corporation. Such Initial Payment is in addition to the Subscription Price set forth in paragraph (b) of this Section and the monthly housing charges under the Occupancy Agreement.

Section 5. Membership Certificates. Each membership certificate shall state that the Corporation is organized under the laws of the State of Georgia, the name of the registered holder of the membership represented thereby, the Corporation Lien rights as against such membership as set forth in this Article, and the preferences and restrictions applicable thereto, and shall be in such form as shall be approved by the Board of Directors. Membership certificates shall be consecutively numbered, bound in one or more books, and shall be issued therefrom upon certification as to full payment. Every membership certificate shall be signed by the President or Vice President, and the Secretary or Assistant Secretary, and shall be sealed with the corporate seal.
Section 6. Lost Certificates. The Board of Directors may direct a new certificate or certificates to be issued in place of any certificate or certificates previously issued by the Corporation and alleged to have been destroyed or lost, upon the making of an affidavit of that fact by the person claiming the certificate to be lost or destroyed. When authorizing such issuance of a new certificate or certificates, the Board of Directors may, in its discretion, and as a condition precedent to the issuance thereof, require the registered owner of such lost or destroyed certificate or certificates, or his legal representative, to advertise the same in such a manner as the Board of Directors shall require and to give the Corporation a bond in such sum as the Board of Directors may require as indemnity against any claim that may be made against the Corporation.

Section 7. Lien. The Cooperative may have a Lien on the outstanding regular memberships in order to secure payment of any sums which shall be due or become due from the holders thereof for any reason whatsoever, including any sums due under any occupancy agreement.

Section 8. Transfer of Membership. Except as provided herein, membership shall not be transferable and, in any event, no transfer of membership shall be made upon the books of the Corporation within ten (10) days next preceding the annual meeting of the members. In all transfers of membership the Corporation shall be entitled to a fee it deems appropriate to compensate it for the processing of the transfer.

(a) Death of Member. If, upon death of a member, his membership in the Corporation passes by will or intestate distribution to a member of his immediate family, such legatee or distributee may by assuming in writing the terms of the Subscription Agreement and Occupancy Agreement, where required by the Administration, within sixty (60) days after member's death, and paying all amounts due thereunder, become a member of the Corporation. If member dies and an obligation is not assumed in accordance with the foregoing, then the Corporation shall have an option to purchase the membership from the deceased member's estate in the manner provided in paragraph (b) of this Section, written notice of the death being equivalent to notice of intention to withdraw. If the Corporation does not exercise such option, the provisions of paragraph (c) of this Section shall be applicable, the references to "member" therein to be construed as references to the legal representative of the deceased member.

(b) Option of Corporation to Purchase. If the member desires to leave the project, he shall notify the Corporation in writing of such intention and the Corporation shall have an option for a period of thirty (30) days commencing the first day of the month following its receipt of such notice, but not the obligation, to purchase the membership, together with all of the member's rights with respect to the dwelling unit, at an amount determined by the Corporation as representing the transfer value thereof, less any amounts due by the member to the Corporation under the Occupancy Agreement, and less the cost or estimated cost of all deferred maintenance, including painting, redecorating, floor finishing, and such repairs and replacements as are deemed necessary by the Corporation to place the dwelling unit in suitable condition for another occupant. The purchase by the Corporation of the membership will immediately terminate the member's rights and the member shall forthwith vacate the premises.

(c) Procedure Where Corporation Does Not Exercise Option. If the Corporation waives in writing its right to purchase the membership under the foregoing option, or if the Corporation fails to exercise such option within the thirty (30) day period, the member may sell his membership to any person who has been duly approved by the Corporation as a member and occupant. If the Corporation agrees, at the request of the member, to assist the member in finding a purchaser, the Corporation shall be entitled to charge the member a fee it deems reasonable for this service. When the transferee has been approved for membership and has executed the prescribed Occupancy Agreement, the retiring member shall be released of his obligations under his Occupancy Agreement, provided he has paid all amounts due the Corporation to date.

(d) Transfer Value. Whenever the Board of Directors elects to purchase a membership, the term "transfer value" shall mean the sum of the following:

1. The consideration (i.e. Subscription Price) paid for the membership by the first occupant of the unit involved as shown on the books of the Corporation; plus
2. The Value of Occupancy Agreement; plus
3. The value, as determined by the Directors, of any improvements installed at the expense of the member with the prior approval of the Directors, under a valuation formula which does not provide for reimbursement in an amount in excess of the typical initial cost of the improvements; plus
4. The amount computed in accordance with the following table of annual increases applicable to the membership and to the Occupancy Agreement appurtenant to such membership, which annual increases shall be based on full years commencing with the fourth full year after the Corporation has made its first principal payment on the applicable section mortgage:

<table>
<thead>
<tr>
<th>Designation of Occ. Agreement and Unit</th>
<th>Increase/Year from the 4th thru 10th Year</th>
<th>Increase/Year from the 11th thru 20th Year</th>
<th>Increase/Year from the 21st thru 30th Year</th>
<th>Increase/Year from the 31st thru 40th Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>A-Ashwood</td>
<td>$60.00</td>
<td>$89.00</td>
<td>$149.00</td>
<td>$298.00</td>
</tr>
<tr>
<td>B-Beechnut</td>
<td>$71.00</td>
<td>$107.00</td>
<td>$178.00</td>
<td>$355.00</td>
</tr>
<tr>
<td>C-Chestnut</td>
<td>$67.00</td>
<td>$101.00</td>
<td>$168.00</td>
<td>$336.00</td>
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<tr>
<td>D-Dogwood</td>
<td>$79.00</td>
<td>$118.00</td>
<td>$196.00</td>
<td>$393.00</td>
</tr>
<tr>
<td>E-Elmwood</td>
<td>$82.00</td>
<td>$122.00</td>
<td>$204.00</td>
<td>$408.00</td>
</tr>
<tr>
<td>F-Fernwood</td>
<td>$86.00</td>
<td>$129.00</td>
<td>$215.00</td>
<td>$431.00</td>
</tr>
<tr>
<td>G-Greenwood</td>
<td>$92.00</td>
<td>$138.00</td>
<td>$230.00</td>
<td>$461.00</td>
</tr>
</tbody>
</table>
(e) **Equity Increments through Rent Supplement Payments.** Any equity increment accumulated through rent supplement payments will not be made available to the member, but will be (1) retained by the Corporation, in the event the Corporation elects to exercise its option to purchase the membership; or (2) paid to the Corporation, prior to the Corporations release of such member's obligations under his Occupancy Agreement, in the event the Corporation does not exercise its option to purchase the membership and the member sells his membership to a person who has been duly approved by the Corporation for membership and occupancy. The equity increment which will not be made available to the member will be determined by multiplying the total equity increment (which will not exceed the amount computed in accordance with the table of annual increases set out in paragraph (d) (4) of this Section) by the quotient of:

(1) the total rent supplement assistance to the member divided by

(2) the total amount of the monthly housing charges the members was obliged to pay under his Occupancy Agreement (taking into account his annual family income and the benefit of the interest reduction payment to which he was entitled) and would have paid if he had not been the beneficiary of rent supplement assistance.

Section 9. Termination of Membership for Cause. In the event the Corporation has terminated the rights of a member under the Occupancy Agreement, the member shall be required to deliver promptly to the Corporation his membership certificate and his Occupancy Agreement, both endorsed in such manner as may be required by the Corporation. The Corporation shall thereupon, at its election either (1) repurchase said membership at its transfer value (as herein above defined) or the amount the retiring member originally paid for the acquisition of his membership certificate, whichever is the lesser, or (2) proceed with reasonable diligence to effect a sale of the membership to a purchaser, and at a sales price acceptable to the Corporation. The retiring member shall be entitled to receive the amount so determined, less the following amounts (the determination of such amounts by the Corporation to be conclusive):

(a) any amounts due to the Corporation from the member under the Occupancy Agreement;

(b) the cost or estimated cost of all deferred maintenance, including painting, redecorating, floor finishing, and such repairs and replacements as are deemed necessary by the Corporation to place the dwelling unit in suitable condition for another occupant; and

(c) legal and other expenses incurred by the Corporation in connection with the default of such member and the resale of his membership. In the event the retiring member for any reason should fail for a period of 10 days after demand to deliver to the Corporation his endorsed membership certificate, said membership certificate shall forthwith be deemed to be canceled and may be reissued by the Corporation to a new purchaser.

Section 10. Sales Price. Memberships may be sold by the Corporation or the member only to a person approved by the Board of Directors in accordance with the requirements of the Regulatory Agreement, and the sales price shall not exceed the transfer value as provided in this Article, except that in sales effected by the Corporation a service charge not in excess of $100 may be charged by the Corporation. Where the sale is accomplished by a member, a certificate in form approved by the FHA as to the price paid shall be executed by the seller and purchaser and delivered to the Corporation.

**Article IV. Meeting of Members**

Section 1. Place of Meetings. Meetings of the membership shall be held at the principal office or place of business of the Corporation or at such other suitable place convenient to the membership as may be designated by the Board of Directors.

Section 2. Annual Meeting. The first annual meeting of the Corporation shall be held within 60 days after the final FHA endorsement of the mortgage note of the Corporation pertaining to the last of the several mortgage areas; provided that in any event such meeting shall be held not later than 1 year after the final FHA endorsement of the mortgage note of the Corporation pertaining to the first of the mortgage areas of which the development is comprised (or such later date as may be established by resolution of the Board of Directors of the Corporation with the prior written approval of the Federal Housing Administration). Thereafter the annual meeting of the Corporation shall be held on the first Monday of May of each succeeding year. At such meeting there shall be elected by ballot of the members a Board of Directors in accordance with the requirements of Section 3 Article V of these Bylaws. The members may also transact such other business of the Corporation as may properly come before them.

Section 3. Special Meetings. It shall be the duty of the President to call a special meeting of the members as directed by resolution of the Board of Directors or upon a petition signed by twenty (20%) percent of the members having been presented to the Secretary, or at the request of the Federal Housing Commissioner or his duly authorized representative. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice unless by consent of four-fifths of the members present, either in person or by proxy. Special meetings may not be called by members until a time subsequent to the date of the first annual meeting except as directed by resolution of the Board of Directors or by the Federal Housing Commissioner or his duly authorized representative.

Section 4. Notice of Meetings. It shall be the duty of the Secretary to mail a notice of each annual or special meeting, stating the purpose thereof as well as the time and place where it is to be held, to each member of record, at his address as it appears on the membership book of the Corporation, or if no such address appears, at his last known place of address, at least ten (10) but not more than sixty (60) days prior to such
Section 5. Quorum. The presence, either in person or by proxy, of at least twenty (20%) percent of the members of record of the Corporation shall be requisite for, and shall constitute a quorum for the transaction of business at all meetings of members. If the number of members at a meeting drops below quorum and the question of a lack of quorum is raised, no business may thereafter be transacted.

Section 6. Adjourned Meetings. If any meeting of members cannot be organized because a quorum has not attended, or a meeting has been ended because the number of members at said meeting has dropped below the quorum, the members who are present, either in person or by proxy, may, except as otherwise provided by law, adjourn the meeting to a time not less than forty-eight (48) hours from the time the original meeting was called, at which subsequent meeting the quorum requirement shall be ten (10%) percent.

Section 7. Voting. At every meeting of the regular members, each member present, either in person or by proxy, shall have the right to cast one vote on each question and never more than one vote. The vote of the majority present, in person or by proxy, shall decide any question brought before such meeting, unless the question is one upon which, by express provision of statute or of the Articles of Incorporation or of these Bylaws, a different vote is required, in which case such express provision shall govern and control. No members shall be eligible to vote or to be elected to the Board of Directors who is shown on the books or management accounts of the Corporation to be more than 30 days delinquent in payments due the Corporation under his Occupancy Agreement.

Section 8. Proxies. A member may appoint as his proxy only a member of his immediate family (as defined by the Board of Directors) except that an unmarried member may appoint any other member as his proxy. In no case may a member cast more than one vote by proxy in addition to his own vote. Any proxy must be filed with the Secretary before the appointed time of each meeting.

Section 9. Order of Business. The order of business at all regular scheduled meetings of the regular members shall be as follows:

(a) Roll call.
(b) Proof of notice of meeting or waiver of notice.
(c) Reading of minutes of preceding meeting.
(d) Reports of officers.
(e) Reports of committees.
(f) Report of manager or managing agent.
(g) Election of inspectors of election.
(h) Election of directors.
(i) Unfinished and news business.

In the case of special meetings, item (a) through (d) shall be applicable and thereafter the agenda shall consist of the items specified in the notice of meeting.

If present, a representative of the Administration will be given an opportunity to address any regular or special meeting.
PROPERTY OF THE NATIONAL ASSOCIATION OF HOUSING COOPERATIVES

Section 3. Election and Term of Office. The term of the Directors named in the Articles of Incorporation shall expire when their successors have been elected at the first annual meeting or any special meeting called for that purpose. Provided, that any such special meetings to be held prior to the first annual meeting shall be called only as directed by resolution of the Board of Directors or by the Federal Housing Commissioner or his duly authorized representative. At the first annual meeting of the members the term of office of two directors shall be fixed for three (3) years. The term of office of two Directors shall be fixed at two (2) years, and the term of office of one Director shall be fixed at one (1) year. At the expiration of the initial term of office of each respective Director, his successor shall be elected to serve a term of three (3) years. The Directors shall hold office until their successors have been elected and hold their first meeting.

Section 4. Vacancies. Vacancies in the Board of Directors caused by any reason other than the removal of a Director by a vote of the membership shall be filled by vote of the majority of the remaining Directors, even though they may constitute less than a quorum; and each person so elected shall be a Director until a successor is elected by the members at the next annual meeting to serve out the unexpired portion of the term.

Section 5. Removal of Directors. At any regular or special meeting duly called, any Director elected by the members may be removed with or without cause by the affirmative vote of the majority of the entire regular membership of record and a successor may then and there be elected to fill the vacancy thus created. Any Director whose removal has been proposed by the members shall be given an opportunity to be heard at the meeting. The term of any Director who becomes more than 30 days delinquent in payment of his carrying charges shall be automatically terminated and the remaining Directors shall appoint his successor as provided in Section 4, above.

The term of any Director who misses three consecutive regular meetings of the Board of Directors shall be automatically terminated and the remaining Directors shall appoint his successor as provided in Section 4, above. (adopted: 1978)

Section 6. Compensation. No compensation shall be paid to Directors for their services as Directors. No remuneration shall be paid to a Director for services performed by him for the Corporation in any other capacity, unless a resolution authorizing such remuneration shall be unanimously adopted by the Board of Directors before the services are undertaken. No remuneration or compensation shall in any case be paid to a Director without the approval of the Administration. A Director may not be an employee of the Corporation.

Section 7. Organization Meeting. The first meeting of a newly elected Board of Directors shall be held within ten (10) days of election at such place as shall be fixed by the Directors at the meeting at which such Directors were elected, and no notice shall be necessary to the newly elected Directors in order legally to constitute such meeting, providing a majority of the whole Board shall be present.

Section 8. Regular Meeting. Regular meetings of the Board of Directors may be held at such time and place as shall be determined, from time to time, by a majority of the Directors, but at least four such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each Director personally or by mail, telephone or telegraph, at least three (3) days prior to the day named for such meeting.

Section 9. Special Meetings. Special meetings of the Board of Directors may be called by the President on three days notice to each Director, given personally or by mail, telephone or telegraph, which notice shall state the time, place (as hereinabove provided) and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice on the written request of at least three Directors.

Section 10. Waiver of Notice. Before or at any meeting of the Board of Directors, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board shall be a waiver of notice by him of the time and place thereof. If all the Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting. Where all of the Directors unanimously approve and sign a corporate resolution or authorization (which is to be included in the minute book), this shall be recognized as proper corporate action taken at a duly authorized meeting, without proceeding under the provisions hereof that would otherwise be applicable for calling and holding Directors' meetings.

Section 11. Quorum. At all meetings of the Board of Directors, a majority of the Directors shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. If, at any meeting of the Board of Directors, there be less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

Section 12. Fidelity Bonds. The Board of Directors shall require that all officers and employees of the Corporation handling or responsible for corporate or trust funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be paid by the Corporation.

Section 13. Safeguarding Subscription Funds. It shall be the duty of the Board of Directors to see to it that all sums received in connection with membership subscriptions prior to the closing of the mortgage transaction covering the housing project of the Corporation are deposited and withdrawn only in the manner provided for in Article III, Section 3 of these Bylaws.
Article VI.
Officers

Section 1. Designation. The principal officers of the Corporation shall be a President, one or more Vice Presidents, a Secretary and a Treasurer, all of whom shall be elected by and from the Board of Directors. The Directors may appoint assistant treasurers and assistant secretaries, and such other officers as in their judgment may be necessary.

Section 2. Election of Officers. The officers of the Corporation shall be elected annually by the Board of Directors at the organization meeting of each new Board and shall hold office at the pleasure of the Board.

Section 3. Removal of Officers. Upon an affirmative vote of a majority of the members of the Board of Directors, any officer may be removed, either with or without cause, and his successor elected at any regular meeting of the Board of Directors, or at any special meeting of the Board called for such purpose.

Section 4. President. The President shall be the chief executive officer of the Corporation. He shall preside at all meetings of the members and of the Board of Directors. He shall have all the general powers and duties which are usually vested in the office of president of a corporation, including but not limited to the power to appoint committees from among the membership from time to time as he may in his discretion decide is appropriate to assist in the conduct of the affairs of the Corporation.

Section 5. Vice President. The Vice President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Board of Directors shall appoint some other member of the Board to do so on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed upon him by the Board of Directors.

Section 6. Secretary. The Secretary shall keep the minutes of all meetings of the Board of Directors and the minutes of all meetings of the members of the Corporation; he shall have the custody of the seal of the Corporation; he shall have charge of the membership transfer books and of such other books and papers as the Board of Directors may direct; and he shall, in general, perform all duties incident to the office of secretary.

Section 7. Treasurer. The Treasurer shall have responsibility for corporate funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Corporation. He shall be responsible for the deposit of all moneys and other valuable effects in the name and to the credit, of the Corporation in such depositories as may from time to time be designated by the Board of Directors.

Article VII.
Regulatory Agreement of FHA

Rights of Federal Housing Administration. The management, operation and control of the affairs of the Corporation shall be subject to the rights, powers, and privileges of the Federal Housing Administration pursuant to the Regulatory Agreement between the Corporation and the Federal Housing Administration. The Corporation is bound by the provisions of the Regulatory Agreement which is a condition precedent to the insurance of a mortgage of the Corporation on the project.

Article VIII.
Amendments

These Bylaws may be amended by the affirmative vote of the majority of the entire regular membership of record at any regular or special meeting, provided that no amendment shall become effective unless and until it has received the written approval of the Administration. Amendments may be proposed by the Board of Directors or by petition signed by at least twenty (20%) percent of the members. A description of any proposed amendment shall accompany the notice of any regular or special meeting at which such proposed amendment is to be voted upon.

Article IX.
Corporate Seal

The Board of Directors shall provide a suitable corporate seal containing the name of the Corporation, which seal shall be in charge of the Secretary. If so directed by the Board of Directors, a duplicate of the seal may be kept and used by the Treasurer or any assistant secretary or assistant treasurer.

Article X.
Fiscal Management

Section 1. Fiscal Year. The fiscal year of the Corporation shall begin on the first day of January of each year, except that the first fiscal year of the Corporation shall begin at the date of incorporation. The commencement date of the fiscal year herein established shall be subject to change by the Board of Directors should corporate practice subsequently dictate, but not without the prior written approval of the Administration.
Section 2. Books and Accounts. Books and accounts of the Corporation shall be kept under the direction of the Treasurer and in accordance with the Uniform System of Accounts prescribed by the FHA Commissioner. That amount of the monthly housing charges required for payment on the principal of the mortgage of the Corporation or any other capital expenditures shall be credited upon the books of the Corporation to the "Paid-In-Surplus" account as a capital contribution by the members.

Section 3. Auditing. At the closing of each fiscal year, the books and records of the Corporation shall be audited by a Certified Public Accountant or other person acceptable to the Administration, whose report will be prepared and certified in accordance with the requirements of the Administration. Based on such reports, the Corporation will furnish its members with an annual financial statement including the income and disbursements of the Corporation. The Corporation will also supply the members, as soon as practicable after the end of each calendar year, with a statement showing each member's pro rata share of the real estate taxes and mortgage interest paid by the Corporation during the preceding calendar year.

Section 4. Inspection of Books. Financial reports such as are required to be furnished to the Administration and the membership records of the Corporation shall be available at the principal office of the Corporation for inspection at reasonable times by any member.

Section 5. Execution of Corporate Documents. With the prior authorization of the Board of Directors, all notes and contracts, including Occupancy Agreements, shall be executed on behalf of the Corporation by any officer of the Corporation, and all checks shall be executed on behalf of the Corporation by any two officers of the Corporation.
I. Introduction.

An offer to purchase a membership in Timber Ridge Cooperative is more than an application for a place to live. Membership in a housing cooperative grants full partnership in its ownership and operation.

Timber Ridge offers the advantage of ownership and the convenience of community living at prices well below those of equivalent condominium or single-family homes. Evaluate the advantages of cooperative membership:

- Costs are lower because member residents are their own landlords. No landlord profits are removed from the community.
- The cooperative's Board of Directors has the authority to accept or deny applications for membership, and thereby influence the quality of the families in the neighborhood.
- Members who itemize their federal and state income tax deductions can deduct their portion of the mortgage interest and real estate taxes paid by the cooperative.
- Members of the cooperative own and through the Board of Directors control the property and determine monthly payments, house rules, and community policies.

II. Description of the Property.

The cooperative is a not-for-profit cooperative housing corporation chartered under the laws of the State of XXXXX on March 14, 1970. The cooperative owns a XXX unit housing community in XXXXXXXXX for use by its members.

The Cooperative was organized under Section 236 of Title II of the National Housing Act as amended and is governed by the related regulatory agreement with the Federal Housing Administration (FHA). Accordingly, it is obligated to follow regulatory requirements prescribed by the Department of Housing and Urban Development.

The land and buildings are owned in fee simple title by the cooperative, subject to mortgages as described below. The members of the cooperative own and control all the cooperative's shares of stock.

There are XXXX private dwelling units, a sales office and a meeting room on the property.

The dwelling units in the cooperative accommodate a variety of family sizes. There are XXX one-bedroom flats with one bath; XXX two-bedroom Town homes with one bath; and XXX three-bedroom town homes with two baths.

Each dwelling unit has an assigned pro-rata value expressed as a factor of the total value assigned to the cooperative. The following unit value factors have been assigned to each dwelling unit by type:

<table>
<thead>
<tr>
<th>Type</th>
<th>Value Factor</th>
</tr>
</thead>
<tbody>
<tr>
<td>One-Bedroom</td>
<td>.005919</td>
</tr>
<tr>
<td>Two-Bedroom</td>
<td>.006322</td>
</tr>
<tr>
<td>Three-Bedroom</td>
<td>.007011</td>
</tr>
</tbody>
</table>

III. Cooperative Ownership.

A member’s ownership interest is evidenced by a membership certificate issued by the cooperative and an occupancy agreement that grants the right of occupancy of a private dwelling unit. The occupancy agreement grants the member an automatic right to occupy the dwelling unit for as long as the member complies with the conditions of occupancy.

To become a member of a housing cooperative a person buys a share or membership certificate in the entity and an exclusive right to occupy one of the cooperative's dwelling units. Members occupy their private dwelling unit pursuant to a proprietary lease called an occupancy agreement. Each member of a cooperative owns a cooperative interest that represents an ownership interest in the real estate and a leasehold interest to a specified dwelling unit.

Ownership of the cooperative interest also gives the member the right to democratic participation in the control and management of the cooperative housing community and the obligation to pay his or her share of the cost of operating and maintaining the housing cooperative. The cooperative operates with one class of membership and, therefore, allows one vote per membership certificate regardless of the number of persons owning the membership or the size of the unit.

Persons who wish to move from the cooperative may sell their membership and right of occupancy to a purchaser approved by the cooperative. A more detailed and authoritative statement of this procedure is contained in the bylaws and re-sale literature available from the cooperative. The cooperative charges transfer and closing fees to record the transfer on its official books.

The corporation is not offering condominium or fee simple ownership in the property or the dwelling units. Membership in the corporation provides for the creation of a leasehold interest in a dwelling unit to which the membership certificate is applicable.

IV. Mortgage Obligations.

The cooperative is obligated under two mortgage loans that were established in March 1972. Each mortgage covers a separate section of the property and is insured by the U.S. Department of Housing and Urban Development. They are secured by the land and buildings of the cooperative and are non-qualifying and non-recourse to the individual member. The monthly payments are made by the cooperative from revenues it receives from its members each month.

Each mortgage note bears a fixed interest rate of 7.0% and is payable over the term of the mortgage. They are secured by the land and buildings of the cooperative and are non-qualifying and non-recourse to the individual member. The monthly payments are made by the cooperative from revenues it receives from its members each month.

The unpaid principal balance for each unit type on December 31, 1996 was:

<table>
<thead>
<tr>
<th>Type</th>
<th>Principal Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>One-Bedroom</td>
<td>$11,178.00</td>
</tr>
<tr>
<td>Two-Bedroom</td>
<td>$11,399.00</td>
</tr>
<tr>
<td>Three-Bedroom</td>
<td>$13,240.00</td>
</tr>
</tbody>
</table>
V. Obligation to HUD

The Cooperative receives interest subsidies from the U.S. Department of Housing and Urban Development. The subsidy is paid directly to the mortgage and reduces the effective mortgage interest rate to 1% over the life of the mortgage.

The cooperative is operated under a regulatory agreement with HUD. Consent of HUD is required to increase the mortgage obligations of the cooperative, increase monthly fees charged to members, and to make certain withdrawals from reserves. The cooperative is also obligated to provide financial reports to HUD from time to time.

VI. Reserves.

A Reserve for Replacements was established to assure the availability of funds for the replacement of roofs, furnaces, air conditioners, water heaters, as well as sidewalk and asphalt replacement. The cooperative is required to fund this reserve each month. Disbursements can be made only with the consent of the U.S. Department of Housing and Urban Development.

A General Operating Reserve was also established to assure the availability of funds to cover operating shortfalls, special projects and capital improvements at the cooperative. The cooperative is required to deposit an amount equal to 3% of its gross budgeted carrying charges into this reserve whenever the balance in the fund falls below 25% of annual carrying charges.

VII. Tax Considerations.

In computing over-all housing cost, the member may wish to consider the benefit of federal income tax deductions allowed to tenant-members of cooperative housing corporations under the provisions of Section 216 of the Internal Revenue Code. Members are entitled to deduct from their gross income their proportionate share of real estate taxes and mortgage interest paid by the cooperative. At the end of each year the cooperative will advise each member of his proportionate share of the total amounts paid by the cooperative for mortgage interest and real estate taxes. The actual value of the tax benefit depends upon the taxpayer’s income and tax bracket.

VIII. Membership.

To become a member of the corporation a person must be approved for the purchase of a membership by the Corporation’s Board of Directors.

The bylaws restrict the transfer value of membership by setting out the maximum resale price at which members may sell their membership interests. Members who wish to leave the cooperative must first offer their cooperative interest to the corporation who has first right to purchase it at the transfer value as defined in the bylaws. If the corporation chooses not to purchase the cooperative interest, the departing member may sell it to any person approved by the Board at a price not exceeding the transfer value defined in the bylaws.

A member may transfer his membership to a member of his or her immediate family or, upon death, by will or intestate succession, provided the new member is qualified according to current eligibility criteria and is approved for membership by the Board of Directors.

The Occupancy Agreement is a proprietary lease agreement between the corporation and the member. It establishes the member’s right to occupy a specific dwelling unit at a monthly charging charge equal to one-twelfth of the annual common expense liability allocated to that cooperative interest. Monthly fees include the member’s payment for the blanket mortgages described above, hazard and liability insurance for the corporation, water and sewer, management and administration of the cooperative, real estate and business taxes, common area maintenance, capital improvements and reserves. The Occupancy Agreement has an automatic renewal clause to create a more lasting leasehold interest that can be sold along with the membership.

The corporation provides and pays for the following utilities; domestic water; sewer; natural gas and trash removal. The remaining utilities are individually metered and paid for by members directly to the supplier.

The cooperative is not intended for use as investment property. Members may not sublet their dwelling unit without the prior consent of the corporation.

The Board of Directors may terminate membership and the Occupancy Agreement for material noncompliance or other good cause. Defaulting members are given notice and a right to respond in a meeting as determined in the house rules of the corporation.

The Occupancy Agreement includes by reference the house rules of the cooperative. The house rules are created by the Board of Directors and are intended to set guidelines for occupancy and use of the property and for the efficient administration and management of the corporation.
Occupyancy Agreement

THIS AGREEMENT, made and entered into on __________, 200_ by and between Business Course Cooperative (hereinafter referred to as the "Cooperative"), a _________ non-profit corporation having its principal office and place of business in Washington, DC, and

____________________________

(hereinafter referred to as "Member");

WHEREAS, the Cooperative has been formed for the purpose of acquiring, owning and operating a cooperative housing community located at the Executive Mansion with the intent that its members shall have the right to occupy a dwelling unit thereof under the terms and conditions hereinafter set forth; and

WHEREAS, the Member is the owner and holder of a certificate of membership of the Cooperative and intends to reside in the community; and

WHEREAS, the Member has certified to the accuracy of the statements made in his application and family income and agrees and understands that family income, family composition and other eligibility requirements are substantial and material requirements of his initial and of his continuing occupancy.

NOW, THEREFORE, in consideration of one dollar to each of the parties paid by the other party, the receipt of which is hereby acknowledged, and in further consideration of the mutual promises contained herein, the Cooperative hereby lets to the Member, and the Member hereby hires and takes from the Cooperative dwelling Unit # _______ which is located at:

TO HAVE AND TO HOLD said dwelling unit unto the Member, his Executors, Administrators and authorized assigns, on the terms and conditions set forth herein and in the attached Articles of Occupancy as well as in the By-laws of the Cooperative and any rules and regulations of the Cooperative now or hereafter adopted pursuant thereto, from the date of this agreement, for a term of three years, renewable thereafter for successive annual periods under the conditions provided herein.

PRIOR TO THE EXECUTION of this Occupancy Agreement the Board of Directors of the Cooperative has approved the Member for membership.

COMMENCING on ______________, 19___, the Member agrees to pay to the Cooperative a monthly sum referred to herein as "Monthly Carrying Charges."

UNTIL FURTHER NOTICE from the Cooperative, the Monthly Carrying Charges for the above dwelling unit shall be $__________.

THE MEMBER REPRESENTS that the following persons shall occupy the dwelling unit:

NAME_______________ DOB_______________

NAME_______________ DOB_______________

NAME_______________ DOB_______________

NAME_______________ DOB_______________

NAME_______________ DOB_______________

THE COOPERATIVE DISCLOSES that the cooperative is managed by RCM Management Corporation and that its employees and agents are authorized to accept payments on behalf of the Cooperative.

ARTICLE 1. MONTHLY HOUSING CHARGES AND FEES

Commencing on the date stated in the Occupancy Agreement the Member agrees to pay to the Cooperative "Monthly Carrying Charges" equal to one-twelfth of the Member's proportionate share of the sum required by the Cooperative as estimated by its Board of Directors to meet its annual expenses pertaining to the community or other facilities which the Member is entitled to use, including but not limited to the following items:

(a) The cost of all operating expenses of the project and services furnished.
(b) The cost of necessary management and administration of the Cooperative.
(c) The cost of any utility provided by the Cooperative.
(d) The amount of all taxes and assessments levied against the Cooperative that is required to pay.
(e) The Cost of basic homeowner's and occupancy life insurance premiums.
(f) The cost of fire and extended coverage insurance and such other insurance as the Cooperative may put into effect or as may be required by any mortgagee.
(g) All reserves set up by the Board of Directors, including the General Operating Reserves and the Reserves for Replacements.
(h) The estimated cost of repairs.
(i) The amount of mortgage principal, interest and insurance premiums and other payments required on the mortgage(s) of the Cooperative.
(j) Any expense of the Cooperative approved by the Board of Directors, including operating deficiencies, if any, for prior periods.

THE BOARD OF DIRECTORS shall determine the amount of the Monthly Carrying Charges annually, but may do so at more frequent intervals should circumstances so require. No member shall be charged with more than his proportionate share thereof computed as the unit value factor as determined by the Board of Directors.

If the Member's carrying charges are, or should in the future, be paid in full or in part through any government assistance program, the Member agrees to enter into an amendment to this agreement as may be required, and further agrees that such amendment shall be attached and included herein.

ARTICLE 2. MEMBER'S OPTION FOR AUTOMATIC RENEWAL

It is covenanted and agreed that the term herein granted shall be extended and renewed from time to time by and against the parties hereto for further periods of three years each from the expiration of the term herein granted, upon the same covenants and agreements as herein contained unless: (1) notice of the Member's election not to renew shall have been given to the Cooperative in writing at least four months prior to the expiration of the then current term, and (2) the Member shall have or before the expiration of said term (a) endorsed his membership certificate for transfer in blank and deposited same with the Cooperative, and (b) met all his obligations and paid all amounts due under this agreement up to the time of said expiration, and (c) vacated the premises, leaving same in good state of repair. Upon compliance with provisions (1) and (2) of this Article, the Member shall have no further liability under this agreement and shall be entitled to no payment from the Cooperative.

ARTICLE 3. PREMISES TO BE USED FOR RESIDENTIAL PURPOSES ONLY

A. The Member shall occupy the dwelling unit covered by this agreement as a private dwelling unit for himself and/or his immediate family and for no other purpose, and may enjoy the use in common with other members of the cooperative all community property and facilities of the entire cooperative community so long as he continues to own a membership certificate of the cooperative, occupies his dwelling unit, and abides by the terms of this agreement. Any sub lessee of the Member, if approved pursuant to Article 5 hereof, may enjoy the rights to which the Member is entitled under this Article 3.
The Member represents that the dwelling unit shall be occupied only by the persons listed in Part I of the Occupancy Agreement and that no additional persons, adult or minor shall be added to the Member's household without the prior written consent of the Board of Directors.

The Member shall not permit or suffer anything to be done or kept upon said premises which will increase the rate of insurance on the building, or on the contents thereof, or which will obstruct or interfere with the rights of other occupants or annoy them by unreasonable noises or otherwise, nor will he commit or permit any nuisance on the premises or commit or suffer any immoral or illegal act to be committed thereon. The Member shall comply with all the requirements of the Board of Health and of all other governmental authorities with respect to the said premises. If by reason of the occupancy or use of said premises by the Member the rate of insurance on the building shall be increased, the Member shall become personally liable for the additional insurance premiums.

ARTICLE 4. MEMBER'S RIGHT TO PEACEABLE POSSESSION

In return for the Member's continued fulfillment of the terms and conditions of this agreement, the Cooperative covenants that the Member may at all times while this agreement remains in effect, have and enjoy for his sole use and benefit the dwelling unit herein above described, after obtaining occupancy, and may enjoy in common with all other members of the Cooperative the use of all community property and facilities of the cooperative.

ARTICLE 5. NO SUBLetting WITHOUT CONSENT OF COOPERATIVE

The Member hereby agrees not to assign this agreement or to sublet his dwelling unit without the written consent of the Cooperative. The liability of the Member under this Occupancy agreement shall continue notwithstanding the fact that he may have sublet the dwelling unit with the approval of the Cooperative and the Member shall be responsible to the Cooperative for the conduct of his sub lessee. Any unauthorized subleasing shall, at the option of the Cooperative, result in the termination and forfeiture of the member's rights under this Occupancy Agreement. Non-paying guests of the Member may occupy Member's unit under such conditions as may be prescribed by the Board of Directors.

ARTICLE 6. TRANSFERS

Neither this agreement nor the Member's right of occupancy shall be transferable or assignable except in the same manner as may now or hereafter be provided for the transfer of membership in the By-Laws of the Cooperative. The Member hereby certifies that neither he nor anyone authorized to act for him will refuse to sell his membership, after the making of a bona fide offer, or refuse to negotiate for the sale of, or otherwise make unavailable or deny the membership to any person because of race, color, religion, sex, national origin, handicap, or familial status. Any restrictive covenant on cooperative property relating to race, color, religion, sex, national origin, handicap, or familial status is recognized as being illegal and void and is hereby specifically disclaimer. Civil action for preventive relief may be brought by the Attorney General in any appropriate U.S. District Court against any person responsible for a violation of this certification.

ARTICLE 7. MANAGEMENT, TAXES, AND INSURANCE

The Cooperative shall provide necessary management, operation and administration of the project; pay or provide for the payment of all taxes or assessments levied against the project; procure and pay or provide for the payment of fire insurance and extended coverage, and other insurance as required by any mortgage on property in the project, and such other insurance as the Cooperative's Board of Directors may deem advisable. If an insured loss is caused by Member's negligence or abuse, then member shall reimburse the cooperative for, an amount not to exceed the cooperative's deductible amount that is in force at the time of the loss.

Although the cooperative does not insure the personal property of the member, it may, but shall not be obliged to provide for occupancy life insurance and basic homeowner's insurance for the Member. The determination of the terms and amount of such insurance, if any, shall be determined by the Board of Directors at its own discretion.

ARTICLE 8. UTILITIES AND APPLIANCES

(a) BY MEMBER.
1. The Member shall pay directly to the supplier for electricity, gas, telephone, and other utilities not otherwise provided by the Cooperative.
2. The Member shall furnish and maintain at his/her own expense the following household appliances: kitchen range, range hood, refrigerator, dishwasher and any other household appliances that are not furnished by the Cooperative.
3. The Member shall furnish floor covering and carpeting, lighting fixtures, and plumbing fixtures.

(b) BY COOPERATIVE.
1. The Cooperative shall pay for, and sewer in amounts it deems reasonable.
2. The Cooperative shall provide and maintain a central heating and cooling system and water heater in the dwelling unit.
3. The Cooperative shall provide and maintain the plumbing and electrical systems, exclusive of any alterations made by the Member.
4. The Cooperative shall provide for grounds maintenance in amounts that it deems reasonable, except that the Member shall maintain general order and cleanliness in the area immediate to the dwelling unit.

ARTICLE 9. REPAIRS

(a) BY MEMBER. The Member agrees to repair and maintain his dwelling unit at his own expense as follows:
1. Any repairs or maintenance to private dwellings or common areas necessitated by his own negligence or misuse.
2. Any maintenance or redecoration of his own dwelling unit, including exterior and interior doors, flooring, floor covering, decorations of interior walls, ceilings, trim, plumbing fixtures, electrical fixtures, appliances and cabinetry.
3. Any repairs, maintenance or replacements required on items not furnished by the Cooperative.

(b) BY COOPERATIVE. The Cooperative shall provide and pay for all necessary repairs, maintenance and replacements, except as specified in clause (a) of this Article. The officers and employees of the Cooperative shall have the right to enter the dwelling unit of the Member in order to effect necessary repairs, maintenance, and replacements, and to authorize entrance for such purposes by employees of any contractor, utility company, municipal agency, or others, at any reasonable hour of the day and in the event of emergency at any time.

(c) RIGHT OF COOPERATIVE TO MAKE REPAIRS AT MEMBER'S EXPENSE. In case the Member shall fail to effect the repairs, maintenance, or replacements specified in clause (a) of this Article in a manner satisfactory to the Cooperative and pay for same, the latter may declare a default under the terms of Article 11 herein or may effect the repairs and add the cost thereof to the Member's next Monthly Housing Charges payment.

(d) The Member agrees that in the event of a loss to his own or any other property of the cooperative, which is caused by the member, a member of his household, or his guest, he shall pay for the cost of any and all repairs to damages that are not otherwise reimbursed to the Cooperative.

ARTICLE 10. INSURED CLAIMS

Member hereby waives all claims, causes of actions and rights of recovery against the Cooperative and its officers, agents and employees, for any death, bodily or personal injury, or damage to or destruction of property, including but not limited to Member's property, which shall occur in or about the dwelling unit and shall result from any of the perils insured under any and all policies of insurance maintained by Member, regardless of cause, including the negligent or intentional wrongdoing of the Cooperative or its officers, agents, or employees.
ARTICLE 11. INDEMNIFICATION

Member hereby agrees to indemnify and hold the Corporation harmless from any and all claims, damages, liabilities or expenses arising out of (a) Member's use of the dwelling unit or the project, (b) any and all claims arising from any breach or default in the performance of any obligation of Member, or (c) any act, omission or negligence of Member, its agents or employees.

ARTICLE 12. ESTOPPEL CERTIFICATE

At any time and from time to time, Member, on or before the date specified in a request therefore made by the Cooperative, which date shall not be earlier than ten (10) days from the making of such request, shall execute, acknowledge and deliver to the Cooperative a certificate evidencing whether or not (i) this agreement is in full force and effect, (ii) this agreement has been amended in any way, (iii) there are any existing defaults on the part of the Cooperative hereunder to the knowledge of Member and specifying the nature of such defaults, if any, and (iv) the date to which Monthly Carrying Charges, and other amounts due hereunder, if any, have been paid. Each certificate delivered pursuant to this Paragraph may be relied on by any prospective purchaser or transferee of the Cooperative's interest hereunder or of any part of the project.

ARTICLE 13. MISCELLANEOUS

This agreement shall be construed and interpreted under the laws of the State of Georgia. The title of sections and subsections herein have been inserted as a matter of convenience of reference only and shall not control or affect the meaning or construction of any of the terms or provisions herein. All references herein to the singular shall include the plural, and vice versa. Neither the failure of either party to exercise any power given such party hereunder or to insist upon strict compliance by the other party with its obligations hereunder, nor any custom or practice of the parties at variance with the terms hereof shall constitute a waiver of either party's right to demand exact compliance with the terms hereof. No amendment to this agreement shall be binding on any of the parties hereeto unless such amendment is in writing and is executed by the party against whom enforcement of such amendment is sought. Time is of the essence of this agreement. This agreement may be executed in several counterparts, each of which shall be deemed an original, and all such counterparts together shall constitute one and the same instrument. The representations, warranties, definitions, and agreements set forth in this agreement shall survive.

ARTICLE 14. ALTERATIONS AND ADDITIONS

The Member shall not, without the written consent of the Cooperative, make any structural alterations in the premises or in the electrical conduits, plumbing or other fixtures connected therewith, or remove any additions, improvements, or fixtures from the premises. If the Member for any reason shall cease to be an occupant of the premises he shall surrender to the Cooperative possession thereof, including any alterations, additions, fixtures and improvements.

The Member shall not, without the prior written consent of the Cooperative, install or use in his dwelling unit any appliances or other equipment which exceeds the capabilities of the gas, electrical, or plumbing system of the dwelling unit. The Member agrees that the Cooperative may require the prompt removal of any such equipment at any time, and that his failure to remove such equipment upon request shall constitute a default within the meaning of Article 15 of this agreement.

ARTICLE 15. DEFINITION OF DEFAULT BY MEMBER AND EFFECT THEREOF

It is mutually agreed as follows: Member shall be in default hereunder should any one or more of the events specified in clauses (a) to (n) of this Article occur and should said default not be cured within ten (10) days following written notice by the Cooperative to Member of such default. Should such a default occur and remain uncured, then the Cooperative, at its option, may terminate this agreement, in which case all of the Member's rights hereunder will expire on the date specified in the written notice from the Cooperative to the Member, and, in addition to any other rights and remedies it may have, the Cooperative shall have the option to exercise any one or more of the following remedies, it being agreed that pursuit of any remedy provided in this agreement shall not preclude pursuit of any other remedy or remedies herein provided or provided by law, and that any of such remedies may be pursued regardless of whether or not the default continues to exist and whether or not the Cooperative accepts or has accepted payment of Monthly Carrying Charges subsequent to the occurrence of such default:

1) The Cooperative may terminate this agreement, in which event Member shall immediately surrender possession of the dwelling unit to the Cooperative and the Cooperative may re-enter the dwelling unit and remove all persons and personal property therein, either by summary dispossession proceedings or by suitable action or proceeding at law or in equity or by any other proceedings which may apply to the eviction of tenants by force or otherwise, and repossess the dwelling unit in its former state as if this agreement had not been made, and the Cooperative may use such force as may be necessary, without being guilty of trespass, forcible entry, detainer or other tort; and

2) The Cooperative may bring an action for monetary damages against Member, and

3) The Cooperative may pursue any and all other rights and remedies available at law or in equity.

(a) In case at any time during the term of this agreement Member shall cease to be the owner and legal holder of a membership of the Cooperative;

(b) In case the Member attempts to transfer or assign this membership to an other person inconsistent with the provisions of the By-Laws;

(c) In case at any time during the continuance of this agreement the Member shall be declared bankrupt under the laws of the United States;

(d) In case at any time during the continuance of this agreement a receiver of the Member's property shall be appointed under any of the laws of the United States or of any State;

(e) In case at any time during the continuance of this agreement the Member shall make a general assignment for the benefit of creditors;

(f) In case at any time during the continuance of this agreement the membership rights of the Member in the Cooperative shall be duly levied upon and sold under the process of any Court;

(g) In case the member shall fail to allow entrance to the dwelling unit as further defined in Article 18 herein below;

(h) In case the member shall fail to comply with cooperative regulations as defined in Article 16 herein;

(i) In case the Member fails to effect and/or pay for repairs and maintenance as provided for in Article 9 hereof;

(j) In case the Member fails to pay any sum due pursuant to the provisions of Article 1 or Article 8 hereof, or shall fail to pay any charge which, if not paid, could become a lien against the property of the Cooperative;

(k) In case the Member shall default in the performance of any of his obligations under this agreement;

(l) In case at any time during the term of this agreement, the Member fails to comply promptly with all requests by the Cooperative or any government agency for information and certifications concerning the total current income of the Member's family and other eligibility requirements for assistance payments from any governmental or private agency;

(m) In case at any time during the continuance of this agreement the Member or other adult member of the household shall plead or be found guilty of any felony crime under any court of jurisdiction for a crime committed on or off the property of the Cooperative;

(n) In case at any time during the continuance of this agreement the juvenile occupant of the Member's dwelling unit shall plead or be found guilty under any court of jurisdiction of a crime which would have been considered to be a felony if the juvenile were an adult.
ARTICLE 16. MEMBER TO COMPLY WITH ALL COOPERATIVE REGULATIONS

The Member covenants that he will preserve and promote the cooperative ownership principles on which the Cooperative has been founded, abide by the Articles of Incorporation, By Laws, rules and regulations of the Cooperative and any amendments thereto, and by his acts of cooperation with its other members bring about for himself and his co-members a high standard in home and community conditions. The member acknowledges receipt of the rules and regulations now in effect and the Cooperative agrees to make any changes in its rules and regulations known to the Member by delivery of same to him or by promulgating them in such other manner as to constitute adequate notice.

ARTICLE 17. EFFECT OF FIRE LOSS ON INTERESTS OF MEMBERS

In the event of loss or damage by fire or other casualty to the above-mentioned dwelling unit without the fault or negligence of the Member, the Cooperative shall determine whether to restore the damaged premises and shall further determine, in the event such premises are not restored, the amount to be paid to the Member to redeem the membership of the Member and to reimburse him for such loss as he may have sustained.

If, under such circumstances, the Cooperative determines to restore the premises, Monthly Housing Charges shall abate wholly or partially as determined by the Cooperative until the premises have been restored. If on the other hand, the Cooperative determines not to restore the premises, the Monthly Housing Charges shall cease from the date of such loss or damage.

ARTICLE 18. INSPECTION OF DWELLING UNIT

The Member agrees that the representatives of any mortgagee holding a mortgage on the property of the Cooperative, the officers and employees of the Cooperative, and with the approval of the Cooperative the employees of any contractor, utility company, municipal agency or others, shall have the right to enter the dwelling unit of the Member and make inspections thereof at any reasonable hour of the day and at any time in the event of an emergency.

ARTICLE 19. SUBORDINATION CLAUSE

It is specifically understood and agreed by the parties hereto that this agreement and all rights, privileges and benefits hereunder are and shall be at all times subject to and subordinate to the Lien of a first mortgage or deed of trust and the accompanying documents executed by the Cooperative and to any and all modifications, extensions and renewals thereof and to any mortgage or deed of trust which may at any time hereafter be placed on the project or any part thereof. The Member hereby agrees to execute, at the Cooperative's request and expense, any instrument which the Cooperative or any lender may deem necessary or desirable to effect the subordination of this agreement to any such mortgage or deed of trust, and the Member hereby appoints the Cooperative and each and every officer thereof, and any future officer, his irrevocable attorney-in-fact during the term hereof to execute any such instrument on behalf of the Member. The Member does hereby expressly waive any and all notices of default and notices of foreclosure of said mortgage that may be required by law.

In the event a waiver of such notices is not legally valid, the Member does hereby constitute the Cooperative his agent to receive and accept such notices on the Member's behalf.

ARTICLE 20. LATE CHARGES AND OTHER COSTS IN CASE OF DEFAULT

The Member covenants and agrees that, in addition to the other sums that have become or will become due, pursuant to the terms of this agreement, the Member shall pay to the Cooperative a late charge in an amount to be determined from time to time by the Board of Directors for each payment of Monthly Housing Charges, or part thereof, more than 10 days in arrears.

If a Member defaults in making a payment of Monthly Housing Charges or in the performance or observance of any provision of this agreement, and the Cooperative has obtained the services of any attorney with respect to the defaults involved, the Member covenants and agrees to pay to the Cooperative any costs or fees involved, including reasonable attorney's fees, notwithstanding the fact that a suit has not yet been instituted. In case a suit is instituted, the Member shall pay the cost of the suit, in addition to other aforesaid cost and fees.

ARTICLE 21. NOTICES

Whenever the provisions of law or the By Laws of the Cooperative or this agreement require notice to be given to either party hereto, any notice by the Cooperative to the Member shall be deemed to have been duly given, and any demand by the Member upon the Cooperative shall be deemed to have been duly made if the same is delivered to the Member at his unit or to the Member's last known address; and any notice or demand by the Member to the Cooperative shall be deemed to have been duly given if delivered to an officer of the Cooperative. Such notice may also be given by depositing same in the United States mails addressed to the Member as shown in the books of the Cooperative, or to the President of the Cooperative, as the case may be, and the time of mailing shall be deemed to be the time of giving of such notice.

ARTICLE 22. ORAL REPRESENTATION NOT BINDING

No representations other than those contained in this agreement, the Charter and the By Laws of the Cooperative shall be binding upon the Cooperative.

ARTICLE 23. REMEDIES

The exercise of any of the rights or remedies as herein provided with respect to any default shall not preclude or affect the subsequent exercise of such rights or remedies at different times for different defaults.

The respective rights or remedies, whether provided by this agreement or by law, or available in equity, shall be cumulative and the exercise of any one or more of such rights or remedies shall not preclude or affect the exercise, at the same or at different times, or any other such rights or remedies for the same or different failures of the Member to perform or observe any provision of this agreement.

ARTICLE 24. SPECIAL STIPULATIONS

The following Special Stipulations shall control in the event of conflict with any of the foregoing:

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be signed and sealed the day and year written below:

Member

By ______________________   ___/___/____