

Exhibit D

**BY-LAWS
OF
MICHIGAN SHORES COOPERATIVE**

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ARTICLE I. NAME AND LOCATION OF CORPORATION: PURPOSE

Section 1. Name: The name of this corporation is MICHIGAN SHORES COOPERATIVE. Its principal office is located in the City of Frankfort, Michigan.

Section 2. Purpose: The purpose of this Corporation is to provide its members with housing and common facilities, if any, (herein called the "Project") on a non-profit basis consonant with the provisions set forth in its Articles of Incorporation.

ARTICLE II. DEFINITIONS

As used in these By-Laws, unless the context otherwise requires, the following terms shall have the following meanings ascribed to them:

- (a) "Board of Directors": The Board of Directors of the Corporation, whose Election and functions are more particularly described in Article VI hereof.
- (b) "Corporation": Michigan Shores Cooperative, a Michigan non-profit Corporation.
- (c) "Final Endorsement": The final endorsement of the Project mortgage note for Insurance by HUD.
- (d) "FHA Commitment": The written commitment of the United States Department of Housing and Urban Development, Federal Housing Administration, to insure the Project mortgage note for mortgage insurance under and pursuant to Section 221(d) (3) of the National Housing Act.
- (e) "HUD": The United States Department of Housing and Urban Development.
- (f) "Initial Endorsement": The initial endorsement of the Project mortgage note For insurance by HUD.
- (g) "Membership": Membership in the Corporation, as more particularly Described in Article III, Section 5 hereof.
- (h) "Occupancy Agreement": The instrument granting a leasehold interest in a Unit, to which each member of the Corporation is entitled, and whose form and function are more particularly described in Article IV hereof.
- (I) "Occupant": Any person legally entitled to occupy a unit, whether a member Or a permitted sublessee or subtenant of a member, or a spouse or family member of any of the foregoing.
- (J) "Project": The real property and improvements thereon owned by the Corporation containing fifty-four (54) dwelling units and appurtenant Facilities.

- (k) "Regulatory Agreement": The Regulatory Agreement, FHA Form number 3225, in effect by and between the Corporation and HUD.
- (l) "Security Interest": The lien on and security interest in a membership And/or Occupancy Agreement created pursuant to Article III, Section 8 hereof.
- (m) "Subscription Agreement": The contract of purchase between a prospective Member and the Corporation of a Membership in the Corporation.
- (n) "Transfer Value": The formula price at which the Board of Directors may Purchase the Membership of a deceased or departing member, as more particularly defined in Article III, Section 9(d) hereof.
- (o) "Unit": An individual residential apartment in the Project, as defined in Article III, Section 4(b) hereof.
- (p) "Cooperative Services Director" as the individual employed by the Michigan Shores Cooperative to manage the day-to-day business of the Cooperative.

- Article II. Amended April 27th, 2006

ARTICLE III. MEMBERSHIP

Section 1. Eligibility. Any person age 55 or over, except as to married couples, only one spouse need be age 55 or over, approved by the Board of Directors shall be eligible for Membership, provided such person executes a Subscription Agreement, Occupancy Agreement and such other documents as may be required by the Corporation in the usual form employed by the Corporation covering a specific Unit of the Project. It is illegal to discriminate against any person because of race, color, religion, sex, handicap, familial status, or national origin.

- Section 1. amended April 27th, 2006

Section 2. Waiver of Eligibility Requirements in Certain Cases. Subject to the approval of HUD, the eligibility requirements for Membership in the Corporation may, in a particular instance, be modified by the Board of Directors in writing in its discretion, provided, however, that no modification or waiver shall be granted which shall have the effect of disqualifying the Corporation as a cooperative housing corporation under Section 216 of the Internal Revenue Code of 1986 and regulations thereunder.

Section 3. Application for Membership. Application for Membership shall be presented in person on a form prescribed by the Board of Directors, and the Board of Directors shall act upon all such applications promptly.

Section 4. Subscription Funds. All subscription funds received from applicants prior to the Initial Endorsement 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 a bank or banks (whose deposits are insured by an agency of the Federal Government). Such account or accounts may be interest-bearing, in which event interest earnings with respect to subscription funds returned to a subscriber pursuant to a

Terminated subscription, shall be disbursed to the withdrawing subscriber. Such funds shall be subject to withdrawal, or transfer to the account of the Corporation only upon certification (which certification shall appear on the face of any check, if such funds have been deposited in a checking account) by the President or Vice President and Secretary or any Assistant Secretary of the Corporation to the above named institution or institutions that:

- (a) The Subscription Agreement of a named applicant has been terminated Pursuant to its terms and such withdrawal is required to repay the amount paid by him under such agreement; or
- (b) Applicants for at least 90% of the dwelling Units have not been procured Within the effective period of the FHA Commitment, or any extension thereof, and such withdrawal is required to repay to the applicants the amount paid by them; or
- (c) Applicants for at least 90% of the dwelling Units (or such lesser number as may be approved by HUD) have signed Subscription Agreements, have been approved as to their credit by HUD, and have paid the subscription price in full. If these requirements have been met and the Project mortgage loan has been scheduled for closing with the approval of HUD, the entire amount of the funds in the subscription escrow account may be transferred to the Corporation, at which time the Corporation shall issue and deliver membership certificates to all members.

Section 5. Members, Authorized Memberships & Occupancy Agreements:

- (a) The members shall consist of the individuals comprising the first Board of The Board of Directors and who have paid for their Membership and received Membership certificates, as identified in the Articles of Incorporation, or their successors and such subscribers as have approved directors, for Membership. 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 HUD, Occupancy Agreements.
- (b) The authorized Membership of the Corporation shall consist of fifty-four (54) Memberships. A Membership shall be issued by the Corporation for each Unit in the Project, such that the number of Memberships outstanding at all times shall be equal to the number of Units in the Project.

Section 6. Membership Certificates. Each Membership certificate shall state that the Corporation is organized under the laws of the State of Michigan, the name of the registered holder of the membership represented thereby, and shall bear a legend as follows:

“The rights of any holder of the membership evidenced by this Certificate are Subject to the provisions of the Articles of Incorporation and By-Laws of Michigan Shores Cooperative, and to all the terms, covenants, conditions and Provisions of a certain Occupancy Agreement between Michigan Shores Cooperative, as is issued, as lessee, for a dwelling unit in the premises known as Michigan Shores Cooperative, Frankfort, Michigan, which limit and restrict the title and rights of any transferee of such membership and this Certificate.

The membership represented by this Certificate is transferable only as an entirety and only to an approved assignee of the aforementioned Occupancy Agreement. Any transfer of the membership is also subject to an option in favor of the Corporation, described in the By-Laws. Upon request of the Member the Membership Certificate may be issued to such Member in the name of such Member’s property trust, subject to all the rules and regulations of the Corporation, the same as if issued in only the Member’s name. Membership Copies of the Articles of Incorporation, By-Laws and the Occupancy Agreement are on file and available for inspection at the office of Michigan Shores Cooperative.

Pursuant to the By-Laws, Michigan Shores Cooperative has a lien on the membership represented by this Certificate for all sums due and to become due under the aforesaid Occupancy Agreement and the Board of Directors of Michigan Shores Cooperative may refuse consent to the transfer of the membership represented by this Certificate until any indebtedness of the member to the Cooperative is paid or for other reasonable cause described in the By-Laws.”

Membership certificates shall be consecutively numbered, bound in one or more books, and shall be issued therefrom upon certification as to full payment. The President or Vice President, and the Secretary or Treasurer shall sign every membership certificate. The Corporation shall have no seal.

- Section 6. amended April 27th, 2006

Section 7. Lost Certificate. 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 of 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 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 9. 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 twenty (20) days next preceding the annual meeting

of the members. In all transfers of Memberships the Corporation shall be entitled to such fee, as it deems appropriate to compensate it for the processing of the transfer.

- (a) Death of Member. If, upon death of a member, the Membership has not transferred to a joint tenant, 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 sixty (60) 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 to be determined by the Corporation as representing the Transfer Value thereof, less any amounts due by the member of the Corporation under the Occupancy Agreement, and less the cost of estimated costs of all deferred maintenance, including painting, redecorating, floor finishing and such repairs and replacements as are deemed necessary by the Corporation for 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 sixty (60) day period, the member may sell his Membership to any qualified person who has been duly approved by the Corporation as a member and occupant. The Corporation shall not unreasonably withhold approval of any qualified person for membership. 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 such administrative service charge as 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 obligation 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., down payment) paid for the membership by the First occupant of the Unit involved as shown on the books of the Corporation; and
 2. The amount computed in accordance with the following table of increased

Applicable to the membership and to the Occupancy Agreement appurtenant to such membership. Such increase is shown for each full calendar year commencing after Initial Endorsement of the Project mortgage as follows:

<u>Membership & Designation of Occupancy Agreement & Unit</u>	<u>Initial Unit Value</u>	<u>Increase Per Year</u>
B	\$51,703.00	\$517.03
C	\$43,265.00	\$432.65
D	\$44,863.00	\$448.63
E & E'	\$61,530.00	\$615.30
F & G	\$70,384.00	\$703.84
H	\$91,809.00	\$918.09
H'	\$95,837.00	\$958.37
J	\$56,808.00	\$568.08

Section 10. 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 ten (10) days after demand to deliver to the Corporation his endorsed Membership certificate, said Membership certificate shall forthwith be deemed to be cancelled and may be reissued by the Corporation to a new purchaser.

Section 11. Non-Speculation on Sales of Memberships.

- (a) The Corporation shall observe the basic cooperative principle that purchase And sales of Memberships and Occupancy Agreements are not for speculative purposes and that investments in the Corporation by members are for the purpose of securing homes for their uses and benefits. To this end, the policies established by the Corporation shall be designated to discourage and avoid speculation both in the sale and resale of Memberships and Occupancy Agreements by members or by the Corporation.
- (b) The Corporation may establish from time to time the amount which it deems Necessary as a service fee for resale of Memberships and Occupancy Agreements in dwelling Units. Such service fee shall be uniform in its application to all withdrawing members except that it may take into account varying prices and types of dwelling Units: Provided that such service fee shall be computed on a basis which is calculated to reimburse the Corporation for its costs in handling resales generally, without realizing profits from its operations. The determination by the Corporation shall be conclusive as to service fees charged.

ARTICLE IV. OCCUPANCY AGREEMENTS

Section 1. Form of Occupancy Agreement. The Board of Directors shall Adopt the form of Occupancy Agreement to be used by the Corporation for the leasing of all Units to members. The Occupancy Agreement shall be for such terms, with or without provisions for renewals, and shall contain such restrictions, limitations and provisions with respect to the assignment thereof, the subletting of the Unit, and other terms, provisions, conditions and covenants, as the Board of Directors may determine (and HUD, as applicable, may approve). After and Occupancy Agreement in the form so adopted by the Board of Directors shall have been executed and delivered by the corporation, further Occupancy Agreements subsequently executed and delivered shall be in the same form, except with respect to the date of commencement of the term and the monthly charges payable thereunder.

Section 2. Assignment of Occupancy Agreement. Occupancy Agreements Shall be assigned or transferred only in compliance with terms, conditions and provisions of these By-Laws and such Occupancy Agreements. Without limiting the foregoing, no assignment of any Occupancy Agreement shall take place except in conjunction with the sale or transfer of a Membership in the Corporation nor shall the assignment be effective unless and until the assignee has assumed conditions thereof, the Membership to which the Occupancy Agreement is appurtenant has been transferred to the assignee, all sums required to be paid by the Assignor to the corporation have been so paid and all necessary consents have been obtained.

Section 3. Lost Occupancy Agreements. In the event that any Occupancy Agreement is lost, stolen, destroyed or mutilated, the Board of Directors may direct a new Occupancy Agreement to be issued, in the same form and upon the same terms and provision. In authorizing such insurance of an Occupancy Agreement, the Board of Directors may, in its discretion, and as a condition precedent to the issuance thereof, require the owner thereof, or the legal representative of the owner, to make an affidavit or an affirmation setting forth such facts as to the loss, destruction or mutilation, as it deems necessary, 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.

ARTICLE V. 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 Meetings. The first annual meeting of the Corporation shall be held within sixty (60) days after the Final Endorsement. Thereafter the annual meeting of the Corporation shall be held on the fourth Thursday of April 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 of Article VI of these By-Laws. 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/her duly authorized representative, and as provided by Michigan law. 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. Special meetings may not be called by the 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/her 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 meeting. Service may also be accomplished by the delivery of any such notice to the member at his dwelling Unit or last known address. Notice by either such method shall be considered as notice served. So long as HUD insures a mortgage on the Project, notices of all meetings shall be mailed to the manager of the local HUD insuring office.

Section 5. Quorum. The presence, in person, of at least fifty (50%) 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 the members. If the number of members at a meeting drops below the 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 dropped below the quorum, the members who are present 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 remain fifty (50%) percent.

Section 7. Voting. At every meeting of the members, each person present, in person or by mailed ballot conforming to the requirements of the Michigan non-profit corporation act (in the case of absent members), shall have the right to cast one vote on each question and never more than one vote, regardless of the number of Memberships owned. In the event more than one person has an interest in a Membership, such vote shall be cast as all such persons, between themselves, may determine, but in no event shall more than one vote be cast per Membership. The vote of the majority of those present, either in person or by mailed ballot, as aforesaid, 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 By-Laws, a different vote is required, in which case such express provision shall govern and control. No member 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 thirty (30) days delinquent in payments due the corporation under his or her Occupancy Agreement.

Section 8. Proxies. A member may appoint as his/her proxy only a member of his/her immediate family (as defined by the Board of Directors), except that an unmarried member may appoint any other member as his/her proxy. In no event may a member cast more than one vote by proxy in addition to his/her 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 regularly scheduled meetings of the members shall be as follows:

- (a) Determination of Quorum.
- (b) Proof of notice of meeting or waiver of notice.
- (c) Reading of minutes of preceding meeting.
- (d) Reports of officers.
- (e) Reports of committee.
- (f) Report of manager or managing agent.
- (g) Election of inspectors of election.
- (h) Election of directors.
- (i) Unfinished business.
- (j) New business.

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

If present, a representative of HUD will be given an opportunity to address any regular or special meeting.

ARTICLE VI. DIRECTORS

Section 1. Number and Qualification. Prior to the first annual meeting of members, the affairs of the Corporation shall be governed by the first Board of Directors consisting of seven (7) persons (the "Provisional Board"), as provided in the Articles of Incorporation. After the first annual meeting of members, the affairs of the Corporation shall be governed by a Board of Directors composed of seven (7) persons, a majority of whom shall be members of the Corporation.

- At a minimum of forty five (45) calendar days preceding the March General Membership meeting, the current President of the Board of Directors will appoint a former member of the Michigan Shores Board of Directors from the general membership to raise and chair an ad hoc committee for the purpose of nominating candidates to serve on the Michigan Shores Board of Directors.

The ad hoc nominating committee shall consist of the chairman and four (4) other members. A minimum of three (3) shall be members from the general membership who have previously served on the Michigan Shores Board of Directors.

The charge of the nominating ad hoc committee is to present to the general membership a list of confirmed candidates for election to the Michigan Shores Board of Directors.

There will be minimum of (2) two or more nominees than there are positions available on the Board of Directors.

The Chairman of the nominating ad hoc committee will present their report and nominees to the general membership a minimum of thirty (30) calendar days before the Cooperative Annual Meeting which is convened the fourth Thursday in the month of April.

Immediately following the presentation of the nominees to the General Membership, the nominating ad hoc committee for the current year is dissolved.

Nominations from the floor can be accepted at the March Meeting and the Annual Meeting. The floor nomination must be tendered by a member in good standing and the nomination must receive a second to be valid. The floor nominated member must be present to verbally accept the nomination in front of the membership.

Term Limits:

A member may not serve on the Michigan Shores Board of Directors more than two (2) elected terms of three (3) years or a maximum of eight (8) years.

- Amended 4/24/2008

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 By-Laws directed to be exercised and done by the members. The powers of the Board of Directors shall include but not be limited to:

- (a) Accepting or rejecting all applications for Memberships and admission to

Occupancy of a dwelling Unit in the Project either directly or through an authorized representative;

- (b) Subject to the approval of HUD, establishing monthly housing charges as Provided for in the Occupancy Agreement, based on the operating budget formally adopted by such Board;
- (c) Subject to the approval of HUD, engaging an agent or employees for the Management of the Project under such terms as the Board may determine;
- (d) Authorizing in their discretion patronage refunds from the residual receipts When and as reflected in the annual report;
- (e) Terminating membership and occupancy rights for cause; and
- (f) Promulgating such rules and regulations pertaining to the use and occupancy of the premises as may be deemed proper and which are consistent with these By-Laws, and the Articles of Incorporation, and the Regulatory Agreement.

Section 3. Election and Term of Office. The term of the Provisional Board of Directors shall expire when their successors have been elected at the first annual meeting or any special meetings called for that purpose; provided, however, 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 HUD or as provided in Michigan law. At the

First annual meeting of the members, seven directors shall be elected for staggered terms as follows: the term of office of three 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 the initial term of office of each respective director, his/her 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, consistent with Article V, Section 2, of these By-Laws 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 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 thirty (30) days delinquent in payment of this carrying charge shall be automatically terminated and the remaining Directors shall appoint his successor 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 Board of Directors shall unanimously adopt a resolution authorizing such remuneration before the services are undertaken. No remuneration or compensation shall in case be paid to a Director without the approval of HUD. 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 Meetings. 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 herein above 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, and 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 Corporation shall pay the premiums on such bonds.

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 the 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 the Article III, Section 4, of these By-Laws.

Section 14. Advisory Committee. At or subsequent to the first meeting of the Board of Directors elected at the first annual meeting of members, or any special meeting called for that purpose following the expiration of the term of the Provisional Board of Directors, the Board of Directors shall be counseled by an Advisory Committee. The Advisory Committee, which shall serve without compensation, shall consist of up to four (4) persons from the community at large, who need not be members of the Corporation, and who shall be appointed by the Community Retirement Housing Association, Inc. and Munson Healthcare, the Project's sponsors. The term of membership on the Advisory Committee shall be one (1) year, but Advisory Committee persons may serve multiple and consecutive terms. The Advisory Committee persons shall be given notice of and shall be given a voice at all meetings of the Board of Directors of the Corporation;

Provided, however, the Advisory Committee grant its approval to any action or decision by the Board of Directors; there shall be no requirement that the Advisory Committee grant its approval to any action or decision by the Board of Directors of the Corporation; and the attendance of the Advisory Committee persons at the meetings of the Board of Directors of the Corporation may not operate to deny or delegate control over the general administrative affairs of the Corporation from the Board of Directors. The Board of Directors shall fill vacancies occurring on the Advisory Committee, if not filled by Community Retirement Housing Association, Inc. and/or Munson Healthcare within ninety (90) days after the vacancies occur.

ARTICLE VII. 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 judgement 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 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 the duties incident to the office of secretary.

Article 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 monies 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 VIII. REGULATORY AGREEMENT

Rights of HUD. The management, operation and control of the affairs of the Corporation shall be subject to the rights, powers and privileges of the Secretary of HUD pursuant to a Regulatory Agreement between the Corporation and HUD. The provisions of the Regulatory Agreement bind the Corporation, which is a condition precedent to the insurance by HUD of a mortgage of the Corporation on the Project.

ARTICLE IX. AMENDMENTS

These By-Laws 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 HUD. 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 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 HUD to the extent such approval is required pursuant to HUD rules and regulations.

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 Secretary of HUD. 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 by HUD, whose reports will be prepared and certified in accordance with the requirements of HUD. 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 by the Regulatory Agreement to be furnished to HUD 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 and draws upon the Checking Operations Account for Corporation operational expenses shall be executed by the Cooperative Services Director and the Treasurer of the Corporation, or, in the absence of the Treasurer, Corporate Board of Directors. All checks, withdrawals or transfers from any reserve or escrow account shall be executed on behalf of the Corporation only by any two Officers of the Corporate Board of Directors.

- Section 5. revised April 27th, 2006

ARTICLE XI. REFERENCES TO GENDER

Any use of the word "his" with regard Member's of the Corporation shall be read and interpreted to include and mean a reference to the word "her" in the event that the Member is female, and as a reference to the word "their" in the event the Member is a couple.

The aforesaid By-Laws have been adopted this _____ day of _____, 20__, by the Board of Directors of Michigan Shores Cooperative.

President: _____

Secretary: _____

- **Article II. Definitions amended April 27th, 2006**
- **Article III. Membership amended April 27th, 2006**
- **Article III. Membership Certificates amended April 27th, 2006**
- **Article X Fiscal Management amended April 27th, 2006**

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