

Bylaws
Lexington Square Townhouses

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Article I. Name and Location of Corporation

The name of this corporation is Lexington Square Townhouses, Inc. Its principal office is located in the County of Clayton, State of Georgia.

Article II. Purpose

The purpose of this Corporation is to provide its members with cooperative housing and community facilities, 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 has purchased a membership share in the Corporation and executed an Occupancy Agreement in the usual form employed by the Corporation covering a specific unit in 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. Members, Authorized Memberships, and Occupancy Agreements.

(a) The authorized membership of the Corporation shall consist of 280 memberships, all of one class, with a par value of \$50.00 each, excluding the value of the Occupancy Agreement.

(b) 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 each town home unit has an assigned pro-rata value expressed as a factor of the total value of the Corporation. The following unit value factors have been assigned to each dwelling unit by type:

2-Br T/ H (86)	2-Br T/H basement (84)	3 Br T/H (110)
.003359	.003567	.003740

Section 4. 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 issued upon certification as to full payment. Every membership certificate shall be signed by the President or Vice President, and the Secretary or Assistant Secretary. The membership certificate of the holder is automatically retired upon the sale of membership to another person for whom a new certificate has been issued.

Section 5. 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 6. Lien. The Corporation shall 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 7. Transfer of Membership. Except as provided herein, membership shall not be transferable. 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 as shown on his occupancy agreement, such legatee or distributee may by assuming in writing the terms of the Occupancy Agreement within sixty (60) days after member's death, and paying all amounts due thereunder, and meeting all the published eligibility requirements, 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 retire from the Corporation, 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 a price mutually agreed upon between the Corporation and the member.
- 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 meets the Corporation's published eligibility criteria and 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.

Section 8. 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 the amount the retiring member originally paid for the acquisition of his membership certificate, or (2) proceed with reasonable diligence to affect a sale of the membership to a purchaser at a price determined by and acceptable to the Corporation and not the member. The retiring member shall be entitled to the net proceeds of the sale. The Corporation shall retain:

- 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 a condition acceptable to 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.

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 annual meetings of the Corporation shall be held on a date each year within 30 days of the first day of May. 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 within thirty (30) days upon receipt of a petition signed by twenty (20%) percent of the members having been presented to the Secretary, consistent with the notification requirements described in Section 4, below. 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.

Section 4. Notice of Meetings. It shall be the duty of the Secretary to mail or otherwise deliver 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 dwelling unit at least ten (10) but not more than thirty (30) days prior to such meeting. Service may also be accomplished by the delivery of any such notice to the member at his dwelling unit. Notice by either such method shall be considered as notice served. The notice of all meetings shall describe the starting and ending time of the voting period.

Section 5. Quorum. The presence, either in person or by proxy, of at least ten (10) 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 meeting drops below quorum and the question of a lack of quorum is raised, no business except voting, counting of ballots and announcement of the ballots 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, shall, except as otherwise provided by law, adjourn the meeting to a time not less than two (2) or more than ten (10) days from the time the original meeting was called, at which subsequent meeting the quorum requirement shall be five (5%) 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 in person or by proxy, 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 unless current under a written payment plan approved by the Corporation.

The voting period for the election of directors, removal of directors, or amendment of the bylaws shall remain open for not less than 24 hours which time period shall be stated in the notice of meeting. For all other issues the voting period shall consist of the time of duration of the meeting.

Section 8. Proxies. A member may appoint any other person as his proxy. In no case may a person cast more than one vote by proxy in addition to, if an eligible member, his own vote. Any proxy must be filed with the Secretary before the appointed time of voting.

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

- (a) Quorum
- (b) Approval of minutes of preceding meeting.
- (c) Reports of officers.
- (e) Report of manager or managing agent.
- (f) Election of directors.
- (g) Unfinished and new business.

Article V. Directors

Section 1. Number and qualification. The affairs of the Corporation shall be governed by a Board of Directors composed of five (5) persons, a majority of whom shall be members of the Corporation.

Section 2. Powers and Duties. The Board of Directors shall have all the powers and duties necessary for the administration of the affairs of the Corporation and may do all such acts and things as are not by law or by these Bylaws directed to be exercised and done by the members. No individual director shall have the power to act on behalf of the Corporation except as authorized by a quorum of the Board of Directors. The powers of the Board of Directors shall include but not be limited:

- (a) To accept or reject all applications for membership and admission to occupancy of a dwelling unit in the cooperative either directly or through an authorized representative.
- (a) To establish operating budgets and monthly housing charges as provided for in the Occupancy Agreement.
- (b) To engage an agent and/or employees for the management of the project under such terms as the Board may determine.
- (c) To terminate membership and occupancy rights for cause.
- (d) To enter into agreements to buy, sell or mortgage the property of the Corporation provided that it has obtained the consent of a majority of members in attendance of a properly called annual or special meeting of the members.
- (e) To promulgate such rules and regulations pertaining to use and occupancy of the premises as may be deemed proper and which are consistent with these Bylaws and the Articles of Incorporation.

Section 3. Election and Term of Office. Each director, or his successor shall be elected to serve a term of three (3) years. Directors shall hold office until their successors have been elected.

Section 4. Vacancies. Vacancies in the Board of Directors shall be filled by vote of the majority of the members at a special meeting called for that purpose. Such meeting shall occur within ninety days of the vacancy having occurred. Each director so elected shall serve the unexpired portion of the term of the director whose vacancy is so filled.

Section 5. Removal of Directors. At any regular or special meeting duly called, any Director may be removed with or without cause by the affirmative vote of at least thirty-five (35%) 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 misses three consecutive meetings or becomes more than 30 days delinquent in payment of his carrying charges shall be automatically terminated and his successor shall be elected as provided in Section 4, above.

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 the remaining members of the Board of Directors unanimously adopt a resolution authorizing such remuneration before the services are undertaken. A Director may not be an employee of the Corporation.

Section 7. Organization Meeting. The first meeting of the Board of Directors shall be held within thirty (30) days of an annual meeting and 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 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, email, telephone or telegraph, at least two (2) days prior to the day named for such meeting. Notice made during the previous meeting shall constitute notice.

Section 9. Special Meetings. Special meetings of the Board of Directors may be called by the President on two days' notice to each Director, given personally or by mail, email, telephone or telegraph, which notice shall state the time, place (as hereinabove provided) and purpose of the meeting. The President or Secretary shall call special meetings of the Board of Directors 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 official meetings of the Board of Directors, a majority of directors shall constitute a quorum for the transaction of business and the acts of at least three consenting directors shall be the acts of the Board of Directors.

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 Corporation shall pay the premiums on such bonds.

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, each 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 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/she shall preside at all meetings of the members and of the Board of Directors. He/she 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 assure that minutes of all meetings of the Board of Directors and the minutes of all meetings of the members of the Corporation shall be taken and properly preserved; he shall have charge 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 assure that corporate funds and securities are properly protected and accounted for. He/she shall assure that the books and accounts of the Corporation are preserved as directed by a majority of the Board of Directors and that the annual financial statements and tax returns are prepared on a timely basis.

Article VII. Amendments

These Bylaws may be amended by the affirmative vote of 35% of the entire regular membership of record at any regular or special meeting. 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 VIII. Corporate Seal

The Board of Directors shall provide a suitable corporate seal containing the name of the Corporation. 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 IX. Fiscal Management

Section 1. Fiscal Year. The fiscal year of the Corporation shall begin on the first day of January of each year. The commencement date of the fiscal year herein established shall be subject to change by the Board of Directors should corporate practice subsequently dictate.

Section 2. Books and Accounts. Books and accounts of the Corporation shall be preserved under the direction of the Treasurer as directed by the Board of Directors. 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 reviewed by a Certified Public Accountant whose report will be prepared and certified in accordance with nationally accepted standards. 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 consisting of monthly or quarterly income and expense statements, and balance sheets, 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 membership sales documents and occupancy agreements, shall be executed on behalf of the Corporation by any person duly authorized to do so by a majority of the Board of Directors.

Section 6. Association with Other Cooperatives. The Corporation may become a member of an association of cooperatives who join together for purposes of mutual aid and of advancing the cooperative movement as a means of providing housing for consumers.

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