

**BY-LAWS OF**

**Boston Community Cooperatives, Inc.**

**A Massachusetts Non-Profit Corporation**

**Dated: January 10, 2002**

## **Article I. NAME, PURPOSES, AND PRINCIPLES**

**Section 1. Name and Purpose.** The name and purpose of the corporation shall be as set forth in the Articles of Organization of the corporation.

**Section 2. Principles.** Boston Community Cooperatives, Inc., as a housing cooperative organization, abides by the following generally recognized cooperative principles:

- First Principle: Membership shall be voluntary and available to all persons who are willing to accept the responsibilities of membership, who apply for membership, and who meet the membership requirements of Boston Community Cooperatives, Inc..
- Second Principle: Control and governance of Boston Community Cooperatives, Inc. shall be democratic. Current Members shall have equal voting rights (one member, one vote).
- Third Principle: Boston Community Cooperatives, Inc. shall operate as a Massachusetts non-profit corporation. Any economic surplus arising out of the operations of Boston Community Cooperatives, Inc. shall be used for the benefit of Boston Community Cooperatives, Inc. and to further the purposes and principles of Boston Community Cooperatives, Inc. as outlined in the Articles of Organization and these By-Laws.
- Fourth Principle: Boston Community Cooperatives, Inc. shall make provisions for the education of its members, elected representatives, managers, employees, and the general public in the principle and techniques of cooperative living.
- Fifth Principle: Boston Community Cooperatives, Inc., in order to best serve the interest of its members and its community, shall actively work together with other cooperatives at local, national, and international levels.

## **Article II. MEMBERSHIP**

### **Section 1. Categories of Membership**

A. Current Membership. Current Membership refers to everyone who enters into a **Terms and Conditions Agreement** with Boston Community Cooperatives, Inc., pays a membership fee, and lives in one of the Boston Community Cooperatives, Inc. houses.

B. Former Membership. Former Membership refers to the status of a Member who has moved out of and no longer resides at a Boston Community Cooperatives, Inc. house. A person with Former Membership is a Former Member for life, subject to the provisions of these by-laws and procedures established by the Board of Directors. Former Members are not eligible to vote. Former members may serve in an advisory role to ensure that the corporation acts in accordance with the purposes set forth in Article 2 of the Articles of Organization of the corporation.

**Section 2. Current Membership.** Any person residing in a house of Boston Community Cooperatives, Inc. who also satisfies the applicable requirements for Current Membership shall be considered a Current Member, unless that person's Membership has been revoked by the Board of Directors.

A. Requirements. Each Current Member who is a resident of a Boston Community Cooperatives, Inc. house is required to pay a membership fee, rent, abide by the Terms and Conditions Agreement and other policies of Boston Community Cooperatives, Inc., as established by the Board of Directors and approved by a vote of the Current Members at a Membership Meeting (see Article IV).

B. Revocation of Current and Former Membership. Membership may be revoked by the Board of Directors if a Member fails to abide by the terms and conditions specified in the Terms and Conditions Agreement, or violates other policies of Boston Community Cooperatives, Inc., as established by the Board of Directors and approved by a vote of the Current Members at a Membership Meeting (see Article IV).

### **Section 3. Reserved Powers of the Current Membership**

A. Election of the Board of Directors. The Current Membership has the sole authority to elect the Board of Directors.

B. By-law Amendments. The Current Membership has the sole authority to approve changes and/or amendments to these by-laws, such changes and/or amendments to be voted on at a Membership Meeting. Any Current Member and/or the Board of Directors may propose by-law changes. The procedures for proposal and voting procedures at Membership Meetings as set forth in Article IV shall be followed when by-law amendments are made.

C. The Power to Call Referenda. The Current Membership and/or the Board of Directors has the power to propose issues to be voted on at a Membership Meeting (?Member Referenda?), following the proposal and voting procedures for Membership Meetings as set forth in Article IV.

D. Evaluation. The Current Membership has the sole authority and the duty to evaluate the performance of the Board of Directors. The Current Membership may call for the removal of a member from the Board of Directors (see Article V, Section 3).

## **Article III. MEMBERSHIP MEETINGS**

Section 1. Annual and Regular Membership Meetings. The annual meeting of the Membership (the ?Annual Membership Meeting?) shall be held on such date and time within sixty days after the end of

the fiscal year of the corporation as the Board of Directors shall determine. In the event the annual meeting is not held within such a date, a special meeting in lieu of the annual meeting may be held with all the force and effect of an annual meeting. In addition to the annual meeting, a Regular Membership Meeting shall be held at least once per year on a date and at a time as fixed by the Board of Directors. Current Members must be notified in writing at least ten (10) days and no more than sixty (60) days prior to any Annual or Regular Membership Meeting.

Section 2. Special Membership Meetings. Special Membership Meetings may be called by the Board of Directors or by written petition from at least 20% of the Current Membership to a director on the Board of Directors. Current Members must be notified in writing at least seven days prior to a special meeting.

#### **Article IV. VOTING PROCEDURES FOR MEMBERSHIP MEETINGS**

**Section 1. Member Referenda.** Issues requiring a vote of the Current Membership at a Membership Meeting include, but are not limited to:

- A. Amendments or changes to these by-laws;
- B. Entering into Loan Agreements, or pledging the credit or assets of the corporation to secure a loan made to the corporation;
- C. Granting loans or making significant investment changes with respect to the assets of the corporation;
- D. Purchasing or selling real estate;
- E. Any issue so designated and approved by the Board of Directors;
- F. Any action to bring about the dissolution of the corporation (see Article IX);
- G. Elections of the members of the Board of Directors.

#### **Section 2. Voting.**

- A. Member Referenda may be placed on the agenda for vote at a Membership Meeting by the Board of Directors or by written petition from at least 20% of the Current Members of the corporation to a director on the Board of Directors.
- B. Current Members must have received advance written notice of any Member Referenda to be

voted on at any particular Membership Meeting. Such notice should be included with the notice of the date, time and place of the meeting, but at a minimum must be provided at least twenty-four (24) hours before the meeting. Such notice should include pro and con statements on issues to be voted on by the Current Members.

C. Votes shall be made by written and signed, but confidential, ballot at the Membership Meeting. The ballot should include a question polling the voters on the fairness of the presentation of the issues voted on.

D. A Member Referendum must receive at least ~~a~~**67% of the total votes cast** in order to pass. However, for Board and Executive Officer elections and votes for the removal of board members and Executive Officers (except for House Representatives),**a simple majority of the total votes cast shall suffice.**

E. A quorum for the conduct of business at a Membership Meeting**shall be 50%** of the Current Members.

F. Members may require a recount of the votes by written petition of at least 20% of the Current Members of the corporation to a director on the Board of Directors within seven (7) days after the date of the original count. Current Members who petition for a recount may have a representative at the recount. If no such petition has been made within the required time, the ballots shall be destroyed.

G. After the vote on a Member Referendum has been counted and deemed valid, the issue cannot be brought up for a vote again until the next Annual or Regular Membership Meeting.

## **Article V. THE BOARD OF DIRECTORS**

### **Section 1. Composition of the Board**

The corporation shall have a board consisting of directors who shall have the powers and duties of a board of directors under Massachusetts law. The Executive Officers of the corporation shall consist of a President, Treasurer, Clerk and such other officers as may from time to time be determined by the directors. The initial directors and Executive Officers shall be those persons named in the Article of Organization. Thereafter, except as otherwise provided by these by-laws or in the Articles of Organization, the number of directors that shall constitute the whole board of directors shall be ~~nine~~**nine**, and the directors shall be elected by the members at the annual meeting, to hold office for ~~a~~**a period of one (1) year**, or until a successor is elected or qualified or until their earlier resignation or removal.

The Board of Directors shall be filled in the following manner: one House Representative from each house of Boston Community Cooperatives, Inc., up to two Community Trustees, and General Directors. If there are less than two Community Trustees on the Board of Directors, such seats will be filled with additional General Directors. Each director is a voting member of the Board of Directors. Each director is required to attend Board of Directors meetings and Board training.

## **Section 2. Election and Qualification of Directors and Executive Officers**

A. Annual Membership Meeting. The Directors of the Board shall be elected at the Annual Membership Meeting, or a Special Meeting held in lieu thereof. House Representatives will be elected first, followed by Community Trustees (if any), then General Directors. After the General Directors have been elected, the Executive Officers of the corporation shall be elected by the Current Membership from among these General Directors in the following order: First, there shall be an election of the President, followed by the election of the Treasurer, and then the election of the Clerk.

B. House Representatives. Each house shall elect one House Representative. A House Representative must be a Current Member of Boston Community Cooperatives, Inc.. If a house is unable to reach a consensus for a House Representative, the house shall present two eligible candidates for the House Representative position to the Current Membership. The Current Membership will then vote to determine the House Representative from such candidates (following the voting procedures for Membership Meetings in Article IV). If a house fails to elect a House Representative or to present two eligible candidates, the Current Membership shall elect a Current Member who is a resident of that house to serve as the House Representative.

C. Community Trustees. Community Trustees must be Boston area residents not holding Membership status in the corporation. The Community Trustees shall monitor that the corporation functions in accordance with the purposes set forth in Article 2 of the Articles of Organization of the corporation. Community Trustees shall be proposed by the Board of Directors. The Current Membership will then vote on such candidates. The vote for these candidates will be structured as a ?yes? or ?no? vote by the Current Members.

D. General Directors. After the election of the House Representatives and the Community Trustees, an election to fill the total number of seats remaining open on the Board of Directors shall be held. General Directors shall be elected by the Current Members. General Directors must be Current Members of Boston Community Cooperatives, Inc..

E. Executive Officers. After the General Directors have been elected, the positions of President, Treasurer and Clerk of the corporation (the ?Executive Officers?) shall be filled. The Current Membership shall elect the Executive Officers in the following order: First, the President; Second, the

Treasurer; and Third, the Clerk. Only a person who has just been elected (or re-elected) to serve as a General Director may serve as an Executive Officer. Executive Officers shall not serve concurrently as House Representatives. No person may concurrently hold more than one Executive Officer position. House Representatives and Community Trustees may not serve as Executive Officers. The Clerk shall be a resident of Massachusetts unless the corporation has a resident agent duly appointed for the purpose of service of process.

F. Resignation. Any director or officer may resign at any time by delivering his or her written resignation to any Executive Officer or director of the corporation. Such resignation shall be effective upon receipt by an Executive Officer or director unless it is specified to be effective at some future time or conditioned upon the happening of some other event.

G. Vacancies. The Board of Directors may act despite vacancies on the Board of Directors. Any vacancy on the Board of Directors, however occurring, including a vacancy resulting from the enlargement of the size of the board (but not including the vacancy created by resignation or removal of a House Representative), may be filled by vote of **amajority** of the directors then in office at any meeting. Such successor in office shall hold office for the unexpired term of his or her predecessor.

### **Section 3. Removal of Directors from the Board**

A. House Representatives. Only the resident Current Members of a house can remove their House Representative. A house may remove their House Representative at any time by **amajority** vote of all the resident Current Members. After a removal or resignation of a House Representative, the house shall elect a new House Representative. Such successor in office shall hold office for the unexpired term of his or her predecessor.

B. Other Directors. Directors of the Board have no power to unseat each other. The Current Members have the sole power and authority to initiate action against or to remove a director, other than a House Representative.

### **Section 4. Meetings of the Board of Directors**

A. Date, Time, and Location. Meetings of the Board of Directors shall be held at such place (in the Boston area) as may be named in the notice of such meeting. The date, time and location of Board of Directors meetings shall be posted in the Boston Community Cooperatives, Inc. houses to allow interested Members to attend.

B. Annual and Regular Meetings. The annual meeting of the Board of Directors shall be held within

sixty days after the end of the fiscal year of the corporation on such date and at such time and place as the directors shall determine. In the event that the annual meeting is not held on such date, a special meeting in lieu of the annual meeting may be held with all the force and effect of an annual meeting. The Board of Directors shall hold regular meetings every two weeks at a time and place to be determined by the Board of Directors.

C. Special Meetings. Special meetings of the Board of Directors may be called by any Executive Officer at other times throughout the year. In addition, the President shall call a special meeting when requested in writing by at least three directors, who shall specify in their request the business for which they desire the special meeting to be called.

D. Notice. No notice need be given to directors for a regular or annual meeting. Forty-eight (48) hours notice by mail, facsimile transmission, telephone or electronic mail shall be given for a special meeting unless shorter notice is adequate under the circumstances. Notice of a meeting need not be given to any director, if a written waiver of notice, executed by him or her before or after the meeting, is filed with the records of the meeting, or to any director who attends the meeting without protesting prior thereto or at its commencement the lack of notice to him or her.

E. Quorum. A **majority** of the directors then in office shall constitute a quorum of the Board of Directors, but a smaller number may adjourn finally or from time to time without further notice until a quorum is present. If a quorum is present, 67% of the directors present may take any action on behalf of the Board of Directors (subject to the voting policy discussed below), except to the extent that a larger number is required by law, the Articles of Organization or these by-laws.

F. Action by Consent; Telephone Conference Meetings. Any action required or permitted to be taken at any meeting of the directors may be taken without a meeting if all the directors consent to the action in writing and the written consents are filed with the records of the directors' meetings. Such consents shall be treated for all purposes as a vote taken at a meeting of the directors. Unless otherwise provided by law or the Articles of Organization, directors may participate in a meeting of the board of directors by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can speak to and hear each other at the same time, and participation by such means shall constitute presence in person at a meeting.

G. Voting Policy. Decisions of the Board of Directors require consensus of the directors. If a director blocks a voting item, the item shall be revisited, discussed and voted on again. This process is repeated twice. If the voting item is blocked three times, voting converts to the **67% majority** rule system for that issue. Directors of the Board shall not vote by proxy. The votes of directors shall not be confidential and all Members are entitled to know (and obtain evidence of) any vote placed by each director.

H. Vote of Interested Directors A director who is a member, stockholder, trustee, director, officer or employee of any firm, corporation or association with which the corporation contemplates contracting or transacting business shall disclose his or her relationship or interest to the other directors acting upon or in reference to such contract or transaction. No director so interested shall vote on such contract or transaction, but he or she may be counted for purpose of determining a quorum. The affirmative vote of a **67% majority** of the disinterested directors shall be required before the corporation may enter into such contract or transaction.

In case the corporation enters into a contract or transacts business with any firm, corporation or association of which one or more of its directors is a member, stockholder, trustee, director, officer, or employee, such contract or transaction shall not be invalidated or in any way affected by the fact that such director or directors have or may have interests therein which are or might be adverse to the interests of the corporation. No director or directors having disclosed such adverse interest shall be liable to the corporation or to any creditor of the corporation or to any other person for any loss incurred by it under or by reason of any such contract or transaction, nor shall any such director or directors be accountable for any gains or profits to be realized thereon.

## **Section 5. Powers and Duties of the Board of Directors and Executive Officers**

A. Board of Directors. The directors shall be responsible for the general management and supervision of the business and affairs of the corporation, and may not infringe upon the powers of the Membership established in these by-laws. The powers and responsibilities of the Board of Directors shall include, but not be limited to, the following:

- Represent members' interests to the public, other organizations, and governmental bodies,
- Promote and supervise member education,
- Promulgate standard policies governing the conduct and affairs of the corporation,
- Establish membership dues, fees for services, and rent payments **(subject to an approximate 60% floor based on market rental rates)**,
- Enter into contracts on behalf of the corporation and commit the resources of the corporation to meet any obligations under such contracts,
- Approve expenditures of 10% or less of the total assets of the corporation. For expenditures beyond the 10% limit a vote of the Current Membership is required,
- Establish committees.

B. President. Unless otherwise determined by the directors, the President shall be the chief executive officer of the corporation and as such shall have general charge and supervision of the affairs of the corporation subject to the supervision and powers of the Board of Directors and shall preside at all Board and Membership meetings at which he or she is present. The President of the corporation by virtue of the office shall be the chairperson of the Board of Directors. The President has the duty and power to see that all orders and resolutions of the directors are carried into effect. The President shall from time to time report to the Board of Directors all matters within his or her knowledge that may be relevant to the corporation, in the judgment of the President. The President shall also have such other powers and duties as designated from time to time by the Board of Directors.

C. Treasurer. The Treasurer shall be the chief financial officer of the corporation. The Treasurer shall have general charge of the financial affairs, funds, securities, and valuable documents of the corporation, except as the directors may otherwise provide, and shall keep full and accurate records thereof. The Treasurer shall promptly render to the President and to the Board of Directors such statements of his or her transactions and accounts as the President and the Board of Directors respectively may from time to time require. The Treasurer shall also have such powers and duties as customarily belong to the office of treasurer or as may be designated from time to time by the president or the board of directors.

D. Clerk. The Clerk shall record and maintain records of all proceedings of the Board of Directors and Membership Meetings in a book or books kept for that purpose. If the Clerk is absent from any meeting of directors or Members, a temporary clerk chosen at the meeting shall exercise the duties of the Clerk at the meeting. The Clerk shall perform such duties and have such powers additional to the foregoing as the directors shall designate.

E. Other Officers. Other officers shall have such duties and powers as may be designated from time to time by the directors.

**Section 6. Committees**. The Board of Directors may from time to time, to the extent permitted by law, the Articles of Organization and these by-laws, delegate any of its powers to committees consisting of board members, subject to such limitations as the Board of Directors may impose. Except as the Board of Directors may otherwise determine, any such committee may make rules for the conduct of its business, but unless otherwise provided by the Board of Directors or in such rules, its business shall be conducted in as nearly as possible the same manner as is provided by these by-laws for the directors. The Board of Directors shall have the power to fill vacancies in, change the membership of, or disband, any such committee.

## **Section 7. Compensation of Directors on the Board**

- A. Compensation of Directors and Officers. No director or officer may vote to approve his or her own salary (or other compensation), or the salary (or other compensation) of any member of his or her family.
- B. House Representatives. House Representatives may receive labor credit at the discretion of each house. House Representatives do not receive financial compensation and/or deductions from their Room and Board.
- C. General Directors. General Directors (including Executive Officers) may receive labor credit at the discretion of each house. General Directors do not receive financial compensation and/or deductions from their Room and Board.
- D. Community Trustees. Community Trustees may not receive financial compensation.

## **Article VI. INDEMNIFICATION**

The corporation shall, to the extent legally permissible, indemnify each person who may serve or who has served at any time as a director or officer of the corporation or of any of its subsidiaries, or who at the request of the corporation may serve or at any time has served as a director or officer of, or in similar capacity with, another organization or an employee benefit plan, against all expenses and liabilities (including counsel fees, judgments, fines, excise taxes, penalties and amounts payable in settlements) reasonably incurred by or imposed upon such person in connection with any threatened pending or completed action, suit or other proceeding, whether civil, criminal, administrative, or investigative, in which such person may become involved by reason of serving or having served in such capacity (other than a proceeding voluntarily initiated by such person unless he or she is successful on the merits, the proceeding was authorized by the corporation or the proceeding seeks a declaratory judgment regarding his or her own conduct); provided that no indemnification shall be provided for any such person with respect to any matter as to which he or she shall have been finally adjudicated in any proceeding not to have acted in good faith in the reasonable belief that his or her action was in the best interests of the corporation or, to the extent such matter relates to service with respect to any employee benefit plan, in the best interests of the participants or beneficiaries of such employee benefit plan; and provided, further, that as to any matter disposed of by a compromise payment by such person, pursuant to a consent decree or otherwise, the payment and indemnification thereof have been approved by the corporation, which approval shall not unreasonably be withheld, or by a court of competent jurisdiction. Such indemnification shall include payment by the corporation of expenses incurred in defending a civil or criminal action or proceeding

in advance of the final disposition of such action or proceeding, upon receipt of an undertaking by the person indemnified to repay such payment if he or she shall be adjudicated to be not entitled to indemnification under this section, which undertaking may be accepted without regard to the financial ability of such person to make repayment.

A person entitled to indemnification hereunder whose duties include service or responsibilities as a fiduciary with respect to a subsidiary or other organization shall be deemed to have acted in good faith in the reasonable belief that his action was in the best interests of the corporation, if he acted in good faith in the reasonable belief that his action was in the best interests of such subsidiary or organization, or of the participants or beneficiaries of, or other persons with interests in, such subsidiary or organization to whom he had a fiduciary duty.

Where indemnification hereunder requires authorization or approval by the corporation, such authorization or approval shall be conclusively deemed to have been obtained, and in any case where a director of the corporation approves the payment of indemnification, such director shall be wholly protected if:

(i) the payment has been approved or ratified (1) by **amajority** vote of a quorum of the directors consisting of persons who are not at the time parties to the proceeding, or (2) by **amajority** vote of a committee of one or more directors who are not at the time parties to the proceeding and are selected for this purpose by the full board (in which selection directors who are parties may participate); or

(ii) the action is taken in reliance upon the opinion of independent legal counsel (who may be counsel to the corporation) appointed for the purpose by vote of the directors or in the manner specified in clauses (1) or (2) of subparagraph (i)); or

(iii) the payment is approved by a court of competent jurisdiction; or

(iv) the directors have otherwise acted in accordance with the applicable legal standard of conduct.

Any indemnification or advance of expenses under this section shall be paid promptly, and in any event within 30 days, after the receipt by the corporation of a written request therefor from the person to be indemnified, unless with respect to a claim for indemnification the corporation shall have determined that the person is not entitled to indemnification. If the corporation denies the request or if payment is not made within such 30-day period, the person seeking to be indemnified may at any time thereafter seek to enforce his or her rights hereunder in a court located in the Commonwealth of Massachusetts. If successful in whole or in part, he or she shall be entitled also to indemnification fo

the expenses of prosecuting such action. Unless otherwise provided by law, the burden of proving that the person is not entitled to indemnification shall be on the corporation.

The right of indemnification under this section shall be a contract right inuring to the benefit of the directors, officers and other persons entitled to be indemnified hereunder and no amendment or repeal of this section shall adversely affect any right of such director, officer or other person existing at the time of such amendment or repeal.

The indemnification provided hereunder shall inure to the benefit of the heirs, executors and administrators of a director, officer or other person entitled to indemnification hereunder. The indemnification provided hereunder may, to the extent authorized by the corporation, apply to the directors, officers and other persons associated with constituent corporations that have been merged into or consolidated with the corporation who would have been entitled to indemnification hereunder had they served in such capacity with or at the request of the corporation.

The right of indemnification under this section shall be in addition to and not exclusive of all other rights to which such trustee, director, officer or other persons may be entitled. Nothing contained in this section shall affect any rights to indemnification to which corporation employees or agents, other than trustees, directors, officers and other persons entitled to indemnification hereunder, may be entitled by contract or otherwise by law.

## **Article VII. MISCELLANEOUS PROVISIONS**

### **Section 1. Articles of Organization**

All references in these by-laws to the Articles of Organization shall be deemed to refer to the Articles of Organization of the corporation, as amended and in effect from time to time.

### **Section 2. Fiscal Year**

The fiscal year of the corporation shall end on August 31 in each year, or may end on such other date as the directors may determine.

## **Article VIII. AMENDMENT OF THESE BY-LAWS**

These by-laws may be amended or repealed, in whole or in part, by a vote of at least ~~a~~**67% majority** of the Current Members.

## **Article IX. DISSOLUTION**

**Section 1. Vote on Dissolution** If, for any reason, the dissolution of the corporation shall become an issue, a Membership Meeting shall be held to determine the course of action. A vote on such

matter shall be held in accordance with the procedures of Article IV. If the Current Members decide to dissolve the corporation the Board of Directors shall file a petition for its dissolution with the Supreme Judicial Court of the Commonwealth of Massachusetts and take any other action as necessary to complete the dissolution.

**Section 2. Dispensation of Assets.** This corporation is dedicated to exclusively charitable, scientific, literary, and educational purposes, and, upon any liquidation, dissolution, termination or winding up of the corporation (whether voluntary, involuntary or by operation of the law), after the closing of the books of the corporation and payments of all liabilities and obligations, the Current Members shall vote to transfer ownership of all remaining assets of the corporation to any acceptable Section 501(c)(3) tax-exempt corporation, including, without limitation, North American Students of Cooperation (NASCO) or the Kagawa Fund for the purpose of cooperative housing expansion, preferably the establishment of a new housing co-op in or around Boston, Massachusetts. The Current Members of the dissolved Boston Community Cooperatives, Inc. shall have priority for housing in the new cooperative house. The Current Membership will also have the option to put the assets in trust until such time that a final decision on a disposition of the assets can be made. Any such assets not so disposed of shall be disposed of by a court of competent jurisdiction exclusively for the purposes outlined in this section.