

# Eastern Gardens

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Date: January 26, 2012  
To: All Members of Eastern Gardens Cooperative, Inc.  
Subject: HUD Approval on Amendment to Article III Section 8 (a) thru (d)

Amendment to the Bylaws of Eastern Gardens Cooperative, Inc. is attached to and made a part of the Bylaws. The Bylaws and this Bylaw Amendment together shall constitute the "Amended Bylaws" of Eastern Gardens Cooperative, Inc. The added statement at the end paragraphs (a) & (b) was not in the original amendment that was presented to the membership. This addition was a requirement by HUD and therefore did not require the membership to vote upon it. It's to help clarify to the immediate family member, legatee or distributee that the Housing Assistant Program is non-transferrable. **NOTE: Bold Italics represents approved changes**

Article III, Section 8 (a) thru (d) of the Bylaws is deleted in its entirety and replaced with the following:

Section 8. TRANSFER OF MEMBERSHIPS: 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 ten (10) days next preceding the annual meeting of the members. In all transfers of membership, the Corporation shall be entitled to a fee it deems appropriate to compensate *it* for the processing of the transfer.

(a) Death of Member. Upon death of a member, his or her membership in the Corporation ***may pass*** by will or intestate distribution to a member of his ***or her*** immediate family, ***if*** such legatee or distributee ***(i) passes all background checks, (i.e. criminal, credit and rental history), (ii) is approved by the Board of Directors, (iii) executes a Subscription Agreement and Occupancy Agreement, within sixty (60) days after member's death, and (iv) pays all amounts due on the membership.*** If member dies and an obligation is not assumed in accordance with the foregoing, then the Corporation shall have an option to purchase the membership from the deceased member's estate in the manner provided in paragraph (c) 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 (d) of this Section shall be applicable, the references to "member" therein to be construed as references to the legal representative of the deceased member. In addition to the above, any membership held in joint tenancy shall pass to the survivor and all of the rights, duties, and obligation of said membership shall inure to the benefit of said survivor. **NOTE: The HUD's Housing Assistance Program, (HAP), is non-transferrable and the immediate family member, legatee or distributee, must apply separately for the HAP.**

(b) Transfer to Immediate Family Member. If a member desires to leave the Cooperative, he or she may transfer his or her membership in the Corporation to a member of his or her immediate family. For the purpose of this section, immediate family shall mean a member's husband, wife, mother, father, sisters, brothers, children, and grandchildren. ***Such transfer of membership shall be effective only upon transferee's (i) passing of all background checks, (i.e. criminal, credit and rental history), (ii) is approved by the Board of Directors, (iii) execution of***

**a Subscription Agreement and Occupancy Agreement, and (iv) payment of all amounts due on the membership. NOTE: The HUD's Housing Assistance Program, (HAP), is non-transferrable and the immediate family member, legatee or distributee, must apply separately for the HAP.**

- (c) Option of Corporation to Purchase. If the member desires to leave the **Cooperative**, he or she shall notify the Corporation in writing of such intention and the Corporation shall have an option, **but not the obligation**, for a period of 30 days commencing the first day of the month following the giving of such notice, 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 to the Corporation under the Occupancy Agreement, and less the cost or estimated cost of all deferred maintenance, including painting, redecoration, and such repairs and replacements as are deemed necessary by the Corporation to 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.
- (d) 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 30 day period, the member may sell his or her membership to any person who has been duly approved by the Corporation as a member and occupant. If the Corporation agrees, at the request of the member, to assist the member in finding a purchaser, the Corporation shall be entitled to charge the member a fee it deems reasonable for this service. When the transferee has been approved for membership and has executed the prescribed Subscription Agreement and Occupancy Agreement, the retiring member shall be released of his or her obligation under his or her Occupancy Agreement, provided he or she has paid all amounts due to the Corporation to date.

#### CERTIFICATION

The undersigned Officers/Directors of the Corporation hereby certify that, pursuant to Section 1 of Article VIII of the Bylaws, the above amendment to the Bylaws of Eastern Gardens Cooperative, Inc., consisting of the above two pages was duly adopted wherein the ballots were tabulated and counted on May 26, 2011 by Eastern Gardens Elections Committee and that by a majority of the entire regular membership of record voting for such purpose. In addition, per EG bylaws the amendment was forwarded onto HUD for their continued action and was reviewed and approved by HUD on December 21, 2011.

Eastern Gardens Cooperative Incorporated Board of Directors

Kathleen A. Slotterback  
Printed Name of President

Kathleen A. Slotterback  
Signature of President

1-26-2012  
Date

Diane McKee  
Printed Name of Vice President

Diane McKee  
Signature of Vice President

1-26-2012  
Date

Edward Healy  
Printed Name of Secretary

Edward Healy  
Signature of Secretary

1-26-2012  
Date

Christophe Manning  
Printed Name of Treasurer

Christophe Manning  
Signature of Treasurer

1-26-2012  
Date

CHARLOS MILLER  
Printed Name of Board Member

Charles Miller  
Signature of Board Member

1-26-2012  
Date