

Articles of Association

Co-Housing Israel Ltd.

CHAPTER A – DETAILS OF THE ASSOCIATION

Name of the Association

1. Name of the Association: CHI – Co-Housing Israel Ltd.
2. Address of the Association: Simtat YL" G 4, Tel Aviv
3. Purposes:
 - a. To organize the Members of the cooperative for the purpose of the creation of shared housing, which provides services to the Members.
 - b. To create a shared housing community with a commitment to working for social justice.
 - c. To organize the Members of the cooperative to provide mutual support to improve the Members' social, economic and cultural situations.
 - d. To develop novel solutions that combine co-housing with involvement in the wider community.
 - e. To develop solutions for sustainable housing.
 - f. To encourage healthy aging.
 - g. To act in accordance with the principles of the worldwide Co-Housing Movement.
 - h. To encourage active social involvement in the life of the community on the basis of cooperation and equality.
 - i. To foster tolerance and mutual commitment.
 - j. To act with environmental responsibility and concern for the community.

CHAPTER B – DEFINITIONS

4. The following terms in these Articles of Association shall have the following meanings:
 - a. Articles of Association – The Articles of Association of the Association, according to which the Association has been registered and approved by the Registrar.
 - b. The Registrar – The Registrar of Cooperative Associations.
 - c. The Ordinance – the Cooperative Associations Ordinance – 1933.
 - d. The Law – the Ordinance, including all regulations and orders, and any law that replaces the Ordinance, including any amendment thereto.
 - e. Regulations – regulations that have been adopted by the Minister of Labor in accordance with the Ordinance or with any law that may replace the Ordinance.

CHAPTER C – AUTHORITY

5. The Association is a corporation with all legal rights and obligations accorded to such corporations. Without derogating from the foregoing, the Association shall have the power to do the following, all subject to the restrictions set forth in law and these Articles:
 - a. To act as a corporation, possessing all rights and obligations as set forth in the law, to enter short-term or long-term contracts with various entities; to act as a litigant in any court proceeding and any negotiation; to act as a trustee on behalf of its Members.
 - b. To borrow, obtain and guarantee any payment or obligation in a manner and upon terms it sees fit, including giving guarantees, making liens of all kinds in connection with its property or part thereof and to redeem such liens; to lend money, to give credit, to guarantee the debts and obligations of others as it sees fit.
 - c. To be a controlling shareholder and/or an interested party in any manner, type or amount in business corporations and/or any other type of corporations and/or in any real or movable property.
 - d. To act economically, commercially, legally, technically, organizationally, managerially within the scope of its purpose and on condition that everything it does is done in accordance with the Articles of Association and the principles of the Co-Housing Movement.
 - e. To found and/or establish and/or incorporate, either alone or with others, corporations of any kind in the area or activities described above, or related thereto.
 - f. To acquire, sell, receive, import, lease, rent, provide, transfer, attach, mortgage, and to do all other actions in relation to real and moveable property and the rights therein in accordance with and subject to the principles of the Co-Housing Movement.
 - g. To engage in any business' that the General Assembly believes to be useful to the Association or its Members.

- h. To do everything necessary and useful to the Association and its Members to achieve the purpose of the Association and engage in anything that will be useful and helpful, directly or indirectly, to achieve its goals, in whole or in part.
- i. To engage in planning, building, purchasing, renting or to act in any other way, that will obtain cooperative housing for the Association's Members.
- j. To provide services to its Members, to anyone asking for such services or to the public at large, in accordance with decisions of the Members, whom will be updated as to any agreements that are signed.

CHAPTER D – QUALIFICATIONS FOR MEMBERSHIP IN THE ASSOCIATION

- 6. The Members of the Association will be:
 - a. Adults, who have signed the request to register the Association.
 - b. Individuals who are, from time to time, accepted as Members in accordance with these Articles of Association.
 - c. After the establishment of the Co-Housing Development, individuals who live in the housing units of the Co-Housing Development.
- 7. Minimum qualifications for Membership in the Association.
 - a. Signature on a request to be admitted as a Member of the Association.
 - b. Signature on a declaration of support for the Association and its goals and agreement to take an active part in the Association.
 - c. Payment in accordance with the decisions of the General Assembly and the Members' Agreement.
- 8. Every Member shall have one vote.
- 9. Process for accepting Members:
 - a. Each person seeking membership in the Association shall submit an application to be a candidate for membership.
 - b. The Community Committee will be responsible for overseeing the process of approving candidates for membership.
 - c. The Community Committee will notify the general membership of the persons who have submitted their candidacy and will not take any action regarding such submissions before the Members have had an opportunity to express their opinions.
 - d. Candidates whose applications for membership have been rejected may appeal such decision to the General Assembly of the Association.
 - e. Decisions on accepting new Members from among the candidates who have been approved will be made by the Steering Committee subject to the availability of appropriate housing units and in accordance with the needs of the Association.
 - f. The rights and obligations of each Member are personal and may not be transferred or be subject to a power of attorney.
- 10. Expiration of Membership in the Association
 - a. Membership shall expire:
 - i. Upon the death of the Member.
 - ii. Upon the expulsion of a Member in accordance with these Articles.
 - iii. Upon a Member's voluntary resignation from the Association in accordance with these Articles.
 - iv. In the event the Member has ceased to live in a Co-Housing Unit ("CHU") on a permanent basis.
- 11. Resignation from the Association
 - a. A Member wishing to resign from the Association shall do so in a writing sent to the Steering Committee.
 - b. If such request is made prior to the Member moving into a CHU, the following conditions will apply:
 - i. The termination of membership will take effect 60 days after the delivery of such request, provided, however, that the Steering Committee may cause such termination to take effect earlier.
 - ii. Any monies invested by the Member will be returned upon the termination of membership, subject to any conditions in any economic agreements signed by the Member.
 - iii. The registration fee paid by the Member upon acceptance to the Association shall not be returned.
 - c. If such request is made while the Member lives in a CHU, the following conditions will apply:
 - i. Termination of such Member's membership will take effect upon the transfer of such CHU to another, who has been accepted as a Member of the Association.
 - ii. Termination will occur no later than six months from the delivery of the resignation request, even if the resigning Member's rights in the housing unit have not been transferred by the end of such six month period.
 - d. The funds invested by the Member in the Association will be returned to here/him upon the termination of membership after she/he has ceased living in his/her housing unit, subject to the obligations of the Association and the economic terms agreed to by the Member.

- e. In the event a Member has submitted a request to terminate her/his membership, the Association shall be entitled to deduct any of her/his debts to the Association from monies and other rights to which the Member is entitled to receive from the Association.
12. Termination of a Member prior to entry into the CHU may occur for the following reasons:
- a. The Member does not comply with her/his financial commitments to the Association after receiving at least two (2) warnings during a period of six (6) months.
 - b. The Member did not act with integrity towards the Association or has harmed the Association, its Members or the principles of the cooperative set forth in Annex A, or has acted against the aims of the Association in a substantial manner.
 - c. The Member was convicted of a felony.
 - d. Any other reason to remove a Member from the Association as set forth in the Ordinance, the Law or the Regulations.
 - e. In the event that the Steering Committee finds probable cause to remove a Member, a notice detailing the reasons for such removal shall be delivered to such Member in writing.
 - f. A Member may present a response in writing and/or orally at a hearing to be held within 30 days of her/his receipt of the notice referred to in section 12(e).
 - g. In the event that the Steering Committee, after receipt of the Member's response, decides to recommend the Member's expulsion from the Association, it will provide the Member with notice of its decision and will convene a General Assembly of the Members.
 - h. The General Assembly will not expel a Member before giving that Member an appropriate opportunity to present and plead her/his case.
 - i. A decision to expel a Member will be made by secret ballot, according to the procedures set forth below regarding Special Decisions.
 - j. The resignation or expulsion of a Member from the Association shall not impair the Association's rights to act in any legal manner against such Member to collect debts or to seek the return of any monies to which the Association is legally entitled from such Member, including by setting off such debts against monies or other rights such Member may be owed by the Association, regardless of whether such monies or other rights arose from membership in the Association or otherwise.
- 12A. Termination of a Member who is living in a housing unit may occur for the following reasons:
- a. A Member does not comply with her/his financial obligations to the Association and continues such failure to comply after being warned.
 - b. The Member did not act with integrity towards the Association or harmed the Association, its Members or the principles of the cooperative, or acted against the aims of the Association in manner that harms the community's way of life in a serious manner.
 - c. A Member is convicted of a felony.
 - d. Any other reason to remove a Member from the Association as set forth in the Ordinance, the Law or the Regulations.
 - e. In the event that the Steering Committee decides that there is justification to remove a Member, a notice detailing the reasons for such removal shall be delivered to such Member in writing.
 - f. A Member may present a response in writing and/or orally within 30 days.
 - g. In the event that the Steering Committee, after receipt of the Member's response, decides to recommend the Member's expulsion from the Association, it will provide the Member with notice of its decision and will convene a General Assembly of the Members. The Member may request that the question of whether to expel the Member be submitted a mediation process before the matter is submitted to the General Assembly.
 - h. The General Assembly will not expel a Member before giving that Member an appropriate opportunity to present and plead her/his case, either in person or by a representative, according to the Member's choice.
A decision to expel a Member will be made by secret ballot, according the procedures set forth below regarding Special Decisions.
 - i. In the event that the decision to expel the Member is supported by more than 50% of the Members of the Association, the matter will be referred to mediation, at the end of which, the matter will again be brought before the Association.
 - j. A repeat motion to expel a Member from the Association may not be brought within six (6) months of the last deliberation on such a motion against the same Member unless there are special circumstances, which circumstances shall be recorded in the minutes of the Steering Committee.
 - k. The resignation or expulsion of a Member from the Association shall not impair the Association's rights to act in any legal manner against such Member to collect debts or to seek the return of any monies to which the Association is legally entitled from such Member, including by setting off such debts against monies or other rights such Member may be owed by the Association, regardless of which such monies or other rights arose from membership in the Association or otherwise.

13. Members Register

- a. The Association shall maintain a Members Register in which every Member shall be recorded.
- b. The Members Register shall be kept in the offices of the Association.
- c. A Member who wants to review the Members Register shall submit a request to the Steering Committee.
- d. The Members Register shall contain the details of all Members registered in the Association as follows:
 - i. The full, official name of the Member;
 - ii. The identity number of the Member;
 - iii. The Member's home address;
 - iv. The Member's email address;
 - v. The date of acceptance as a Member in the Association
 - vi. The number of shares of the Association owned by the Member and their serial numbers
 - vii. Amount paid by the Member for the shares.
 - viii. The date the Member's membership ended in the Association, if it ended.
 - ix. The identity of the Member's designated authorized signatory.
- e. The right of a Member to examine and receive information from the Members Register. In addition to the obligations set forth in the Law, a Member has the right to examine any of the documents of the Association, except for those documents The Steering Committee has determined to be confidential because of reasons of privacy, economic interests, or confidentiality decreed by law.

CHAPTER E – SHARES OF THE ASSOCIATION, ITS CAPITAL, MONIES, ACCOUNTS AND USE OF SURPLUS FUNDS AND PROFITS

14. The Capital of the Association

- a. The Association's capital shall consist of shares in the Association and its jointly-held property.
- b. Each Member will be issued one share in the Association's common areas.
- c. The Association shall be empowered to issue shares in the Association to Members in accordance with the size of each Member's housing unit.

15. Financial Obligations of the Members. A Member of the Association shall be responsible for his/her own debts including, in the event of a dissolution of the Association, for current and future expenses, but only up to the amount that the Member invested in the capital of the Association.

16. Fiscal Year

- a. The fiscal year of the Association shall begin on January 1st of each calendar year and end on December 31st of that same year.
- b. All financial records and annual reports of the Association shall be kept in conformance to appropriate and customary accounting standards, in accordance with the directions or guidelines of the Registrar and all applicable laws, and shall be the Steering Committee's responsibility.
- c. The financial records and books of the Association shall be audited by the auditing accountant of the Association.

17. Reserve Fund

- a. The Association shall maintain a Reserve Fund into which it shall deposit a portion of the revenues received, in accordance with the annual decisions of the General Assembly.
- b. The monies deposited in the Reserve Fund are not intended for distribution among the Members.
- c. These surplus funds and profits shall be used to develop services for the Association and to advance the Association's goals.

18. Distribution of Surplus Funds and Profits

The General Assembly has the right to decide to set aside monies for deposit in the Reserve Fund. The surplus funds and profits will be used for the advancement of the Association's goals. The Association shall not distribute the surplus funds and profits to its Members. The Association shall be entitled to set aside surplus funds and profits for the development of cooperatives and for the advancement of the principles of the cooperative movement, as well as for any goal that accords with the Association's goals, all in accordance with the decision of the Members.

CHAPTER F – MEMBERS' RULES

19. The regular activity of the Association and the obligations among the Members shall be defined in a detailed set of Members' Rules.
20. The Members' Rules shall govern, among other things:
 - a. The character of the area devoted to the CHUs;

- b. Detailed arrangements concerning the daily running of the Association and its communal life;
- c. The services to be provided by the Association to its Members and/or to others.
- d. The obligations of Members to take part in the activities of the Association.
- e. Principles of cooperation with bodies outside the Association;
- f. Detailed procedures for the imposition of sanctions in the event that a Member does not comply with the obligations set by the Association.

CHAPTER G – BODIES OF THE ASSOCIATION

The Association shall have a Members' Assembly, a Council, a Steering Committee, committees and an auditing body, as set forth below:

21. The Members' Assembly

- a. The highest authority in the Association is the Members' Assembly, which shall decide how the Association will be managed and the activities in which the Association will engage. The Members' Assembly shall decide on all matters of principle relevant to the Association and its activities, all in accordance with the provisions of the Ordinance, the Law and these Articles, except in matters concerning the capital of the Association and ownership rights therein.
- b. Every Member of the Association is entitled to take part in the Members' Assembly.
- c. Each Member of the Association shall have one (1) vote.
- d. The Members' Assembly shall be convened at least three (3) times each year.
- e. In the Annual Members' Assembly, those matters required by law to be decided shall be decided. In addition, the Steering Committee shall report on its activities and actions in the preceding year, as well as on all matters relevant to the Association's condition, and the Members' Assembly shall discuss such report.
- f. The Members' Assembly shall be entitled to create committees and to set their jurisdiction and authority.

Meetings of the Members' Assembly

- g. Notice of a meeting of a Members' Assembly, together with proposed agenda, shall be delivered to each Member by electronic mail at least seven (7) days before the date the meeting has been called for. Notwithstanding the foregoing, should a Member request such notification by regular mail, such notification shall be sent to the address of the Member in the Association's records.
- h. Those Members who are not able to physically participate in a Members' Assembly, whether by reason of illness, absence from the country or other reason, who have received the approval of the Steering Committee, shall notify the Association at least 48 hours before the meeting of their desire to participate in the Members' Assembly remotely. The Steering Committee shall endeavor, using the technological means available to it, to effect such Members' remote participation in such a manner that such Members can both hear and speak during the Members' Assembly and cast their votes.
- i. A Member of the Steering Committee shall convene the Members' Assembly and supervise the selection of a chairman and secretary from among the Members of the Association present.
- j. The secretary of the Members' Assembly shall be responsible for recording the protocol. The protocol shall include the names of the Members present, the names of the Members participating remotely and the decisions taken at during the course of the meeting. The secretary shall have the chairman sign the protocol.
- k. An annual Members' meeting shall be convened by the Steering Committee no later than seven (7) months from the end of the Association's fiscal year.
- l. The Steering Committee shall be entitled to convene a Members' Assembly in accordance with the needs of the Association. However, the Steering Committee must convene such a meeting at the request of the Audit Committee or Members constituting at least 20% of the Association's membership. Should the Steering Committee not convene a Members' Assembly as so requested within twenty-one (21) days of its receipt of such request, the members who made such request shall be entitled to convene such meeting.
- m. A Members' Assembly meeting may only start once there is a quorum, consisting of at least eighty-five percent (85%) of the membership of the Association, is present, either physically or, with The Steering Committee's approval, remotely.
- n. In the event that a quorum is not present at the time announced in the invitation to the Members' Assembly, such Members' Assembly shall be postponed for one (1) week, to be held at the same place, provided that such possible adjourn date was set forth in the original invitation, unless another adjourn date was so set forth and such other adjourn date is no more than thirty (30) days from the original date. Such postponed Members' Assembly shall take place regardless of whether there is a quorum.
- o. Unless stated otherwise, all decisions taken at the annual Members' Assembly shall be by a simple majority of those Members participating in the vote.

- p. The Association shall strive to reach decisions based on consensus. A Member may support, vote for, or vote against any proposal.
- q. Voting in the General Assembly shall be done by raised hands unless at least thirty percent (30%) of those participating in the discussion preceding the vote demand a vote by name or a secret ballot. Notwithstanding the foregoing, decisions involving individuals will be by secret ballot, except for decisions involving the election of a Member to a position with the Association where there is only one candidate for such position, in which case the vote shall be open.

Special Decisions

- 22. Special Decisions are those decisions that are of great import to the Association or to one or more of its Members. In such matters, the Association will strive to reach consensus among the Members of the Association, as below:
- 23. Decisions concerning the following matters, among other, shall be considered Special Decisions:
 - a. The annual budget;
 - b. Changes in the Articles of Association;
 - c. Changes in the Members' Rules;
 - d. The termination of membership – in accordance with the special procedures applicable to this subject. See the sections on termination of membership;
 - e. Changes to the corporate structure of the Association;
 - f. Changes to the organizational structure of the Association;
 - g. Long term contracts or associations with outside actors, that will affect the ongoing operations of the Association, its independence, or the ability of its Members to make decisions regarding the Association.
- 24. The purpose of the process described in this section 24 is to try to arrive at a consensus among the Members in questions of Special Decisions. The process shall be as follows:
 - a. After there is a discussion about a proposal and there appears to be opposition to the proposal, the vote on the decision will be postponed to the next meeting, which will occur at a time set by the Steering Committee.
 - b. At the next meeting, a decision can be made if at least 85% of the Members take part in the vote and at least 85% supports or agrees to the proposal.
 - c. If there is no quorum or the proposal does not garner the required majority, the matter will be postponed to another discussion to be set by the decision of the Steering Committee.
 - d. In the additional discussion, a decision on the proposal can be taken if there is at least 60% of the Members present and at least 85% of the Members present support or agree with the proposal.
- 25. Decisions concerning changes in the Articles of Association, changes in the structure of the Association or its dissolution, will be taken in accordance with the provisions of the law, but will not take effect without the approval of the Registrar of Communal Associations.
- 26. Council
 - a. The Council will be made up of one Member from each housing unit.
 - b. The Members Assembly will choose the Council from all the Members, but will choose only one Member from each housing unit, in accordance with the recommendations of the residents of such housing unit.
 - c. The Council will convene as needed.
 - d. Notice to convene a meeting of the Council will be sent at least 14 days before the proposed date.
 - e. Every decision taken by the Council will be considered a Special Decision and will be taken in the manner set forth in the section on Special Decisions.

Authority of the Council

- f. Property rights in Association property;
 - g. Special expenditures, not in the budget, that affects the Association's capital;
 - h. The assessment of a periodic or one-time payment, beyond the commitments given by the members at the beginning.
- 27. Steering Committee
 - a. The Steering Committee will consist of between five (5) and eleven (11) members among whom will be a representative from every committee established in accordance with the Articles of Association or decisions in the Members Assembly. All the members of the Steering Committee shall be chosen in the General Assembly.
 - b. A member of the Steering Committee shall serve for a term of two (2) years. No one may serve two (2) consecutive terms.

- c. Each year there will be an election of one-half of the members of the Steering Committee. In the event that there is an odd number of members of the Steering Committee, half plus one member of the Steering Committee will stand for election.
 - d. In the first election, one half of the Steering Committee will be chosen by affirmation. If there is no affirmation, there will be a lottery among the members.
 - e. The Steering Committee shall choose a chair from among its members.
28. The Authority of the Steering Committee
- The Steering Committee shall be responsible for the ongoing management of the Association and shall have all the powers not allocated to another body of the Association. Among other things, the Steering Committee's authority shall include:
- a. The Implementation of the decisions of the Members Assembly and the Council;
 - b. Coordination between the Committees and between the Committees and the Steering Committee;
 - c. Oversight of the financial management of the Association;
 - d. Assurance of transparency and timely updating of the Members about decisions taken by the different bodies of the Association;
 - e. Organization the meetings of the Members Assembly and the Council;
 - f. Preparation of an annual report to the Members and the responsibility to prepare the necessary documents for presentation to the various legal authorities;
 - g. Management of all legal, financial and other communications of the Association with outside bodies.
29. Committees
- a. There shall be permanent and temporary committees within the Association, in accordance with the decision of the Members Assembly.
 - b. The Steering Committee shall be entitled to delegate its authority to ad-hoc committees made up of members of the Steering Committee and/or Members of the Association, as it shall see fit.
30. Audit Responsibilities
- a. The Association shall elect a three-person Audit Committee from among the Members.
 - b. An outside auditor shall be appointed at the annual meeting of the General Assembly.
 - c. Members of the Audit Committee shall be Association Members who do not serve on the Steering or Finance Committees.
 - d. In addition, the Steering Committee, with the approval of the Audit Committee, shall appoint an Internal Auditor, who will be authorized to audit all of the activities of the Association.

Officers of the Association

- 31. An officer of the Association shall have a fiduciary duty to the Association and shall act in good faith in acting in.
 - a. An officer shall refrain from taking part in any matter in which there may be a conflict of interest his/her position in the Association and in other positions he/she may hold and in relation to personal matters.
 - b. An officer shall refrain from any act in competition with the businesses of the Association.
 - c. An officer shall refrain from exploiting a business opportunity of the Association for the benefit of such officer or of another.
 - d. An officer shall disclose to the Association any information or document that relates to the Association's interests that may come to his/her attention as a result of his/her position with the Association.
- 32. The General Assembly has the authority to retroactively approve any of the actions that are described in section 31, above, as long as the all the following conditions are fulfilled:
 - a. The officer acted in good faith and the action and its approval do not harm the interests of the Association.
 - b. The officer disclosed to the Association, in a reasonable time before the discussion of whether or not to approve the officer's action, the officer's personal interest in the action, including all material facts and documentation.
- 33. The Steering Committee will authorize at least one of the members of the Steering Committee to sign on behalf of the Association and also from among those who aren't members of the Steering Committee.
- 34. The signature of two signatories from among the authorized signatories, together with the stamp of the Association, shall bind the Association.
- 35. Officers' obligations
 - a. An Officer has a duty of care towards the Association as set forth in sections 35 and 36 of the Torts Ordinance [New Version]. The Officer must act at a level of competence that befits a reasonable official of the same status and in the same circumstances, including implementing, while taking into account prevailing circumstances, reasonable means of acquiring information regarding the business or social benefit of any action which is brought to him/her for confirmation, or of an action which he/she carries out as part of his/her role, and will act to obtain any information of significance regarding said action.

- b. The appointment of a member of the Steering Committee who has expertise in accounting and/or finance or who is considered a professional according to the Companies Law shall not relieve him/her or any other member of the Steering Committee of the responsibility placed on them by reason of law.
36. Exemptions, Indemnification and Insurance
- a. In accordance with legal requirements, including the Companies Law, the Association may excuse or exempt an Officer, in whole or in part, from responsibility for damages caused by a negligent action taken by him/her while acting in his/her official capacity.
 - b. In accordance with legal requirements, including the Companies Law, the Association may obtain a policy providing for directors' and officers' liability insurance to cover any liability that may fall upon an Officer as a result of an action taken in such Officer's official capacity, in the following cases:
 - i. A violation of the duty of care towards the Association or another.
 - ii. A violation of the fiduciary duty towards the Association, but only where the Officer acted in good faith and had a reasonable belief that such action would not harm the Association.
 - iii. A financial obligation imposed upon her/him for the benefit of another person.
 - iv. Any other incident for which it is permissible or will be permissible to insure an Officer.
37. In accordance with legal requirements, the Association may make a commitment in advance to indemnify an Officer for expenses imposed upon him/her, or expenses incurred in the course of carrying out the duties of his/her role, so long as the commitment for indemnification shall be limited to events that the Steering Committee considers predictable in light of the Association's usual activities, at the time when the commitment to indemnification is made, and shall be limited to an amount or a criterion, which the Steering Committee has deemed reasonable, given the circumstances. The commitment to indemnify will list the events that in the Steering Committee's opinion are predictable in light of the Association's usual activities at the time the commitment is made, and the amount or the criterion which the Steering Committee determined as being reasonable under the circumstances.
38. Without derogating from the foregoing, the General Assembly may indemnify an Officer retroactively for any obligation or expense incurred as described above, imposed on that Officer because of an action she/he took in her/his official capacity.
39. The commitment to indemnify or indemnification may be given for any financial obligation or expense imposed on an Officer because of an action she/he took in her/his official capacity, as follows:
- a. A financial obligation to be paid by the Officer to another person in accordance with a court order, including a court order resulting from a settlement or the order of an arbitrator.
 - b. The reasonable costs of litigation, including attorney's fees, expended by the Officer in the course of an investigation or proceeding against her/him by an official investigative or prosecutorial body, that ended without an indictment against the Officer, or the imposition of a monetary fine in the place of a criminal proceeding not requiring the proof of criminal intent; In these Articles, the conclusion of proceedings without filing an indictment in a matter for which a criminal investigation was opened," means is the closing of a case according to section 62 of the Criminal Procedure Law (Consolidated Version), 1982 ("The Criminal Procedure Law") or the suspension of proceeding by the Attorney General in accordance with section 231 of the Criminal Procedure Law; "A fine in lieu of criminal proceedings" means a fine imposed in accordance with the law in lieu of criminal proceedings, including an administrative fine in accordance with the Administrative Offences Law, 1985, a fine for an offence defined as a penalty offence according to the provisions of the Criminal Procedure Law, a monetary sanction or payment.
 - c. Reasonable litigation expenses, including attorney's fees, incurred by an official or imposed by the court, as the result of proceedings filed against him/her by CHI or on its behalf or by another individual, or due to criminal conviction for which he/she was acquitted, or for a criminal conviction in which he/she was convicted of an offense which does not demand proof of criminal intent.
 - d. Any other liability or expenditure for which it is and/or will be lawful to indemnify an official.

Chapter 8 – Dispute Resolution

40. All disputes arising from the Association's activities, whether between Members of the Association, or between a Member or a former Member and the Association, the Steering Committee or any other body of the Association will be heard and decided by an agreed-upon mediator; or, if no agreement on the identity of the mediator can be obtained, by the Registrar of Cooperatives in accordance with section 52(2) of the Cooperative Associations Ordinance.

Chapter 9 – Miscellaneous

41. Cash Balance Upon the Dissolution of the Association
- a. Upon dissolution of the Association, each Member shall be paid the amount invested by her/him, together with linkage, subject to the obligations of the Association.

- b. In the event that the value of the property has increased, each Member shall be entitled to receive eighty percent (80%) of the current value.
- c. Any balance remaining in the Association at the time of its dissolution shall be given to a similar Association, or one that advances the principles of cooperative living, or will be divided among a number of cooperative associations that act in accordance with the principles of the cooperative movement, in circumstances as similar as possible to those of the Association. The decision as to which association or associations to distribute the cash balance to will be made by the General Assembly by majority vote.

42. Notices

All notices sent between the Association and a Member, in accordance with these Articles or law, concerning the interpretation of these Articles, or their application, or any action whatsoever in accordance with them, or concerning a Member's membership in the Association, or the Association's existence or activities, shall be considered having been received by a Member if sent to the email address provided by the Member upon her/his joining the Association or as updated in the Members' Registry.

If a Member has requested in writing that notices not be sent by electronic mail, notices will be sent by regular mail to the address provided by the Member set forth in such request, and such notices will be considered as received within seven (7) business days from the date such notice is put in the mail.

43. Power of Attorney

These Articles of Association shall serve as an irrevocable power of attorney and permission given to the Association to act in the name of its Members in all aspects of the Association's purpose and authority.

FOUNDERS' SIGNATURES

Attorney's Confirmation

I hereby confirm that on November 9, 2016, the persons identified above as Founders #1-7 came before me, Adv. Yifat Solel, and signed these Articles of Association.

Yifat Solel, Adv.
Chair

The Association of Cooperatives for Social, Economic and Environmental Justice