



BY-LAWS (Revised February 4, 2025)

Definitions:

- CORPORATION means VALLEY ACRES CO-OPERATIVE, or Co-op existing and exercising authority to function under Articles of Incorporation.
- BOARD means the BOARD OF DIRECTORS, including all elected, appointed, and active Directors at any given time.
- The reference to HE, HIM, , SHE, HER, , or THEY, THEM, means one and the same thing, and HERS, HIS or THEIRS means the same.
- SHAREHOLDERS means the Shareholders of Valley Acres Co-operative.

ARTICLE I - Place and Purpose of Business

Section 1. Location of Principal Office. The Principal Office and place of business of the Corporation shall be at 1159 South Avenue B, Yuma, Arizona, 85364, or at such other place as may be designated by the Board

Section 2. Purpose. The purpose of this Corporation is to provide its Shareholders with RV space, mobile home space and community facilities on a non-profit basis consonant with the provisions set forth in its Articles of Incorporation.

ARTICLE II - Meetings of Shareholders

Section 1. Annual Meeting. Annual Meeting of the Shareholders of this Corporation shall be held on the first Tuesday of February of each year, at which time the Election of the Board shall take place. Such Meetings shall be held at 1159 South Avenue B, Yuma, Arizona. Notice of such meeting shall be given, in accordance with Section 5 of this Article II. Such notice shall state the date and time, when and the place where the Meeting is to be held and shall set forth any proposed action including an early ballot, notice of which is specifically required elsewhere in these By-Laws. The Secretary shall cause a copy thereof to be delivered personally, mailed or sent electronically to each such Shareholder, not less than ten (10) nor more than fifty (50) days before each Meeting.

Section 2. Special Meetings. Special Meetings of Shareholders may be called at any time by the President and Secretary or by a majority of the Board, and may be held at any place where an annual meeting could be held. It shall also be the duty of the Secretary to call a Special Meeting whenever requested in writing to do so by Shareholders entitled to vote and owning at least twenty-five percent (25%) of the outstanding shares of the Corporation. The Secretary shall give notice of any Special Meeting duly called, which shall state the date and time when the place where, the purpose or purposes thereof, and the Officer or other person or persons by whom the meeting is called. Such notice to be delivered personally, mailed or sent electronically to each shareholder entitled to vote at such meetings, not less than ten (10) nor more than fifty (50) days before such meeting. No business other than that stated in such notice shall be transacted at such Special Meetings. A pledgee or mortgagee of shares, or a transferee of either, shall not be deemed a Shareholder of record, except upon compliance with the provisions of the Corporation's Proprietary Lease and these By-Laws relating to assignments.

Section 3. Notices and Waiver of Notices. Any notice given by mail shall be directed to each such Shareholder at his address, as it appears on the Shareholders Record Book or other records of the Corporation, unless he shall previously have filed with the Secretary of the Corporation a written request that notices intended for him be mailed to some other address. In which case the notice shall be mailed to the address designated in such request. The notice provided for in the two foregoing sections is not indispensable and any Shareholders meeting shall be deemed validly called for all purposes, if all the outstanding shares of the Corporation are represented thereat, or if a quorum is present and waivers of notice of the time, place and objects of such meeting shall be duly executed in writing either before or after said meeting by those Shareholders not so represented and not given such notice. The attendance of any Shareholder at a meeting, without protesting prior to the conclusion of the meeting the lack of notice of such meeting, shall constitute a waiver of notice by him.

Section 4. Quorum. At each meeting of Shareholders, except where otherwise provided by law or by the Articles of Incorporation, Shareholders representing, in person or by absentee ballot, a

majority of the shares then issued and outstanding and entitled to vote, shall constitute a quorum.

Section 5. Voting If a quorum is present, the affirmative vote of a majority of the Shareholders represented at the meeting and then entitled to vote shall be the act of the Shareholders, unless the act of a greater number is required by law or elsewhere in these By-Laws, or in the form of Proprietary Lease or the Articles of Incorporation. Each Shareholder present, and who is in good standing in respect of all financial obligations to the Corporation, shall be entitled to attend any shareholders meeting and to one vote for each share registered in his name at the time notice of such meeting was given to him, or at such time, not less than ten (10) and not more than fifty (50) days before such meeting, as may be designated by the Board-as the record date for such meeting, which designation may also direct the closing of the Corporate Share Transfer Books from such time to the time of the meeting. Proxies shall be in writing, duly signed by the Shareholder, but need not be acknowledged or witnessed. Voting by Shareholders shall be by hand, unless any Shareholder present at the meeting, demands a vote by written ballot, in which case the voting shall be by ballot, and each ballot shall state the name of the Shareholder voting and the number of Shares owned by him. If a Shareholder desires to vote by proxy, they must file, or cause to be filed, a signed proxy with the Manager or another Shareholder no later than twenty four hours before the appointed time for each meeting. Each Shareholder may only carry one proxy.

At all meetings of Shareholders for Election of Directors of this Corporation, each Shareholder shall be entitled to as many votes as shall equal the number of votes which (except for these provisions) he would be entitled to cast for the Election of Directors, with respect to his Shares multiplied by the number of Directors to be elected. The Shareholder shall distribute the votes among the number of candidates running for office. No more than one (1) vote shall be cast for each candidate.

Section 6. Inspectors of Election. The Board, in advance of any Meeting of Shareholders, may appoint one or more Inspectors of Election, to act at the meeting or any adjournment thereof. If Inspectors are not so appointed, the person presiding at a Shareholders Meeting may, and on the request of any Shareholder entitled to vote thereat, shall appoint one or more Inspectors. In case any person appointed as Inspector fails to appear or act, the vacancy may be filled by the Board in advance of the meeting or at the meeting by the person presiding thereat. No Director, or Candidate for Director at a meeting, one of the purposes of which is to elect Directors, shall act as Inspector.

Section 7. Deleted by the Shareholders February 4, 2025.

Section 8. Order of Business. At each Annual Meeting of Shareholders, the President, or in his absence, a Vice-President, shall act as Chairman of the Meeting. The Secretary, or in his absence, such person as may be appointed by the Chairman shall act as Secretary of the Meeting. So far as is consistent with the purposes of the Meeting, the Order of Business shall be as follows:

- a. Call to order.
- b. Presentation of proofs of due notice of the Meeting.
- c. Roll call and presentation.
- d. Reading of Minutes of previous meeting or meetings.
- e. Reports of Officers and Committees.
- f. If the Annual Meeting, the appointment of Inspectors of Election, if any.
- g. If the Annual Meeting, the Election of Directors.

- h. Unfinished business.
- i. New business.
- j. Adjournment.

ARTICLE III - Directors.

Section 1. Number. The number of the Directors of this Corporation is hereby fixed at five (5). The number of Directors may be changed by resolution of the Shareholders from time to time at any Annual or Special meeting, provided that the notice of such meeting shall state that a resolution will be considered to change the number of Directors and shall set forth the number to be proposed in such resolution. Any such resolution shall specify the manner in which the selection of Directors shall be accomplished, or the manner in which the removal of Directors necessitated by a decrease in the number of Directors shall be accomplished, as the case may be. The number of Directors so determined shall be the number of Directors of the Corporation until changed by further action of the Shareholders, in accordance with the foregoing.

Section 2. Qualification and Election.

- A. All Directors of this Corporation shall be Shareholders in the Corporation who have been members of the Corporation for a minimum of one (1) year. Board members shall have a physical presence in the park for a majority of the period of October 1 to April 1, and shall be active participants in Board activities. Upon a Director ceasing to be a Shareholder, he shall thereupon be deemed to have resigned as a Director. The Directors shall be elected at a Meeting of the Shareholders held annually on the first Tuesday in February in each year by a majority of votes cast at such Meeting, in accordance with Section 5 of Article II of these By-Laws. The term of office of a Director shall be two (2) years in accordance with Article III, Section 2 C.
- B. In November of each year, the Board shall appoint a Nominating Committee, who shall circulate a printed Form of Application among the Shareholders. This shall serve as a resume for anyone wishing to be considered for election. Said Form shall be posted by the Committee not later than thirty (30) days prior to the election.
- ~~C.~~ The term of office of the Directors shall be two (2) years, to be elected in successive years: two of the directors to be elected in year one; three of the directors to be elected in year two.
- D. Fidelity Bonds. The Board will require that all officers and employees of the Corporation handling or responsible for Corporate funds shall furnish adequate fidelity bonds. The premium of such bonds shall be paid by the Corporation.
- E. Nepotism. No Director or members of their immediate families shall hold salaried positions with the Corporation.

Section 3. Vacancies. Vacancies on the Board resulting from death, resignation or removal may be filled without notice to any of the Shareholders by a vote of a majority of the remaining Directors present at the meeting at which such election is held which election may be held at any regular meeting of the Board or any special meeting thereof called for such purpose. Vacancies on the Board resulting from an increase in the number of Directors by resolution, as set forth in Section 1 of this Article III, shall be filled in the manner provided in said resolution. A Director elected to fill a newly created Directorship shall serve until the next succeeding February Annual Meeting of the Shareholders and until his successor shall have been elected

and qualified. In case of a reduction of the authorized number of Directors by resolution, as set forth in Section 1 of this Article III, the Directors whose term in office shall cease shall be determined in the manner provided in said resolution.

Section 4. Management of the Corporation. The business affairs of the Corporation and the operation of its property shall be managed by the Board, which may exercise all such powers of the Corporation and do all such lawful acts and things as are not by the Articles of Incorporation or by these By-Laws directed or required to be exercised or done by the Shareholders; provided, however, that the Board may hire a Park Manager at an agreed upon salary within the approved budget. The Board shall not authorize new expenditures from the Corporation's funds in excess of \$5,000 for any purpose, including goods, materials or capital improvements, without prior approval by the affirmative vote of a majority of the votes cast by Shareholders entitled to vote thereon at an Annual Meeting or a Special Meeting of Shareholders called for this purpose. Expenditures in excess of \$5000.00 other than those specifically set out in the approved Annual Budget will require the approval of a majority of all Shareholders entitled to vote thereon either at a Special Meeting of the Shareholders, or by an email to the Shareholders requesting a vote of approval prior to the expenditure. This is not to be taken to mean that multiple expenditures that total \$5,000.00 may be approved by the Board without the previously noted shareholder approval.

Section 5. Meetings. The first meeting of each newly elected Board shall be held after their election at the place of the Annual Meeting. Regular meetings of the Board shall be held not less than once every two months and may be held upon such notice, and at such time and at such place as shall from time to time be determined by the Board. Special Meetings of the Board may be called by the President on three (3) days notice to each Director, either personally, by mail or electronically; Special Meetings shall be called by the President or Secretary in like manner and on like notice on the written request of a majority of the number of Directors fixed by Section 1 of this Article III, except in the case of a Special Meeting called to fill vacancies on the Board, in which case a majority of the then acting Directors shall suffice. Notice of a meeting need not be given to any Director who submits a signed waiver of notice whether before or after the meeting, or who attends the meeting without protesting prior thereto or at its commencement, the lack of notice. However, like notice of any meeting of the Directors shall also be given to the Shareholders, who may attend any meeting of the Directors as observers only. The act of a majority of the Directors present at any meeting at which a quorum is present shall be the act of the Board, unless the act of a greater number is required by law or by the Articles of Incorporation or elsewhere in these By-Laws. If a quorum shall not be present at any meeting of Directors, the Directors present may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present. At all meetings of the Board, each Director shall be entitled to one vote.

Section 6. Resignation and Removal. Any Director may resign at any time by written notice delivered or sent by registered mail to the President or Secretary of the Corporation at the registered office of the Corporation. Such resignation shall take effect at the time specified therein, and unless specifically requested, acceptance of such resignation shall not be necessary to make it effective.

Any Director may be removed from office by the Shareholders of the Corporation then entitled to vote at a meeting duly called for that purpose. A Director may be removed for cause by the affirmative vote of a majority of the Shares represented at the meeting and then entitled to vote. At any meeting called to remove a Director without cause, the Shareholders shall have the right to vote on such removal and no Director shall be removed without cause if the number of votes

cast against his removal would be sufficient to elect him if then voted at an election of the entire Board.

If any Director who was a shareholder at the time of his election as a Director ceases to be a Shareholder, he shall be deemed to have resigned as a Director.

Whenever any director shall fail to meet the qualifications as previously described, or fails to attend three (3) consecutive board meetings, either regular or special, without just cause and provided that notice of such meetings has been given in accordance with these bylaws, then it shall be the duty of the Board to remove such Director and to fill the vacancy in accordance with Section 3 of this Article.

Section 7. Compensation. No salary or other compensation for services shall be paid to any Director of the Corporation for services rendered as such Director, but this shall not preclude any Director from performing any other service for the Corporation and receiving compensation therefor.

Section 8. Annual Cash Requirements. In furtherance of the definitions, purpose and provisions of the Proprietary Leases entered into or to be entered into by the Corporation with its Shareholders, the Board shall, from time to time, by resolution, determine the cash requirements as defined in the Corporation's Proprietary Leases and fix the terms and manner of payment of rent and other charges under the Corporation's Proprietary Leases. In the event such determination differs from the last preceding determination, the Board shall cause notice of such determination to be mail or delivered electronically immediately to each Shareholder. The Board shall have discretionary power to prescribe the manner of maintaining and operating the premises owned or leased by the Corporation and to determine the cash requirements of the Corporation to be paid as aforesaid by the Shareholders under their respective Proprietary Leases. Every such determination by the Board shall be final and conclusive as to all Shareholders and any expenditures made by the Corporation's Officers or its agent under the direction or with the approval of the Board of the Corporation shall be deemed necessarily and properly made for such purposes.

Section 9. Rules and Regulations. The Board may, from time to time, propose and amend such reasonable rules and regulations as it may reasonably deem necessary or desirable for the health, safety and convenience of the Shareholders, in addition to or in substitution for those Rules and Regulations set forth in the form of Proprietary Lease used by the Corporation. Any amendments to the rules and regulations shall require shareholder approval by a majority of the Shareholders at an Annual Meeting. Copies thereof and of changes therein shall be furnished to each Shareholder.

Section 9A. Enforcement Powers. In addition to any other powers under the Proprietary Lease and these By-Laws, the Board may assess a fine upon a Shareholder for a breach of the Proprietary Lease, the By-Laws, or any rules and regulations of the Corporation, in an amount not exceeding five hundred dollars (\$500.00). Such fine must be paid within 30 days of assessment, failing which interest at the rate of 5% per annum shall be added. Failure to pay such fine and any accrued interest is an indebtedness to the Corporation and shall constitute a lien upon the capital stock of the Shareholder. The following procedures apply before the Board may assess a fine:-

- A. A fine may only be assessed in respect of subsequent repeated breach of the Proprietary Lease, or of these By-Laws, or of any rules and regulations, and only after prior record for at least one (1) earlier breach had been documented against the

Shareholder, whether such record be before or after the coming into effect of this provision;

- B. Whenever possible, a public hearing shall be held in which the Board shall comply with the rules of natural justice, including notice by mail or electronically to the Shareholder, disclosure of evidence, opportunity to be heard, representation by counsel for the Shareholder (at the Shareholder's own expense), and a speedy determination by a fair and impartial Board whose decision shall be in writing by mail or sent electronically within 10 days.
- C. An affirmative vote of not less than two-thirds (2/3) of the Board sitting in judgment must be obtained.

Section 10. Executive Committee. The Board may, by resolution approved by a majority of the number of Directors fixed by Section 1 of this Article III, appoint an Executive Committee consisting of three (3) or more Directors of the Corporation. The Executive Committee, to the extent provided in the resolution that creates it, shall have and may exercise all of the powers of the Board in the management of the business affairs of the Corporation during the intervals between meetings of the Board, so far as may be permitted by law, except that the Executive Committee shall not have the power to determine the cash requirements defined in the Proprietary Leases made by the Corporation, or to fix the amount of rent to be paid under the Proprietary Leases, or to vary the terms of payment thereof as fixed by the Board. Vacancies in the membership of the Executive Committee shall be filled by the Board at a regular or special meeting. The Executive Committee shall keep regular minutes of its proceedings and shall report same to the Board when required.

Section 11 – Continuity Committee – Following the end of a Director's term, the retiring Directors should assist in guiding the new Board for their first year in office.

Section 12 – Finance Committee: The Board may, by resolution approved by a majority of the number of Directors fixed by Section 1 of this Article III, appoint a Finance Committee consisting of two (2) Shareholders, who shall assist the Treasurer in the preparation of the Annual Budget.

ARTICLE IV - OFFICERS

Section 1. Number and Election. The Officers of the Corporation shall be President, one or more Vice-Presidents, Secretary and Treasurer. Such Officers shall be elected at the first meeting of the Board after these By-Laws become effective, and thereafter at the February meeting of the Board, following the Annual Meeting of Shareholders held for the purpose of electing Directors, and shall serve until the next February meeting of the Board, following the next Annual Meeting of Shareholders called to elect Directors and until their successors shall have been elected and qualified pursuant to Article III, Sec. 2.

Section 2 Assistants: The Board may, by resolution approved by a majority of the number of Directors fixed by Section 1 of this Article III, appoint one or more Assistant Secretaries and one or more Assistant Treasurers to hold office at the pleasure of the Board. Such Assistants, in order of their seniority, or in any other order determined by the Board shall, in the absence or disability of the Secretary or Treasurer, perform the duties and shall perform such other duties as the Board or the Secretary or Treasurer shall prescribe.

Section 3. Qualifications: Removal and Vacancies. None of the Officers need be a member of the Board, but the Officers must be Shareholders. One person may hold two offices at the same time, except that the same person may not hold the offices of President and Secretary. Any Officer appointed by the Board pursuant to the provisions of Section 1 and 2 of this Article

IV may be removed by the Board, by resolution approved by a majority of the number of Directors fixed by Section 1 of this Article III, at any time, with or without cause. Vacancies occurring in any office may be filled by the Board at any time. If any Officer, who was a Shareholder at the time of his selection as an Officer, ceases to be a Shareholder, he shall be deemed to have resigned as an Officer.

Section 4. Duties of President and Vice-President. The President shall preside at all meetings of the Shareholders and of the Board. The President, subject to the control of the Board, shall have general management of the affairs of the Corporation and perform all the duties incidental to the office. If the President is absent from Yuma or is unable to act, the Vice-President, if there is only one or, if there be more than one, the Vice-President senior in rank and able to act shall have the powers and perform the duties of the President.

Section 5. Duties of the Treasurer. The Treasurer shall have the care and custody of all funds and securities of the Corporation, and shall deposit such funds in the name of the Corporation in such bank or trust companies as the Directors may determine, and he shall perform all other duties incidental to his office. If required by the Board, before receiving any such funds, the Treasurer shall furnish to the Corporation a Bond in such form and amount and with such Corporate sureties as the Board may determine. The premium for such Bond shall be paid by the Corporation. As promptly as possible, after the close of each calendar year, the Treasurer shall cause to be furnished to each Shareholder whose Proprietary Lease is then in effect, a statement of the receipts, disbursements and paid-in surplus of the Corporation during such year.

Section 6. Duties of the Secretary. The Secretary shall keep the Minutes of the meetings of the Board and of the meetings of the Shareholders, shall attend to the giving and serving of all notices of the Corporation, shall affix the Corporate Seal to all written instruments authorized by the Board or these By-Laws, and shall attest every Certificate of Shares issued by the Corporation. The Secretary shall also perform all other duties incidental to his office. The Secretary shall cause to be kept a Shareholders' Record Book containing the names, alphabetically arranged, and addresses of all Shareholders, the number of shares held by each, the dates when they respectively became the owners of record thereof, and the denomination and the amount of all issuance stamps affixed thereto. Such Book shall be open for inspection as provided by law.

Section 7. Compensation. No salary or other compensation for services shall be paid to any Officer of the Corporation for services rendered as such Officer, but this shall not preclude an Officer of the Corporation from performing any other service for the Corporation and receiving compensation therefor.

ARTICLE V - PROPRIETARY LEASES

Section 1. Form of Leases. The Board shall adopt a form of Proprietary Lease to be used by the Corporation for the leasing to Shareholders of all spaces in the Park. Such Proprietary Leases shall be for such terms, with or without provisions for renewals, and shall contain such restrictions, limitations and provisions governing the sale and/or transfer of the Shares of the Corporation allocated to the unit Share covered thereby, and such other terms, provisions, conditions and covenants as the Board may determine. After a Proprietary Lease in the form so adopted by the Board shall have been executed and delivered by the Corporation, all Proprietary Leases subsequently executed and delivered shall be the same (except with respect to the statement as to the number of Shares owned by the lessee), unless the variations for subsequent use are approved by Shareholders owning at least two-thirds (2/3) of the Shares of

the Corporation then owned by all Shareholders under Proprietary Leases then in force. A duplicate original of each Proprietary Lease shall always be kept on file in the principal office of the Corporation or with the Managing Agent of the mobile home Park.

Section 2. Allocation of Shares.

The Board shall allocate to each space in the Park, one Share in the Corporation that must be owned by the Proprietary Lessee of such space.

Section 3. Assignment. Proprietary Leases may be assigned or transferred only in compliance with (and shall never be assigned or transferred in violation of) the terms, conditions and provisions of such Proprietary Leases, the Articles of Incorporation of the Corporation, these By-Laws and the Rules and Regulations then in effect for the Park. The following provisions are stated in furtherance of the foregoing, and not in limitation thereof:

- A. No Lessee shall assign his Proprietary Lease, or transfer the Share allocated to the Space covered thereby, or any interest therein, and no such assignment or transfer shall take effect for any purpose until:
 - (i) An Instrument of Assignment, in form approved by the Board, executed and acknowledged by the Assignor, shall have been delivered to the Board; and
 - (ii) An Agreement by the Assignee, in form approved by the Board, whereby said Assignee assumes and agrees to perform and comply with all the covenants and conditions of the Lease to be performed or complied with by the Lessee from and after the effective date of the Assignment shall have been executed and acknowledged by the Assignee and delivered to the Board, but no such assumption agreement shall be required if, at the request of the Board, as hereinafter provided, the Assignee surrenders the assigned lease on the effective date of the Assignment and simultaneously enters into a new Proprietary Lease for the remainder of the term; and
 - (iii) The Share in the Corporation allocated to the Space subject thereof shall have been duly transferred to the Assignee; and
 - (iv) (a) All sums due from the Lessee under the Lease, and (b) a sum to be determined by the Board to cover the reasonable expenses incurred by it, and its Managing Agent, in connection with such Assignment and transfer of the Share, shall have been paid to the Corporation; and
 - (v) Consent to such assignment shall have been duly given by an instrument in writing signed by a majority of the Corporation's Board, or their duly authorized representative, provided that no such consent shall be required in the case of assignment, transfer, devise or bequest of the lease to lessee's spouse. The Corporation reserves the right to refuse its consent to any assignment if:
 - 1. as a result thereof, the mobile home or RV to be installed by the assignee is of a type which is inconsistent with the standards of the Park or would otherwise be in violation of the Rules and Regulations then in effect for the Park; or the regulations of Yuma County;
 - 2. the unit is to be occupied year round and will exceed the maximum allowable full time units of 25% of the total units in the Corporation; or

3. the assignment would otherwise contravene the Proprietary Lease.
- B. In the event the Lessee should die during the term of the Lease, the Board shall not unreasonably withhold consent to any transfer or assignment of his Lease and the Share allocated to the Space thereof, by devise or bequest, or to an assignment by the personal representative of the Lessee, provided that such devisee, legatee or assignee shall be a financially responsible member of Lessee's family (other than Lessee's spouse, as to whom no consent is required), and the procedures set forth above in Paragraph A of this Section are followed. However, if an individual under the age of 55 inherits the Share, the Share must be divested within one year, subject to the consent to such assignment being duly given by an instrument in writing signed by a majority of the Corporation's Board,
- C. A pledge of a Share held by a Shareholder in the Corporation, and an assignment of his Lease in connection therewith, as collateral security shall not be deemed a violation of any covenant or condition of the Lease or of these By-Laws relating to the transfer or assignment of Lease shall be made on the books of the Corporation, or be effective against the Corporation as Lessor, unless the same shall be made in accordance with the provisions hereinabove set forth in this Section 4, and neither the pledgee nor any transferee of the pledgee shall have the right to vote said share, or to acquire ownership thereof, or to acquire the Proprietary Lease of the Space covered thereby, by assignment or otherwise, or to sublet or occupy such unit unless there shall be full compliance with all of the foregoing provisions of this Section, as the case may be.
- D. The foregoing provisions contained in this Section of the By-Laws are expressly incorporated within and made a part of each and every Proprietary Lease which is or may be issued in connection with the Corporation. Notwithstanding anything to the contrary herein stated, the By-Laws contained in this Section may not be amended or modified except in accordance with the same procedures and votes required for amendment or modification of the terms of the standard Proprietary Lease utilized by the Corporation. By accepting a Lease, and the Shares of Stock in the Corporation appurtenant thereto, each Shareholder in the Corporation acknowledges that the restrictions on transfer and assignment, as hereinabove set forth, are an especial consideration and inducement for the granting to him of a Lease in the mobile home park. No demand or acceptance of rent from any assignee or transferee, without full compliance with the foregoing restrictions on assignment, shall constitute a consent to or approval of any assignment or transfer.

Section 4. Fees on Assignment, Subletting or Reallocation. The Board shall have the authority to establish from time to time reasonable fees to cover actual expenses and attorney's fees of the Corporation in connection with any assignment of Proprietary Lease or subletting thereunder or a reallocation of Shares, and to require that such fees be paid to the Corporation before any such proposed transaction shall have effect as against the Corporation as Lessor.

Section 5. Lost Proprietary Leases. In the event that any Proprietary Lease in full force and effect is thereafter lost, stolen, destroyed or mutilated, the Board may authorize the issuance of a new Proprietary Lease in lieu thereof, in the same form and with the same terms, provisions, conditions and limitations. The Board may, before the issuance of any such new Proprietary Lease, require the owner or the legal representative of the owner thereof to make an affidavit or affirmation setting forth such facts as to the loss, destruction or mutilation as the Board deems necessary and to require a Bond running to the Corporation in such reasonable sum as the Board directs, not to exceed double the value of the Shares appurtenant to such Lease.

ARTICLE VI - SHARES

Section 1. Authorization and Rights. No Shares hereafter acquired by the Corporation shall be re-issued, except in connection with the execution by the purchaser and delivery by the Corporation of a Proprietary Lease of a space. The ownership of Shares shall entitle the holder thereof to enter into a Proprietary Lease with the Corporation of a space to which the Shares are appurtenant and to occupy such space for the purposes specified in such Proprietary Lease pursuant to the terms and conditions thereof.

Section 2. Form and Record of Shares. Certificates of Shares of the Corporation shall be in the form adopted by the Board, and shall be signed by the President or a Vice-President, and by the Secretary and sealed with the Seal of the Corporation, and shall be numbered in the order in which issued. Certificates shall be bound and issued in consecutive order and in the margin or stub thereof shall be entered the name of the person(s) holding the Shares therein represented, the number of Shares, the date of issue, and the name of the transfer agent. Each Certificate exchanged or returned to the Corporation shall be cancelled and the date of cancellation shall be indicated thereon by the transfer agent, and such Certificate shall immediately be pasted in the Certificate Book opposite the memorandum of its issue.

Section 3. Transfers. Except as provided herein, Shares shall not be transferrable and, in any event, no transfer of Shares shall be made upon the Books of the Corporation within fifteen (15) days next preceding the Annual Meeting of the Shareholders. In all transfers of Shares the Corporation shall be entitled to a fee deemed appropriate by it to compensate the Corporation for the processing of the transfer. Shares may be transferred for the following causes and upon the conditions stated:

A. Death of a Shareholder. If, upon death of a Shareholder, his Share in the Corporation passes by Will or intestate distribution to a member of his immediate family, such legatee, distributee, or personal representative may become a Shareholder of the Corporation by assuming in writing the terms of the Proprietary Lease, within ninety (90) days after the Shareholders death, and by paying all amounts due thereunder. If a Shareholder dies and an obligation is not assumed in accordance with the foregoing, then the Corporation shall have an option to purchase the Share from the deceased Shareholder's estate in the manner provided in Section 5, Article VI, written notice of the death being equivalent to notice of intention to withdraw. The references to "Shareholder" therein to be construed as references to the legal representative of the deceased Shareholder. However, if an individual under the age of 55 inherits the Share, the Share must be divested within one year, subject to the consent to such assignment being duly given by an instrument in writing signed by a majority of the Corporation's Board.

B. Right of First Refusal to Corporation to Purchase. If a Shareholder desires to leave the project he shall notify the Corporation in writing of such intention and the Corporation shall have a right of first refusal for a period of thirty (30) days commencing the first day of the month following the giving of such notice, and offer to buy, but not the obligation, to purchase the Share together with all of the Shareholder's rights with respect to the unit on the same terms and conditions as an offer received by such Shareholder, less any amounts due by the member to the Corporation under the Proprietary Lease, and less the cost or estimated cost of all deferred maintenance, including such repairs and replacements as are deemed necessary by the Corporation to place the space in suitable condition for another occupant. The purchase by the Corporation of the Share will immediately terminate the member's rights and the member shall forthwith vacate the space.

C. Procedure Where Corporation Does Not Exercise Right of First Refusal.

If the Corporation waives in writing its right to purchase the Share under the foregoing paragraph, or if the Corporation fails to exercise such right of first refusal within the thirty (30) day period, the Shareholder may sell his Share to any person who has been duly approved by the Corporation as a Shareholder and occupant on the same terms and conditions as offered to the Corporation.

If the Corporation agrees, at the request of the Shareholder, to assist the Shareholder in finding a purchaser at a price designated in writing by the Shareholder, the Corporation shall be entitled to charge the Shareholder a fee agreed upon by the Shareholder and the Corporation for this service. When the transferee has been approved to become a Shareholder and has executed the prescribed Proprietary Lease, the retiring Shareholder shall be released of his obligations under his Proprietary Lease, provided he has paid all amounts due the Corporation to date.

Section 4. Termination of Shareholder Status for Cause. In the event the Corporation has terminated the rights of a Shareholder under the Proprietary Lease, the Shareholder shall be required to deliver promptly to the Corporation his Share Certificate and his Proprietary Lease, both endorsed in such manner as may be required by the Corporation. The Corporation shall thereupon at its election either, (1) repurchase the Share at the amount the retiring Shareholder originally paid for the acquisition of his Share, or (2) proceed with reasonable diligence to effect a sale of the Share to a purchaser and at a sale price acceptable to the Corporation. The retiring Shareholder shall be entitled to receive the amount so determined, less repairs and replacements, as are deemed necessary by the Corporation to place the Space in suitable condition for another occupant: and less the following amounts (the determination of such amounts by the Corporation to be conclusive):

- a. Any amounts due to the Corporation from the Shareholder under the Proprietary Lease;
- b. The cost or estimated cost of all deferred maintenance, including repairs and replacements, as are deemed necessary by the Corporation to place the Space in suitable condition for another occupant; and
- c. Legal and other expenses incurred by the Corporation in connection with the default of such Shareholder and the resale of his Share. In the event the retiring Shareholder for any reason should fail for a period of sixty (60) days after demand to deliver to the Corporation his endorsed Share Certificate, the Share Certificate shall forthwith be deemed to be cancelled and may be re-issued by the Corporation to a new purchaser.

Section 5. Corporation's Lien. The Corporation shall at all times have a lien upon the Shares of capital stock owned by each Shareholder, which shall be superior to all other liens, for all indebtedness and obligations owing and to be owing by such Shareholder to the Corporation arising under the provisions of any Proprietary Lease issued by the Corporation and at any time held by such Shareholder, or otherwise arising. Unless and until such Shareholder, as Lessee, shall make default in the performance of any of the covenants or conditions of such Proprietary Lease, and/or unless and until such Shareholder shall make default in the payment of any indebtedness or obligation owing by such Shareholder to the Corporation otherwise arising, such Shares shall continue to stand in the name of the Shareholder upon the Books of the Corporation, and the Shareholder shall be entitled to exercise the right to vote thereon as though said lien did not exist. The Board may refuse to consent to the transfer of such Shares until any indebtedness of the Shareholder to the Corporation is paid. The Corporation shall have the right to issue to any purchaser of such Shares upon the enforcement by the Corporation of such lien, or to the nominee of such purchaser, a Certificate of the Shares so purchased substantially of the tenor of the Certificate issued to such defaulting Shareholder, and thereupon the Certificate for such Shares theretofore issued to such defaulting Shareholder shall become

void and such defaulting Shareholder agrees to surrender such last-mentioned Certificate to the Corporation upon the latter's demand, but the failure of such defaulting Shareholder so to surrender such Certificate shall not affect the validity of the Certificate issued in replacement thereof.

Section 6. Lost Certificates. In the event that any Certificate of Shares is lost, stolen, destroyed or mutilated, the Board may authorize the issuance of a new Certificate of the same tenor and for the same number of Shares in lieu thereof. The Board, in its discretion and before the issuance of such new Certificate, may require the owner of the lost, stolen, destroyed or mutilated Certificate, or the legal representative of the owner, to make an affidavit of 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 reasonable sum as it directs, but not more than double the value of the Shares, to indemnify the Corporation.

Section 7. Legend on Stock Certificate. Subject to any provision to the contrary stated in the Articles of Incorporation, unless and until all Proprietary Leases which shall have been executed by the Corporation shall have been terminated, all Certificates representing Shares of Stock of the Corporation shall bear a legend reading as follows:-

"The rights of any Shareholder evidenced by this Certificate
are subject to the provisions of the Articles of
Incorporation and the By-Laws of VALLEY ACRES CO-OPERATIVE
and to the Proprietary Lease between shareholder and the Corporation.

Section 8. Distributions. The Shareholders shall not be entitled (either conditionally or unconditionally) to receive any distribution not out of earnings and profits of the Corporation, except upon a complete or partial liquidation of the Corporation.

ARTICLE VII. CORPORATE SEAL. The Board shall provide a suitable Corporate Seal containing the name of the Corporation, which seal shall be in the charge of the Secretary. If so directed by the Board, a duplicate of the seal may be kept and used by the Treasurer or any Assistant Secretary or Assistant Treasurer.

ARTICLE VIII. NEGOTIABLE INSTRUMENTS.

Section 1. Checks, etc. All checks, drafts, orders for payment of money and negotiable instruments shall be signed by such Officer or Officers or employee or employees as the Board may, from time to time, by standing resolution or special order, prescribe.

Section 2. Transfer of Securities. Endorsements on transfers of Shares, Bonds or other securities shall be signed by the President or any Vice-President and by the Secretary or Assistant Secretary unless the Board, by special resolution in one or more instances, prescribes otherwise.

Section 3. Safe Deposit Boxes. Such Officer or Officers, as from time to time shall be designated by the Board, shall have access to any safe of the Corporation in the vault of any safe deposit company.

Section 4. Securities. Such Officer or Officers as from time to time shall be designated by the Board shall have the power to control and direct the disposition of any Shares, Bonds or other securities or property of the Corporation deposited in the custody of any trust company, bank or other custodian.

ARTICLE IX. FISCAL YEAR.

Section 1. Fiscal Year. The fiscal year of the Corporation shall be the Calendar Year.

ARTICLE X. INDEMNIFICATION.

Section 1. Indemnification. The Corporation shall indemnify any and all of its Directors and Officers, and/or former Directors and Officers against expenses incurred by them, including legal fees, or judgments or penalties rendered or levied against any such person while acting within the scope of his authority as a Director or Officer of this Corporation, provided that the Board shall determine in good faith that such person did not act, fail to act, or refuse to act willfully or with gross negligence or with fraudulent or criminal intent in regard to the matter involved in this action.

ARTICLE XI. EXTENTIONS OR WAIVERS OF TIME LIMITS.

Section 1. Extensions or Waivers of Time Limits. The Board may extend or waive, by written authorization, any time limit in which a Shareholder or successor is required to act. The Board may not extend any time limit in which the Board or the Corporation is required to act.

ARTICLE XII. AMENDMENTS.

Section 1. Amendments. Except where expressly prohibited herein, the Board or a majority of the Shareholders, by resolution, may propose amendments to the By-Laws, but no amendments approved by the Board shall be effective without prior approval by the vote of 66-2/3% of the votes of the Shareholders then entitled to vote thereon at any Annual Meeting or at any Special Meeting called for that purpose.