

BYLAWS

OF

RIDGE SIDE COOPERATIVE

[as amended December 2013]

The following Bylaws apply to RIDGE SIDE COOPERATIVE, a limited equity housing cooperative, created by Articles of Association recorded in Volume 2429 of Records, beginning at page 75, in the Office of the Register of Deeds for Dane County, Wisconsin, the original having been filed with the Secretary of State. These Bylaws incorporate by reference the said Articles of Association, and the Wisconsin Cooperative Association Act, Chapter 185, Wisconsin Statutes (1977). The Bylaws are intended to provide the structure necessary for the operation and maintenance of the housing cooperative, to control and regulate the use and enjoyment of the housing cooperative for the benefit of all persons authorized to so use it, to establish the procedure for the levy and collection of assessments and/or carrying charges to finance the operations of the cooperative, to define and restrict members' equity, voting rights, membership rights, and to permit the cooperative members to participate through a democratic structure in this process of maintenance, operation, financing and control.

SECTION I

NAME, FORM, ADDRESSES, PURPOSE

1.01 Name. The name of the cooperative created herein is "RIDGE SIDE COOPERATIVE," and is referred to herein as "the Co-op."

1.02 Form. The Co-op is incorporated as a Wisconsin stock cooperative under Chapter 185, Wisconsin Statutes (1977). Policy control of the Co-op except as otherwise provided herein, is vested in its members and a Board of Directors to be elected by the members in accordance with these Bylaws.

1.03 Address. The address of the Co-op and its principal office is 847 Williamson Street, Madison, Dane County, Wisconsin.

1.04 Purpose. The purpose of this Co-op is:

(1) To purchase, acquire, own, hold, sell, lease, encumber, improve, develop, maintain, administer, operate and service the real estate located at 847-839 Williamson Street, Madison, Dane County, Wisconsin, (as further described on attached Addendum 1) and generally to do all things necessary, proper, and incidental to the organization, development and operation of a limited equity housing community and project;

(2) To provide its members and resident households with housing and community facilities, if any, on a limited equity cooperative basis;

(3) To promote cooperative housing for the mutual benefit of its members by providing adequate housing at a reasonable cost;

(4) To serve as a model of a limited equity Co-op for the mutual responsible collaboration of city-wide and community-based institutions in planning and conducting neighborhood revitalization programs and projects;

(5) To stabilize and reduce the trend toward rapid turnover of residential property in the Williamson Street, City of Madison, area;

(6) To affirmatively recruit minorities, women, other protected classes and groups of individuals as members and resident households of the Co-op;

(7) To promote equal housing opportunity to all persons regardless of sex, race, religion, color, national origin or ancestry, age, handicap, marital status, source of income, arrest record or conviction record, less than honorable discharge, physical appearance, sexual orientation, political beliefs or the fact that such person is a student (as per Madison Ordinance 3.23).

SECTION II

MEMBERSHIP

2.01 Eligibility.

(1) Any person approved by the Co-op's Board of Directors may become a member in accordance with these Bylaws. "Person" as used herein excludes a partnership, incorporated association, corporation, unincorporated association or body politic.

(2) Except as otherwise defined herein, membership shall be limited to shareholders of the Co-op who reside in the Co-op property as described herein and in Addendum 1. Said shares shall be reflective of a member-stockholder's proportionate ownership in said real property.

2.02 Membership Classes. The Co-op shall have one class of members (Wis. Stats. 185.11(2)).

2.03 Application for Membership. Eligible persons as defined in 2.01 above, may apply to the Board of Directors and shall complete the application process as follows:

(1) Submit an application form as determined by the Board of Directors;

(2) Complete the credit check form, as determined by the Board of Directors for all adult members of the applicant's household;

(3) Schedule and appear at an interview to be established by the Board of Directors; and

(4) Such other procedures as may be established by the Board of Directors.

2.04 Waiting List. Persons applying for membership when no vacancy is available may be placed on a waiting list for membership. Such applicant shall pay to the Co-op the sum of Five Dollars (\$5.00) to hold the position on the waiting list for one (1) year and to receive information and all minutes of meetings for that year.

2.05 Member's Entry Requirements.

(1) Each member must be an adult person defined by 2.01(1), who resides in the Co-op as a part of a resident-household. Each resident-household shall be defined as the occupants of each unit whose occupancy of such unit has been approved by the Board of Directors.

(2) Each adult person who is part of such resident-household and approved by the Board of Directors, shall be eligible to purchase shares of Capital Stock entitling him/her to be eligible for membership. Applications for membership must be acted on by the Board of Directors within a reasonable time after receipt of the application signed by all members of the household. A majority vote of the Board of Directors is required for approval of an application. The Board of Directors

may assess a nominal application fee.

(3) Any eligible adult person, as defined herein, whose membership application has been approved by the Board of Directors shall become a member upon compliance with the following requirements:

(a) Purchasing shares or fraction thereof of Capital Stock of the Co-op.

(b) All designated household occupants signing an Occupancy and Membership Agreement in the usual form employed by the Co-op covering a dwelling unit to be occupied in the building.

(c) All household occupants attending a general information session.

(4) All occupants of a resident-household must agree to comply with all the requirements of the Co-op, including without limitation those set forth in these Bylaws and in the Occupancy and Membership Agreement, and any rules and regulations which may be promulgated by the Board of Directors.

(5) No person may be part of a resident-household unless he or she occupies a dwelling unit in the Co-op and no member shall have any property interest in the building other than that granted through stock ownership in the Co-op, except as provided in 2.06A.

(6) Each 1 bedroom dwelling unit shall be occupied by no more than 2 persons. Each 2 bedroom dwelling unit shall be occupied by no more than 4 persons. Each 3 bedroom dwelling unit shall be occupied by no more than 6 persons.

(7) Any guest remaining as an occupant of a dwelling unit for more than 60 days during a twelve-month period must be approved by the Board of Directors. This person cannot cause the occupancy limit described in paragraph (6) of this section to be exceeded. Failure to comply with this provision will result in termination of membership of the members of the resident-household in which such guest resides. For the purpose of this subsection only, "person" shall be a natural person (18 years or older) and his/her children or other dependents under 18 years of age.

(8)* In addition to all the above requirements, the entry of any new Member shall result in continued compliance by the Cooperative with the requirements of sec. 70.11(4a) WI Statutes 2013 version. In compliance with such requirement at least 75

percent of the residential units shall be occupied by low-income or very low-income persons or be vacant and available only to low-income or very low-income persons, and at least one of the following shall also apply: a. At least 20 percent of the residential units are rented to households who are very low-income or are vacant and are only available to such persons, or b. At least 40 percent of the residential units are rented to households whose income does not exceed 120 percent of the very low-income limit or are vacant and only available to such persons. For purposes of this subsection, low-income persons (or households) and very low-income persons (or households) shall be determined in accordance with the income limits published by the federal department of housing and urban development for low-income and very low-income families under the National Housing Act of 1937, for the Madison area. A potential new member (or member household shall not be eligible to join the Cooperative if their annual income would result in the Cooperative going out of compliance with these income requirements. [*As amended October 22, 2013.]

2.06 Transfer of Membership. No member may transfer his/her membership except as approved by the Board of Directors.

2.06A Temporary Transfers. Subject to the prior approval of the Board of Directors, and at the sole discretion of the Board of Directors, a member may temporarily assign occupancy of his/her unit to a lessee for a designated period of time, provided, however, that the member making the temporary assignment remains obliged to the Co-op for the payment of all assessments and other charges approved by the Board of Directors, and for the payment of any and all dues. Any temporary assignment suspends the voting rights of the member, and said voting rights do not vest in the member's lessee.

2.07 Termination of Membership for Cause. The Co-op may terminate membership for causes specified in the Occupancy and Membership Agreement. The procedure for termination of the membership and the transfer value of a for-cause termination is stated in said Occupancy and Membership Agreement and these Bylaws.

SECTION III

MEETINGS OF MEMBERS

3.01 Place of Meeting. Meetings of the membership shall be held at the principal office or such other place as the Board of

Directors may determine.

3.02 Annual Meetings.

(1) The annual meeting of the membership shall be held on the first Wednesday of February of each year at 7:00 p.m., at a location selected by the Board of Directors.

(2) The order of business at all annual meetings is as follows:

- (a) Roll call.
- (b) Proof of notice of hearing.
- (c) Proof of quorum.
- (d) Reading of minutes of preceding annual meeting.
- (e) Report of officers.
- (f) Committees' reports to the Board.
- (g) Election of Board of Directors.
- (h) Unfinished business.
- (i) New business.
- (j) Approval of budget.
- (k) Adjournment.

3.03 Special Meetings. Special meetings may be called by the President, Board or members having stock representing one-fifth of the votes entitled to be cast at such meeting.

3.04 Notice of Meetings.

(1) Written notice, stating the place, day and hour shall be given not less than seven nor more than thirty days before the meeting at the direction of the President or person calling the meeting.

(2) Whenever notice is required herein to be given to any person, member, stockholder, or resident-household, such notice shall be given either personally or by mail. If mailed, such notice is given when deposited in the United States mail, with postage prepaid thereon, addressed to such person at his/her address as it appears on the records of the Co-op.

(3) A signed waiver is equivalent to personal notice to the person so signing. The waiver may be signed at any time.

3.05 Quorum. A quorum at any member meeting shall be a majority of all members entitled to vote. Members represented by signed vote, or fraction thereof, may be counted in computing a quorum only on those questions as to which the signed vote is taken. If no quorum is present, the only actions which may take place are the setting of a time and place for another meeting two (2) days or more after the present date, and adjournment.

3.06 Voting.

(1) No person other than a duly qualified member holding stock may vote at any member meeting. A person who has not fully paid his/her carrying charges, or other charges may not vote except as expressly permitted herein.

(2) Each household occupied by members shall have a total of one (1) vote in membership matters upon which a membership vote is taken. Each member entitled to vote shall have one (1) vote, or a fraction thereof. The Occupancy and Membership Agreement shall state which member(s) is(are) entitled to vote, and the vote or fraction thereof entitled to be cast.

(3) Voting by proxy shall not be allowed. An absent member may submit a signed vote or fraction thereof, if he/she has been previously notified in writing of the exact motion or resolution upon which the vote is taken. Said absentee signed votes shall be delivered in advance to the Secretary of the Co-op. The vote of a majority of those votes present, in person or by absentee vote, shall decide any question brought before such meeting, unless the question is one which by expressed provision of Wis. Stats. Chapter 185, or the Articles of Association or these Bylaws, require a different vote, in which case such expressed provision shall govern and control.

3.07 Rules. Robert's Rules of Order shall govern as to procedure on any other matter not covered in these Bylaws.

3.08 Actions Without Meeting. Any action which may be taken at a meeting may be taken without a meeting if a writing setting forth and approving the action taken shall be signed by all of the Co-op members entitled to vote on such action. Such consent shall have the same force and effect as a unanimous vote at a meeting.

SECTION IV

BOARD OF DIRECTORS

4.01 Number and Qualification. The business and affairs of the Co-op shall be managed by a Board of Directors. Every director shall be a member of a resident-household of the Co-op. The Board of Directors shall be composed of nine (9) directors, one representative of each household. Alternate Directors may be designated by each Director. In the Director's absence, said alternate Director shall have all of the rights and responsibilities of the Director.

4.02 Election. Directors are selected by adult resident-household members and installed at the annual meeting of the Co-op. Each household shall certify to the Board of Directors in writing its choice of said Director.

4.03 Term of Office. The term of office for each director is one year. Each director shall hold office for said term and until his/her successor is selected at the annual meeting or as otherwise provided herein.

4.04 Vacancies. Vacancies on the Board of Directors caused by any reason shall be filled by having each household certify to the Board of Directors in writing that a new Director has been selected by the household. Said certification shall be in writing and must be served upon the Board at least ten (10) days prior to assuming a Director's position.

4.05 Removal of Directors. Directors may be removed for cause by a majority of the Board of Directors' votes at any annual or special meeting, notice of which includes notice of the proposed removal.

4.06 Compensation. No compensation shall be paid to directors for their services as officers or directors.

4.07 Annual Meeting. The annual meeting of the Board of Directors shall be held immediately following the annual meeting of the Co-op. No notice is necessary to the newly-elected directors in order legally to constitute such meeting, provided that a quorum of the directors is present.

4.08 Regular Meetings. Regular meetings of the Board of Directors shall be held at least quarterly. The time, place and manner of such regular meeting shall be as determined from time to time by resolution of the directors.

4.09 Special Meetings. Special meetings of the Board of Directors may be called by or at the request of the President or any two directors. The time, place, manner of such meetings is determined by the President, or the two directors calling said special meeting.

4.10 Notice. Notice of all meetings of the Board of Directors must be given to each director, personally, or by mail, at least three (3) days prior to the date of such meeting.

4.11 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 is deemed equivalent to the giving of such notice. Attendance by a director at any meeting of the Board is a waiver of notice by him/her of the time and place thereof. If all the directors are present at any meeting of the Board, no notice is required and any business may be transacted at such meeting.

4.12 Unanimous Consent Without Meeting. Any action which may be taken at a meeting may be taken without a meeting if a writing setting forth and approving the action taken shall be signed by all of the directors entitled to vote on such action. Such consent shall have the same force and effect as a unanimous vote at a meeting.

4.13 Quorum. At all meetings of the Board of Directors, a majority of the directors constitutes a quorum for the transaction of business and the act of the majority of the directors present at a meeting at which a quorum is present is the act of the Board of Directors.

4.14 Open Meetings. Any Co-op member, stockholder or adult member of a resident-household may attend any annual, regular or special meeting of the Board of Directors.

4.15 Powers and Duties. The Board of Directors may exercise all powers and duties authorized under Wis. Stats. Chapter 185 of the Co-op not specifically reserved to the members and is responsible for the establishing of policies for the Co-op in pursuance of its purposes and supervision of the implementation of these policies, including, but not limited to:

(1) Manage the business and affairs of the Co-op and shall make all necessary rules, regulations and policies and perform all acts not prohibited by law and consistent with Wis. Stats. Chapter 185, these Bylaws and the Articles of Association;

(2) To approve, execute or amend the Occupancy and Membership Agreement for each resident;

(3) On behalf of the Co-op to enter into a Management Agreement with a management entity through its duly authorized representatives;

(4) To promulgate reasonable and appropriate house rules, to amend them from time to time, and to cause notice of such rules and amendments to be given to the members, notice being a prerequisite to enforcement;

(5) To fix the monthly carrying charges based upon the annual operating budget formally adopted by the Board, and to make emergency or special assessments if necessary;

(6) To hire and discharge employees, agents or contractors, determine their duties and fix their wages and fees;

(7) To terminate membership and occupancy rights for cause, pursuant to the provisions in these Bylaws and in the Occupancy and Membership Agreement;

(8) To accept or reject promptly and in good faith all applications for membership;

(9) To assess service charges for special services to individual members or units;

(10) To cover by reserves or assessments the monthly carrying charge of any vacant apartment. In general, to use the reserve for emergencies or other special situations as they arise and before an increase in the monthly carrying charges can be effected if it becomes necessary to have such an increase;

(11) To appoint whatever committees deemed necessary to ensure the effective operation of the cooperative;

(12) To carry on the day-to-day operations of the cooperative;

(13) To collect monthly fees and to make disbursements related to the operations of the property;

(14) To provide for monthly fee abatement in compensation for special or one-time services of members if pursuant to prior agreement;

(15) To keep detailed and accurate records of all its activities including a request for repairs made by residents and the time and nature of action taken on such requests;

(16) To hear and resolve disputes of members;

(17) To maintain detailed and accurate financial records and minutes, and make same available for inspection as per Wis. Stats. 185.47(1);

(18) To prepare an annual budget which shall be distributed to all members not later than ninety (90) days prior to the beginning of the fiscal year in which the budget is to be effective;

(19) To represent the Co-op publicly;

(20) To prepare agendas for meetings;

(21) To recommend policy to the general membership;

(22) To act in cases which need to be handled within a given month;

(23) To prepare and file annual report as per Wis. Stats. 185.48(1);

(24) To enter into contracts as per Wis. Stats. 185.41 and 185.42;

(25) To negotiate property and casualty insurance;

(26) To borrow money and to encumber and/or assign the real property of the Co-op;

(27) To do any and all things necessary in the operation and existence of the Co-op.

4.16 Committees. The Board shall be empowered to appoint committees and delegate the duties and power of the Board as it deems fit.

SECTION IVA

INTERIM CONTROL & PARTICIPATION

4A.01 Scope. This section provides for control of the operation of the Co-op and Madison Development Corporation (hereinafter referred to as MDC) participation during the development, marketing and expansion of the Co-op. So long as

any subsection of this section is in effect, it controls and supersedes any contrary provision of these Bylaws. The subsections of this section are in effect until the soonest of:

(1) Issuance of all of the shares of the Co-op presently constituted, and as it may be expanded, to resident-stockholders;

(2) Termination of this subsection by an amendment to these Bylaws;

(3) Termination of this subsection in accordance with the provisions of this subsection;

(4) Occupancy of all units by duly qualified stockholders-members;

(5) Conveyance of the real property described in Addendum 1.

4A.02 Purpose. This section is intended to vest in MDC the powers necessary for it to participate in the Co-op and to assure that the Co-op will operate in a manner consistent with MDC's reserved rights to expand the Co-op and with MDC's marketing of the Co-op. This section is also intended to give the stockholders-members as much voice in the operation of the Co-op as possible subject to the rights, interests and participation of MDC; to permit the stockholders-members' interest be understood; to give the resident-households experience in governing the Co-op; and to insure MDC's input during the development and marketing stages of the Co-op.

4A.03 MDC Powers. So long as this subsection is in effect, MDC has and may exercise all powers reserved by the Bylaws to the members or granted by the Bylaws to the Board of Directors, except where expressly prohibited by law. Said powers may include, but shall not be limited to:

(1) Filing of the Articles of Association;

(2) Appointment of the temporary Board of Directors, which may include nonmember-shareholder representatives of MDC;

(3) Appointing of the initial officers;

(4) Drafting of the house rules, and occupancy and membership agreements;

(5) Establish the time, place and agenda for the first membership meeting;

(6) Appoint an MDC representative or representatives to the Board of Directors who shall have one vote for each unit remaining unoccupied by a duly qualified member;

(7) Enter any lease for any unit remaining unoccupied by a duly qualified member.

4A.04 Initial and Temporary Board of Directors. So long as this subsection is in effect, the Board of Directors shall consist of at least three (3) but not more than nine (9) directors, as appointed by MDC who need not be resident-household members. Appropriate subsections of Section IV apply to the operation of the initial and temporary Board. This Board will serve until the permanent Board of the Co-op is elected. At that time, MDC will set a time, place and agenda for the first members' meeting and at that meeting, directors shall be selected by the resident-households in the manner and for the terms as provided in Section IV, and this Section IVA.

4A.05 Control. Control of the Co-op shall be turned over to the permanent Board of Directors elected or appointed as provided herein at the earliest possible time.

4A.06 Exemption. Until all units have been sold by MDC to duly qualified members as represented by the sale of Co-op stock, MDC is exempt from the restrictions contained herein and the rules adopted hereunder.

4A.07 Amendments. Prior to the sale of all stock of the Co-op, no amendments to these Bylaws may be made without consent of MDC.

4A.08 Termination. As each subsection of this section becomes ineffective under its provisions, that subsection is automatically deleted from these Bylaws. When all shares of the Co-op have been conveyed by MDC to duly qualified members, this entire section is automatically deleted from these Bylaws.

SECTION V

OFFICERS

5.01 Designation. The principal officers of the Co-op are a President, a Vice President, a Secretary, and a Treasurer. Each principal officer, except the Secretary and Treasurer, must be a director of the Co-op. The offices of Secretary and Treasurer

may be combined in one person.

5.02 Election of Officers. The officers of the Co-op shall be elected at the annual meeting of the Board of Directors. Upon original election and whenever any change is made in such officers, the Co-op shall file with the Secretary of State, within 20 days, a report showing the name and address of all officers.

5.03 Term. The officers of the Co-op hold office for a term of one year.

5.04 Removal of Officers. Any elected officers may be removed by the Board, with or without cause, whenever in the judgment of the Board the best interest of the Co-op will be served thereby, by a majority vote of the directors at any annual, regular, or special meeting of the Board, notice of which includes notice of the proposed removal. Election or appointment as an officer of the Co-op shall not of itself create contract rights.

5.05 Vacancies. A vacancy in any principal office shall be filled by the Board of Directors.

5.06 Bonding. The Co-op shall provide fidelity bonds for all officers and employees who may handle or be responsible for Co-op funds. The premiums on such bonds shall be paid by the Co-op.

5.07 President. The president is the principal officer of the Co-op. He/She presides at all meetings of the Co-op and of the Board of Directors, and has all the powers and duties set forth in these Bylaws or delegated to him/her by the Board of Directors or Wis. Stats. Chapter 185, including but not limited to the power to appoint ad hoc committees from among the membership from time to time as he/she may in his/her discretion decide it appropriate to assist in the conduct of the affairs of the Co-op. He/She shall cast the deciding vote in all cases of ties.

5.08 Vice-President. The vice-president takes the place of the president and performs his/her duties whenever the president is 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 delegated to him/her by the Board of Directors or president.

5.09 Secretary. The secretary supervises the taking, preparation and preservation of minutes of all meetings of the

Board of Directors or of the Co-op, causes all notices required by these Bylaws to be given, certifies copies of the organizational and operational documents of the Co-op, as amended from time to time, upon request and executes other certificates on behalf of the Co-op and has other powers and duties as may be delegated to him/her by these Bylaws or the Board of Directors.

5.10 Treasurer. The treasurer supervises the keeping of the financial books and records of the Co-op, causes appropriate notices relating to assessments and expenses of the Co-op to be given, supervises the collection of amounts due the Co-op and their application and use under these Bylaws and policies established by the Board of Directors and has such other powers and duties as may be delegated to him/her by these Bylaws or the Board of Directors.

5.11 Secretary-Treasurer. If the Secretary and/or Treasurer are not already Board members, they shall not become Board members by virtue of being elected to said offices.

SECTION VI

CARRYING CHARGES AND ASSESSMENTS

6.01 Carrying Charges. Each shareholder shall be assessed monthly "carrying charges" as further defined in the Occupancy and Membership Agreement and as approved by the Board of Directors.

6.02 Special Assessments. The Board of Directors may also, in their sole discretion, levy a special assessment when special needs arise.

6.03 Determination and Collection. Determination and collection of carrying charges, assessments and other charges shall be defined in the Occupancy and Membership Agreement and/or as established by the Board of Directors.

SECTION VII

AMENDMENTS

7.01 Except as otherwise provided herein, these Bylaws may be amended only by the members from time to time by affirmative vote of three-fourths (3/4) of the membership votes entitled to vote at the time of said amendment, at a meeting duly called and noticed for said purpose. Said notice shall be delivered in person or by mail at least ten (10) days prior to the meeting at which any amendment will be voted upon. Amendments may be proposed by any of the members.

SECTION VIII

SEAL

8.01 The Co-op shall have no seal.

SECTION IX

FISCAL YEAR, ACCOUNTS, FINANCES AND FISCAL MANAGEMENT

9.01 Fiscal Year. The fiscal year of the Co-op begins on the first day of January in each year and ends the last day of December of the same year.

9.02 Books and Accounts. The Co-op shall maintain, under the direction of the treasurer such books and records and establish such financial accounts as required by law and as may be necessary accurately to reflect the condition and actions of the Co-op. Such books and records are open to inspection by all members and Directors.

9.03 Audit. The Board of Directors shall establish an audit procedure at the close of each financial year.

9.04 Inspection of Records. Financial reports and records, membership records, accounts, and minutes shall be available at the principal office of the Co-op for inspection at reasonable times by any members, Directors, and their duly authorized and designated agents, representatives or attorneys upon reasonable notice.

9.05 Execution of Corporate Documents. Upon approval of the Board of Directors, all notes, contracts, agreements, and/or other documents required to be signed on behalf of the Co-op shall be executed by the president or vice-president and attested to by the secretary.

9.06 Checking Account. The Board of Directors shall open and establish savings and checking accounts in the name of the Co-op, as they, in their sole discretion, shall determine to be necessary. All checks on behalf of the Co-op shall be signed by two of the following:

- (1) President or Vice-President, and
- (2) Treasurer or Secretary.

SECTION X

SALE, CONVEYANCE, TRANSFER OR ENCUMBRANCE OF CO-OP PROPERTY

10.01 Real Property. Total sale, conveyance, and/or transfer of all the real property owned by the Co-op shall take place only upon an affirmative vote of three-fourths (3/4) of the membership votes entitled to vote at the time of said vote at a meeting duly called and noticed for said purpose.

10.02 Distribution of Assets. Upon total sale, conveyance, and/or transfer of all of the real property of the Co-op, proceeds shall be distributed in the following order:

(1) Satisfaction of any outstanding financial obligations of the Co-op as determined by the Board of Directors;

(2) To all shareholders of record, their "transfer value" as defined herein, if sufficient funds exist, otherwise a prorated share thereof;

(3) If there exist additional funds after providing for (1) and (2) above, said balance of funds shall be donated, as determined by the Board of Directors to any charitable, nonprofit organization, the purpose of which is to provide low income housing alternatives.

10.03 Encumbrances. The power and authority to encumber and/or assign the real property of the Co-op for purposes of financing, re-financing and/or supplying funds necessary for the needs of

the Co-op shall be vested in the Board of Directors pursuant to Section IV and subsection 9.05 of these Bylaws.

10.04 Personalty. Purchase, sale, conveyance, transfer and/or encumbrance of Co-op personal property shall be vested in the Board of Directors pursuant to Section IV and subsection 9.05 of these Bylaws.

SECTION XI

TRANSFER VALUE AND LIMITED EQUITY

11.01 Limited Equity. A shareholder's equity in the Co-op shall not exceed the "transfer value" of the Capital stock as hereinafter defined.

11.02* Transfer Value. The term Transfer Value shall mean Two Thousand Dollars (\$2,000.00). This shall be the value paid to a departing Member if the Cooperative purchases the member's share, and this shall also be the value if the Cooperative approves the sale of a departing member's share directly to a pre-approved new member. [*As amended October 22, 2013.]

SECTION XII

CAPITAL STOCK AND SALE OR TRANSFER

12.01 Capital Stock. The Capital stock of the Co-op shall be Seventeen Thousand Three Hundred Twenty-five Dollars (\$17,325.00), which shall be divided into Seventeen Thousand Three Hundred Twenty-five (17,325) shares of Capital stock, each having a par value of One Dollar (\$1.00) per share, payable at such time and in such manner as the Board of Directors and these Bylaws shall determine.

12.02 Restrictions on Transfer or Sale. Capital stock or fractions thereof, may be sold or transferred only upon the consent and approval of the Board of Directors, and only upon the terms and conditions as established by the Board of Directors and these Bylaws, and only to persons who do or will reside in the Co-op property. Only shareholders shall be eligible to become members of the Co-op.

12.03 Option of Co-op to Purchase Shares. If the shareholder

desires to transfer, sell or convey his or her shares in the Co-op, he or she shall first notify the Co-op in writing of such intention and the Co-op shall have an option to purchase said shares of stock, together with all of the member's rights with respect to the dwelling unit, for 30 days subsequent to receipt of said notice, at an amount equal to the transfer value (as further described in Section XI). The purchase by the Co-op of said stock will immediately terminate the shareholder's rights, including but not limited to said shareholder's membership rights, and said shareholder shall promptly vacate the unit premises. The Co-op shall have the right to assign said option to any person or persons of its choice.

12.04 Procedure Where Co-op Does Not Exercise Its Option. If the Co-op waives in writing its right to purchase said shares under the foregoing option, the shareholder may sell his shares to any person who has been duly approved by the Board of Directors, provided, however, the transfer value does not exceed the transfer value as defined in Section XI of these Bylaws. If the Co-op agrees, at the request of the shareholder, to assist the shareholder in locating a purchaser or transferee, the Co-op shall be entitled to charge a fee it deems reasonable for this service.

12.05 Release of Liability. When the selling shareholder delivers to the Co-op his/her stock certificate, and the new shareholder has been approved by the Board of Directors, for occupancy and membership, and said new shareholder has executed the prescribed occupancy agreement, and other documents as may be required by the Board of Directors, and the selling shareholder has paid all amounts due the Co-op to date, the selling shareholder shall be released from any and all obligations of said selling shareholder that may arise from his ownership of shares of the Co-op.

12.06 Stock Certificates. Each stock certificate shall be issued in compliance with Wis. Stats. 185.21 or the successor thereto.

SECTION XIII

RESOLUTION OF DISPUTES

13.01 Dispute Resolution. In the event that disputes arise between individual members, shareholders, and/or resident households, the Board of Directors shall convene a special dispute resolution meeting not later than five (5) days after

request for an action giving rise to a meeting has occurred. The Board of Directors shall herein resolve all disputes coming before it and shall issue a written decision to the parties to each dispute heard within seventy-two (72) hours after the hearing. The Board of Directors shall be guided in its decision-making by the following considerations:

(1) The rules and regulations as stated in the Occupancy and Membership Agreement, the Bylaws and other official documents of the Co-op;

(2) Fair and equal treatment of the shareholder, member and/or resident household;

(3) Fair treatment of the Co-op;

(4) Established policies and requirements of any duly elected or appointed governing body of the Co-op.

13.02 Arbitration. Should the Board of Directors be unable or unwilling to hear and/or resolve the dispute to the satisfaction of all parties, the parties shall submit the matter to an impartial arbitrator mutually acceptable to all parties. If the parties cannot agree upon a mutually acceptable arbitrator, the Board of Directors shall select an arbitrator. The decision of the arbitrator in all cases shall be final. The cost of the arbitration proceeding, if any, shall be shared equally among the parties to the arbitration.

ADDENDUM 1

[Legal Description of Properties]

The Southwest 1/2 of Lot Seven (7), Block One Hundred Forty-eight (148), in the City of Madison, Dane County, Wisconsin.

The Northeast 1/2 of Lot Seven (7), Block One Hundred Forty-eight (148), in the City of Madison, Dane County, Wisconsin.

The Southwest 1/2 of the Southwest 64 feet of Lot Eight (8), Block One Hundred Forty-eight (148), in the City of Madison, Dane County, Wisconsin. Subject to a right of way over the Northeast 4 feet thereof and together with a right of way over the Southwest 4 feet of the Northeast 1/2 of the Southwest 64 feet of said Lot 8, for drive-way purposes.

The Northeast 1/2 of the Southwest 64 feet of Lot Eight (8), Block One Hundred Forty-eight (148), in the City of Madison, Dane County, Wisconsin. Subject to a right of way over the Southwest 4 feet in width thereof and together with a right of way over the Northeast 4 feet in width of the Southwest 32 feet of said Lot 8.

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