

By-laws
of the Arrowtown Housing Cooperative
(Approved by General Membership on 1/26/08)

Purpose: The Arrowtown Housing Cooperative (AHC), exists to serve the Twin Cities community and its purpose shall be to provide and maintain housing affordable to low and moderate income persons in a cooperative atmosphere and to promote and support the cooperative movement through education and community involvement.

Article I. Bill of Rights

- Section 1. We reaffirm that all people are entitled to the basic human rights guaranteed by the Civil Rights Ordinances of the City of Minneapolis and the City of Saint Paul, The Constitutions of the State of Minnesota and the United States of America, and the Charter of the United Nations.
- Section 2. The residential members of the Arrowtown Housing Cooperative shall have the right to make decisions in matters concerning them, and shall exercise this right either directly, through simple majority or consensus, or indirectly through an elected Board of Directors.
- Section 3. The rooms of residential members shall be secure from any unauthorized entry, except in an emergency involving a clear and immediate danger to health or property.
- Section 4. All members of the cooperative shall act together in providing a cooperative, non-violent living atmosphere which does not discriminate on the basis of race, sex, gender, gender identity, age, sexual orientation, physical ability, religion, or creed.
- Section 5. In the event that the AHC should be forced to dissolve, equity will be divided, in proportions to be determined at the time of dissolution, amongst cooperatives and organizations that support cooperatives or have cooperative missions. Only current residential members may vote on the dissolution of the corporation.

Article II. Membership

Section 1. Subgroups of the Cooperative

A subgroup of this cooperative (a group of people living together in a household) shall be a legitimate cooperative, operating according to the Cooperative Principles approved by the 1994 Congress of the International Cooperative Alliance, and whose application for membership shall be approved by consensus at a general membership meeting of the cooperative. All residential members of the subgroup are residential members of the cooperative.

Section 2. Residential Members

1. New residential members shall be admitted by the subgroup, and admittance shall be in accordance with policies set by the Board of Directors and approved by the general membership.
2. The residential members of the Arrowtown Housing Cooperative shall have the right to make decisions in matters concerning them, and shall exercise this right either directly, through simple majority or consensus, or indirectly through an elected Board of Directors.
3. Residential members will be responsible for contribution to the operation and development of the cooperative, for paying a monthly membership fee as determined by the Board of Directors, and for responsibilities outlined by subgroups.
4. A subgroup or the Board of Directors may remove a member for violation of contract. The member has the right to an open hearing before the subgroup and the Board of Directors. Committees shall govern their membership.

Section 3. Non-Residential Members

1. Non-residential members are individuals, not living in a subgroup, who express interest in and commitment to

furthering the mission of AHC. A potential non-residential member must be endorsed by a committee, a subgroup, or by the Board of Directors.

2. Non-residential members will have voting privileges in the General Membership Meetings as outlined in the modified consensus description. The endorsing party will outline further rights of non-residential members members.
3. Non-residential members will be responsible for contributing to the advancement of the cooperative, for paying a monthly membership fee as determined by the Board of Directors, and for responsibilities outlined by their endorsing party.
4. The endorsing party may decide to remove a non-residential member. The non-residential members member has the right to an open hearing before the endorsing party and the Board of Directors.

Section 4. General Membership Meetings

Meetings of the cooperative will be held whenever necessary or desired. When the general membership will be making decisions, a quorum will consist of 2/3 of residential members and 1/2 of non-residential members. These meetings will be conducted according to modified consensus, except for elections where the by-laws dictate a voting process. Organization, publication and agenda of General Membership Meetings will be the responsibility of the initiating party or committee, under direction of the Secretary.

Article III. Board of Directors (BOD)

Section 1. Management of the Corporation.

The Board of Directors shall manage the business of the corporation in accordance with the Standing Rules and the by-laws.

Section 2. Board membership

- a. The Board of Directors shall not consist of fewer than three Directors.
- b. Each subgroup shall elect representatives in proportion to their residential membership. Subgroups with one to seven residential members shall elect one representative; with eight to twelve residential members, two representatives; with thirteen to seventeen residential members, three representatives. A representatives may also be an Officer of the Board, though in such cases the subgroup should designate an alternative representative to attend whenever possible (see Article III. Section 2.e.)
- c. The President, Secretary, and Treasurer of AHC and the subgroup representatives shall be voting members of the Board of Directors.
- d. Each subgroup may designate an alternative representative. Should the primary representative not be in attendance at a Board of Directors meeting, the designated alternate shall fully represent the subgroup and exercise full voting privileges. In such a case where the primary representative is also an Officer of the Board, the alternative representative may attend in order to fully represent the subgroup even when the primary representative is also in attendance.
- e. Officers and representatives shall be elected for a period of one year. The Board of Directors shall call a general membership meeting in the spring to elect officers and representatives. A fall election will be held for the remainder of subgroup representatives
- f. Candidates must be a member of the subgroup of which they would represent, and be willing to assume the duties of the position if elected.
- g. Before voting occurs, voting members will decide through modified consensus, on the method in which voting shall occur and also designate two members to count votes and verify the election. (Examples of possible voting methods: paper ballot, voice vote; consensus, simple majority, super majority.)

Section 3. Board meetings.

- a. Regular meetings of the Board of Directors shall be held at intervals to be decided by the Board. Special meetings may be called by the President, by a majority of the Board, or by an initiative petition. A special meeting shall occur no less than 24 hours and no more than one week from being scheduled and announced. The

secretary shall be responsible for posting agendas. Board meeting time, place, date, and facilitator will be announced at the end of the previous meeting.

- b. Board meetings shall be conducted according to modified consensus.
- c. A quorum shall consist of at least 1/2 of total Board members. Of that amount 1/3 of the total Board Officers must be present and all of the subgroups must be represented.

Section 4. Powers of the Board of Directors.

- a. The Board may exercise all the powers of a corporation as given in the Articles of Incorporation.
- b. The Board shall have power to set up committees, direct their activities and appoint their chairs.
- c. If any officer of the corporation should vacate his or her position before the term is completed, the Board shall elect a new officer to complete the term of office in accordance with the process described in Article IV. Section 1.f.
- d. Consensus of the Board is required to allocate cooperative funds for purposes outside the cooperative movement.

Article IV. Officers

Section 1. General

- a. The officers shall be the President, Secretary, and Treasurer.
- b. The President shall be elected by a 3/4 plurality of the present voting membership for a term of one year from the date of the election.
- c. The Secretary, and Treasurer shall be elected by a majority of the voting membership for a term of one year from the date of election.
- d. The officers of this cooperative shall be members thereof.
- e. Any collective officer is subject to removal by a 2/3 vote of the entire Board of Directors after an open hearing before the Board of Directors, or by a 2/3 vote of the entire cooperative after an open hearing before the cooperative membership. The Board of Directors may decide that any officer is subject to removal by the Board of Directors after having been absent from three consecutive Board of Directors meetings.
- f. Vacancies in office shall be filled by majority vote of all members present at a regular Board of Directors meeting. The secretary shall be responsible for informing the membership of the elections to replace a vacated office and all members shall be encouraged to attend and to vote. The Board of Directors shall not allow an office to be vacant for more than two consecutive Board of Directors meetings.

Section 2. Duties of the officers.

- a. Duties of the President: The President shall be the chief executive of the corporation. He/she shall:
 - 1. Be the official representative of the cooperative in its relations with all other organizations. The President may also delegate this duty when necessary or desirable.
 - 2. Prepare a written summary, to be presented at the next Board of Directors meeting, of any meeting with any external organization or its representatives, at which the president represents the interests of the Arrowtown Housing Cooperative.
 - 3. Direct the prospecting of housing options for the cooperative and report back to the Board of Directors on those prospects.
 - 4. Write a complete report of the work done by the cooperative during their term and the state of the cooperative upon leaving office.
 - 5. Be directly responsible for working with the committees on their coordination, the efficient functioning of all committees, and updating the Board on the activities of the committees.

6. Perform all acts and duties usually performed by an executive and presiding officer, and as directed by the Board of Directors.
- b. Duties of Secretary: The secretary shall be the recording officer of the corporation. He/she shall:
1. Keep a complete record of all membership meetings and meetings of the Board of Directors.
 2. Keep a complete record of all standing rules passed at meetings of the Board of Directors.
 3. Distribute minutes from meetings of the board before the next such meeting. Minutes shall stand approved unless an objection is raised.
 4. Sign all papers and documents of the corporation as he/she may be directed to do by the Board of Directors or the President.
 5. Make all reports required by law and such special reports as requested by the Board of Directors or by the President.
 6. Keep a complete file of all formal correspondence, records and reports of the cooperative.
 7. Keep a comprehensive register of members.
 8. Coordinate access to the Articles of Incorporation, By-laws and Standing Rules for any individual. Other informational materials shall be made available as well.
 9. Record all changes and/or amendments to the By-laws and Standing Rules. Submit all compiled revisions of the By-laws and Standing Rules to the Board of Directors on an at least annual basis.
 10. Have available at each board meeting a copy of up-to-date By-laws, Standing Rules, and minutes for the preceding year; act as reminder of past decisions.
 11. Submit a complete written report to the Board of Directors upon leaving office.
 12. Distribute agenda items for the upcoming board meetings one week in advance to all members.
 13. Inform the membership of elections.
- c. Duties of the Treasurer: The Treasurer shall:
1. Prepare the following:
 - i. Income over expenses statements for each month and a balance sheet annually.
 - ii. Any other financial information about AHC for the Board (i.e. rebate information, energy and utility consumption information).
 - iii. Pay all AHC's bills on time.
 - iv. Prepare AHC's taxes.
 - v. Prepare any other necessary financial reports, as directed by the Board of Directors.
 2. Have custody of the money with another member of the Board of Directors, approved by consensus of the Board. That custodian shall have responsibility for performing an annual audit.
 3. Keep corporation books.
 4. Ensure that the AHC Five Year Plan and Yearly Budget are developed and kept current.
 5. Consolidate the financial statements of the subgroups and submit them to the Board of Directors for approval.
 6. Collect any fees due to the cooperative.
 7. Have charge of delinquent accounts.
 8. Serve all notices as directed by the Board of Directors.
 9. Propose rebate awards to the Board of Directors.
 10. Submit a complete report to the Board of Directors upon leaving office.

Section 3. Duties of Subgroup Representatives. The duties of Subgroup Representatives shall be:

- a. Communicate, serve as liaison between the board and their subgroup, by doing the following:
 1. keeping a house information center posted with previous Board of Directors minutes, announcements, general membership meetings, etc.
 2. keeping the house notebook in order, complete with AHC financial statements, by-laws, standing rules, board minutes, local cooperative bulletins, newsletters, etc.
 3. reporting changes or actions of the Board at house meetings.
 4. bringing concerns of housemates to the Board and reporting responses back to the subgroup.
- b. Attend all board meetings, or to make sure that someone else can serve as a rep. Reps may rotate so that each person has a chance to participate.

Article V. Appointees of the Board.

Section 1. The board shall appoint interested members to positions that require specific skill sets as deemed necessary by the board (Example: Webmaster, Artist-in-Residence, etc.).

Article VI. Committees.

Section 1. Standing committees.

- a. The standing committees of the collective shall be the Finance/Development and Membership/Outreach Committees. The Board of Directors shall appoint persons to chair these committees.
- b. Committees will create and submit a budget to the board if expenses are anticipated; committees can go to the board for approval of additional funds, if needed.
- c. Diversity of representation on each committee is encouraged.
- d. All members of the cooperative must serve on a committee or on the Board of Directors as an elected member. This requirement shall only be waived for members appointed by the board to serve the cooperative in another way.
- e. Ad hoc committees, e.g. Conservation, etc., can be formed with the permission and supervision of the Board of Directors.

Section 2. Committee purposes and functions.

- a. Finance/Development. The committee shall:
 1. Be composed of the Treasurer and interested members.
 2. Act in an advisory capacity to the Board of Directors on important financial matters. These include member charges, major purchases, acquisition, alterations and disposal of real property, insurance for that property, and employment.
 3. Monitor the cooperative's development fund. This fund is established to finance the expansion and development of the collective and to accumulate liquid funds for that purpose. Its resources shall include all forfeited deposits, gifts, legacies and loans to the cooperative investment income, and any funds appropriated by the Board of Directors for this purpose. In addition, the committee shall make sure that at least 10% of AHC's assets are always in liquid reserves, available for emergency use.
 4. Prepare the annual cooperative budget and submit it to the Board of Directors for approval by the second scheduled Board of Directors meeting before May 1.
 5. Prepare and update the AHC Five-Year Plan at least once every two years.
 6. Propose increases in charges for the upcoming agreement period to the Board of Directors.
 7. Adhere to financial practices outlined in the AHC Standing Rules.

b. Membership/Outreach. The committee shall:

1. Be composed of the President and interested members, preferably one from each subgroup.
2. Make recommendations to the Board of Directors about membership policies and outreach activities.
3. Be responsible for designing and printing all agreements and membership material, such as brochures and orientation packets.
4. As necessary, advertise vacancies as agreements expire, rooms become available and as directed to do so by the Board.
5. Generally publicize the co-op through such activities as distributing brochures around town and at events held by other cooperatives and collectives.
6. Organize and carry out new member orientation meetings at the beginning of each new agreement period.
7. Prepare agreements for the upcoming agreement period. Ensure that all AHC residents who intend to continue their residency in the upcoming agreement period formalize their intention to do so by signing an agreement each year.
8. The chair shall be responsible for signing, on behalf of the cooperative, membership agreements, with the exception of their own agreement, which may be signed by the President or Secretary of the Board of Directors. The cooperative's designee may only sign agreements for memberships that are clearly approved by the process of approval within the cooperative. Any questions about whether or not the member has been approved shall be resolved by the Board of Directors and their decision shall be final.
9. Inform prospective members of any upcoming or possible charge changes.

Article VII. Fiscal year.

Section 1. The fiscal year of this corporation shall begin on the first day of June and end on the 31 day of May of the succeeding calendar year.

Article VIII. Amendments

Section 1. Amendments to the By-Laws.

- a. Any member of the cooperative may present a proposed amendment to the General Membership.
- b. The By-laws shall be amended by modified consensus at a General Membership meeting.
- c. The Secretary shall record and publish updated By-laws of the corporation.

Section 2. Amendments to the Standing Rules.

- a. Any member of the cooperative may present a proposed amendment to the Board of Directors.
- b. The Standing Rules shall be amended by consensus of the Board of Directors.
- c. The Secretary shall record and publish the updated Standing Rules of the corporation.

Article IX. Policy on Conflicts of Interest and Disclosure of Certain Interests

Section 1. Purpose

The purpose of the conflict of interest policy is to protect AHC's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of a member or officer of the Organization or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

Section 2. Definitions

a. Interested Person

Any officer or member of a committee who has a direct or indirect financial interest, as defined below, is an interested person.

b. Financial Interest

A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

1. An ownership or investment interest in any entity with which the Organization has a transaction or arrangement,
2. A compensation arrangement with the Organization or with any entity or individual with which the Organization has a transaction or arrangement, or
3. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Organization is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

A financial interest is not necessarily a conflict of interest. Under Article VIII, Section 3, a person who has a financial interest may have a conflict of interest only if the appropriate Board of Directors or committee decides that a conflict of interest exists.

Section 3. Procedures

a. Duty to Disclose

In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the board members and members of committees considering the proposed transaction or arrangement.

b. Determining Whether a Conflict of Interest Exists

After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the Board of Directors or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.

c. Procedures for Addressing the Conflict of Interest

1. An interested person may make a presentation at the Board of Directors or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
2. The Board of Directors or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
3. After exercising due diligence, the Board of Directors or committee shall determine whether the Organization can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.
4. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the Board of Directors or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Organization's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.

Section 4. Records of Proceedings

The minutes of the Board of Directors and all committees with board delegated powers shall contain:

- a. The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the Board of Directors' or committee's decision as to whether a conflict of interest in fact existed.
- b. The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of

any votes taken in connection with the proceedings.

Section 5. Compensation

- a. A voting member of the Board of Directors who receives compensation, directly or indirectly, from the Organization for services is precluded from voting on matters pertaining to that member's compensation.
- b. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Organization for services is precluded from voting on matters pertaining to that member's compensation.
- c. No voting member of the Board of Directors or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Organization, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

Section 6. Annual Statements

Each director, principal officer and member of a committee with Board of Directors delegated powers shall annually sign a statement which affirms such person:

- a. Has received a copy of the conflicts of interest policy,
- b. Has read and understands the policy,
- c. Has agreed to comply with the policy, and
- d. Understands the Organization is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

Section 7. Periodic Reviews

To ensure the Organization operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- a. Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining.
- b. Whether partnerships, joint ventures, and arrangements with management organizations conform to the Organization's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

Section 8. Use of Outside Experts

When conducting the periodic reviews as provided for in Section 7, the Organization may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the Board of Directors of its responsibility for ensuring periodic reviews are conducted.