



2011 General by-law of

HSB CO-OPERATIVE HOUSING ASSOCIATIONS

Version 5



HSB – home of opportunities

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This is a non-official translation of the 2011 General by-laws of HSB's tenant-owner associations [Sw. Normalstadgar 2011 för HSBs bostadsrättsföreningar, version 5]. The Swedish version shall always prevail in case of any discrepancy or inconsistency between Swedish version and its English translation.

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These statutes were adopted by the association meeting on

_____ and _____

COMPANY SIGNATURE

PRINT NAME

COMPANY SIGNATURE

PRINT NAME

ABOUT THE ASSOCIATION

SECTION 1. **THE HOUSING CO-OPERATIVE* ASSOCIATION'S NAME AND REGISTERED OFFICE**

The housing co-operative association's name is HSB
Bostadsrättsförening

The registered office is located in (enter city)

SECTION 2. **THE PURPOSE OF THE HOUSING CO-OPERATIVE ASSOCIATION**

The housing co-operative association has as its purpose to grant a right of use to its members within the housing co-operative residence in respect of residential apartments for permanent accommodation and premises without any limit in time and thereby promote the members' economic interests. Furthermore, the housing co-operative association has as its purpose to promote study and leisure activities within the housing co-operative association and to strengthen the community and meet common interests and needs, whilst promoting service activities and accessibility

related to the residence. In all activities, the housing co-operative association must protect the environment by promoting long term sustainable development.

The tenant owner rights are the rights in the housing co-operative association that a member has as a consequence of the grant of a right of use by the association.

Members who have housing co-operative rights are referred to as housing co-operatives.

SECTION 3. **COOPERATION**

The housing co-operative association shall be a member of an HSB association, hereinafter referred to as HSB. HSB shall be a member of the housing co-operative association.

The housing co-operative association's activities shall be conducted in collaboration with HSB.

The housing co-operative association will instruct HSB in a separately executed agreement to assist the housing co-operative association in the management of its affairs and accounts.

* The co-operative housing associations are tenant-owned, where the members together form and own the housing cooperative, whereas the property is owned by the housing cooperative that in turn gives each member the right to live in a specific apartment.

TRANSFER OF HOUSING CO-OPERATIVE'S RIGHTS AND MEMBERSHIP

SECTION 4. **REQUIREMENTS OF TRANSFER**

An agreement regarding the transfer of the housing co-operative's rights by purchase shall be made in writing and signed by the seller and the purchaser. The purchase agreement shall include a definition of the property which is to be transferred and the purchase price. The same applies upon an exchange or gift.

Any transfer agreement that does not comply with these requirements is invalid.

SECTION 5. **RIGHT OF MEMBERSHIP**

Membership of the housing co-operative association can be granted to any person who is a member of HSB and:

1. who obtains housing co-operative rights through a grant of housing co-operative rights in the housing co-operative association's property, or
2. who acquires housing co-operative rights in the housing co-operative association's property.

If housing co-operative rights have been transferred to a housing co-operative's spouse, the spouse may be denied membership within the housing co-operative association only if the spouse is not a member of HSB. The aforementioned shall correspondingly apply where housing co-operative rights in a residential apartment have been transferred to another closely-related person who was permanently cohabiting with the housing co-operative.

No person to whom housing co-operative rights have been transferred may be denied membership in the housing co-operative association if the terms of membership as set out in this paragraph are fulfilled and the housing co-operative association should reasonably accept them as a housing co-operative. In accordance with the housing co-operative association's purpose, if it can be assumed that the transferee does not intend to reside permanently in the residential apartment, the housing co-operative association may deny membership.

Membership may not be denied on discriminatory grounds.

Legal entities

HSB shall be granted membership in the housing co-operative association.

A legal entity that acquires housing co-operative rights in a residential apartment that is not intended for recreational purposes may be denied membership. A municipality or county council that acquires housing co-operative rights in a residential apartment may not be denied membership.

A legal entity that is a member of the housing co-operative association must have the consent of the board of directors of the housing co-operative association in order to acquire through a transfer housing co-operative rights in a residential apartment that is not intended to be used for recreational purposes. Consent is not required for executive or forced sale if the legal entity had a mortgage on the property or if the acquisition is made by a municipality or county council.

SECTION 6. **ACQUISITION OF SHARES**

Any person who has acquired a share in housing co-operative rights in a residential apartment shall be granted membership if the housing co-operative rights, after the acquisition, are held by a spouse, cohabitant or closely-related persons permanently cohabiting.

SECTION 7. **ACQUISITION BY FAMILY LAW**

If housing co-operative rights are transferred by way of distribution of a marital estate, inheritance, will, distribution of corporate assets or similar acquisition and the transferee has not been accepted as a member, the housing co-operative association may request that the transferee demonstrate, within six months of the request, that a person who may not be denied membership in the housing co-operative association has acquired the housing co-operative rights and applied for membership. If the request is not complied with, the property may be forcibly sold in accordance with Housing co-operative Rights Act on behalf of the acquirer.

SECTION 8.
RIGHT TO EXERCISE HOUSING CO-OPERATIVE RIGHTS

When housing co-operative rights have been transferred to a new tenant, they may exercise their housing co-operative rights only if they are a member of, or are granted membership in, the housing co-operative association.

The decedent's estate of a housing co-operative may exercise the housing co-operative's rights, despite the estate not being a member of the housing co-operative association. Three years after the death, the housing co-operative association may request that the estate demonstrate, within six months of request, that the housing co-operative rights have been included in a distribution of the estate or testamentary distribution or that a person who may not be denied membership in the housing co-operative association has acquired the housing co-operative rights and applied for membership. If the request is not complied with, the property may be forcibly sold on behalf of the estate in accordance with the Housing co-operative Rights Act.

Three years after the transfer, a legal entity that has a mortgage on the property and the transfer was made by forced sale or executive sale may be requested to demonstrate, within six months, that a person who may not be denied membership in the housing co-operative association has acquired the housing co-operative rights and applied for membership.

SECTION 9.
CONSIDERATION OF MEMBERSHIP

Enquiries regarding acceptance of a member shall be decided by the board of directors.

The board is obliged to decide upon membership within one month from receipt by the housing co-operative association of a written and complete application for membership.

In order to assess the application for membership, the housing co-operative association may request credit information regarding the applicant.

SECTION 10.
DENIAL OF MEMBERSHIP

A transfer is invalid if the person to whom the housing co-operative rights are transferred is denied membership in the housing co-operative association.

According to the Housing co-operative Rights Act, special rules apply to executive sales and forced sales.

FEES PAYABLE TO THE HOUSING CO-OPERATIVE ASSOCIATION

SECTION 11. **INVESTMENT, SHARE AND ANNUAL FEE**

The annual fee is apportioned between the residential apartments in proportion to the apartments' shares. The annual fee shall cover the housing co-operative association's day-to-day operations. The size of the annual fee must allow for the provision of maintenance of the housing co-operative association's property in accordance with an existing maintenance plan. If there is an internal fund, funding is also included for internal maintenance.

The board decides the investment and share for the apartment. Resolutions regarding changes to the shares which entail a change in the relationship between the various shares shall be made by the association meeting. The resolution is passed provided a minimum of two-thirds of the members at the association meeting support the decision.

Resolutions amending the investment amount shall always be decided at the association meeting. Rules governing a valid resolution are set out in the Housing co-operative Rights Act.

The board of directors determines the amount of the annual fee. The annual fee is payable monthly at no later than the last weekday before the start of each calendar month unless the board of directors decides otherwise. In the event the annual fee is not paid in a timely manner, interest on the unpaid fee shall be paid according to the Interest Act from the due date until full payment is made, as well as a late fee and collection fee according to the Collection Fees (Compensation) Act.

Compensation for heating and hot water, electricity, waste collection or water included in the annual fee may be calculated according to usage. For data transfer, payment may be calculated as an equal amount per apartment.

SECTION 12. **FEES FOR GRANTS OF RIGHTS, TRANSFERS, MORTGAGES AND SUB-HOUSING CO-OPERATIVE RIGHTS**

A fee may be charged at the discretion of the board of directors for grants of rights, transfers, and mortgages. The housing co-operative association may charge the housing co-operative a transfer fee of up to 2.5 per cent of the statutory price base amount.

The housing co-operative association may charge the housing co-operative a mortgage fee of up to one per cent of the statutory price base amount.

The statutory price base amount is determined in accordance with the Social Insurance Code and is determined for transfer fees at the time of application for membership and for mortgage fees at the time of notification of the mortgage.

A fee for a sub-housing co-operative rights may be charged at the discretion of the board. The housing co-operative association may charge the housing co-operative a sub-housing co-operative rights fee of up to 10 per cent of the statutory price base amount per year. If an apartment is sub-leased for part of a year, the maximum allowable fee is calculated based on the number of calendar months the apartment is sub-leased.

The housing co-operative association may not otherwise charge a separate fee for measures which the housing co-operative association is obligated to take by reason of law or statute.

THE ASSOCIATION MEETING

SECTION 13. **FINANCIAL YEAR AND ANNUAL REPORT**

The housing co-operative association's financial year covers the period

The board of directors shall provide the auditors with the annual report at least six weeks before the annual association meeting. The annual report shall consist of a management report, income statement, balance sheet and additional information.

SECTION 14. **THE ASSOCIATION MEETING**

The association meeting is the highest decision-making body of the housing co-operative association.

The annual association meeting shall be held within six months after the end of each financial year.

Extraordinary association meetings shall be held when the board has reason to do so. Extraordinary association meetings shall also be held at the written request of an auditor or by at least one-tenth of the persons entitled to vote.

The request shall specify the matter to be dealt with.

The association meeting may decide that a non-member shall have the right to attend or otherwise follow the proceedings at the association meeting. Such a resolution is valid only if it is supported by all the persons entitled to vote who are present at the association meeting.

Representatives, assistants and other functionaries of the association meeting are always entitled to attend the association meeting.

SECTION 15. **MOTIONS**

A member who wishes to have a specific matter considered at the annual association meeting must report the matter to the board in writing before the end of the month of

SECTION 16. **NOTICE TO ATTEND ASSOCIATION MEETINGS**

The board of directors convenes association meetings. Notice to attend the association meeting shall include information regarding the matters to be considered at the association meeting.

Notice may be given no earlier than six weeks and no later than two weeks before the association meeting.

Notice is given when posted in an appropriate location within the housing co-operative association property. In accordance with the law in certain cases, written notice must be sent to each member whose address is known to the housing co-operative association. Where written notice is required by law, the housing co-operative association may use electronic methods. Further regulations governing the use of electronic methods are set out in law.

SECTION 17. **AGENDA**

Annual association meeting

The annual association meeting shall address the following business:

1. opening of the association meeting
2. election of association chairperson
3. notification of the chairperson's choice of person to keep the minutes of the meeting
4. approval of the voting register
5. right to attend the association meeting
6. approval of the agenda
7. election of two persons to attest the minutes together with the chairperson of the meeting
8. election of at least two persons to count the votes
9. determination of whether notice has been duly provided
10. review of the board's annual report
11. review of the auditors' report
12. resolution regarding adoption of the income statement and balance sheet.
13. allocations of the housing co-operative association's profit or loss according to the adopted balance sheet
14. resolution regarding discharge from liability for the board members

15. resolution on fees and principles for other financial payments to the members of the board of directors, auditors, the nomination committee and the other elected representatives elected by the association meeting
16. resolution regarding the number of directors and alternate directors
17. election of the chairperson of the board, board members, and alternates
18. presentation of HSB-member
19. resolution regarding the number of auditors and alternate auditors
20. election of auditors and/or alternate auditors
21. resolution regarding the members of the nomination committee
22. election of the nomination committee and a member to be appointed as the chairperson of the nomination committee
23. election of proxy and substitute and other representatives of HSB
24. matters referred by the board to the association meeting and matters reported by members as set out the notice
25. closure of the association meeting

Extraordinary association meetings

In addition to clauses 1–9 above, the notice of the extraordinary association meeting shall include the matters to be considered.

SECTION 18. VOTING RIGHTS, PROXIES AND ASSISTANTS

Each member has one vote at the association meeting. Where more than one member holds the housing co-operative rights jointly, they have one vote together. If one member holds housing co-operative rights for more than one apartment in the housing co-operative association, the member has one vote.

A member who has not paid any due and payable investment sum or annual fee shall not have the right to vote.

A member's right to attend the association meeting is exercised by the member personally or by the member's representative by law or proxy.

The proxy shall provide a written and dated proxy form. The proxy form shall be in the original and must be valid for at least one year from the date of issue.

Members may freely choose a proxy. The proxy may only represent one member.

A member may be accompanied by an assistant of their choosing.

SECTION 19. VOTING

Resolutions are adopted at the association meeting where supported by more than one-half of the votes cast or, if equal votes are cast, where supported by the chairperson of the meeting.

In elections, the person who has received the most votes is elected. If the number of votes is equal, the election is decided by a draw unless otherwise decided by the association meeting before the election is conducted.

Certain resolutions require a special majority by law.

In a closed ballot, if a ballot is not submitted or a ballot is submitted without voting information (a so-called blank ballot), a vote is not considered to have been submitted.

SECTION 20. MINUTES OF THE ASSOCIATION MEETING

The chairperson of the association meeting shall ensure that the minutes are recorded.

With regards to the content of the minutes, the following applies:

1. the voting register must be recorded in, or attached to, the minutes;
2. resolutions of the association meeting shall be recorded in the minutes, and
3. if voting has occurred, the result must be stated in the minutes.

The minutes shall be signed by the chairperson and the persons attesting the minutes.

No later than three weeks after the association meeting, the approved minutes shall be made available to the members at the housing co-operative association. The minutes shall be archived in a secure manner.

BOARD OF DIRECTORS, AUDITOR OCH NOMINATION COMMITTEE

SECTION 21. **THE BOARD OF DIRECTORS**

The board of directors shall consist of a minimum of three and a maximum of eleven members with a maximum of four alternates. Of those, one board member and not more than one alternate member shall be appointed by the board of directors of HSB.

The association meeting elects the chairperson of the board and other board members and alternates.

The term of office is a maximum of two years. The board members and alternates may be re-elected. If a totally new board is elected by the association meeting, the term of office for one-half of the members, or if there is an odd number of members the closest larger number, shall be one year.

SECTION 22. **CONSTITUTING THE BOARD AND COMPANY SIGNATURE**

The board members may constitute themselves with the exception of the chairperson of the board who is elected by the association meeting. The board shall appoint a secretary from amongst its members. The board shall also appoint a coordinator for study and leisure activities within the housing co-operative association. The housing co-operative association's company signature is signed by the board. The board may appoint a maximum of four people, at least two of whom shall be board members, to sign on behalf of the housing co-operative association through two people acting jointly.

SECTION 23. **QUORUM**

The board is quorate when more than one-half of all members of the board are present. The board's decision is that which receives a majority of votes. If an equal number of votes is received, the chairperson of the board shall have the casting vote. When the minimum number of members is present, unanimity is required for a valid resolution.

SECTION 24. **MINUTES OF THE ASSOCIATION MEETING**

Minutes shall be taken at the meetings of the board. The minutes shall be attested by the chairperson of the board and an additional member appointed by the board.

The board members have the right to record divergent views in the minutes.

Only board members and the auditor have the right to read the board minutes. The board has the option of allowing others to read the minutes of the board.

The minutes shall be archived in a secure manner. The minutes of the board meetings shall be recorded in numerical order.

SECTION 25. **AUDITORS**

There shall be a minimum of two and a maximum of three auditors with at the most one alternate. Of these, one auditor shall always be appointed by HSB Riksförbund, and the others shall be elected by the association meeting. The term of office runs until the next annual association meeting.

The auditor shall carry out their work so that the audit is completed, and the audit report is submitted at least three weeks before the association meeting. The board shall submit a written statement to the annual association meeting in respect of qualifications made in the audit report.

The annual report, the audit report, and the board's statement regarding qualifications in the audit report shall be made available to the members at least two weeks before the general meeting at which they are to be addressed.

SECTION 26. **NOMINATION COMMITTEE**

The nomination committee shall be elected at the annual association meeting.

The term of office runs until the next annual association meeting. The nomination committee shall comprise of at least two members. One member shall be appointed by the association meeting to chair the nomination committee.

The nomination committee shall propose and nominate people to elected offices to be filled by the association meeting.

The nomination committee shall submit proposals to the association meeting on fees and propose principles for other financial remuneration for board members and auditors.

FUNDS AND MAINTENANCE

SECTION 27. **FUNDS**

Exterior fund

The housing co-operative association shall have a fund for exterior maintenance.

In accordance with an established maintenance plan, the board shall reserve and use funds for exterior maintenance.

Interior fund

The housing co-operative association may have a fund for interior maintenance of housing co-operative apartments. Payments to the interior maintenance fund shall be decided by the board.

Housing co-operatives may use that part of the fund belonging to the housing co-operative's apartment to fund interior apartment maintenance costs.

The housing co-operative apartment's share of the fund is determined on the basis of the ratio between the unit share for the apartment and all of the units for housing co-operative apartments in the housing co-operative association, with deductions made for withdrawals already made.

SECTION 28. **MAINTENANCE PLAN**

The board shall:

1. prepare a maintenance plan to maintain the property of the housing co-operative association;
2. budget annually to ensure that sufficient funds are available to maintain the housing co-operative association's property;
3. ensure that the housing co-operative association's property is appropriately inspected and in accordance with the housing co-operative association's maintenance plan, and
4. regularly update the maintenance plan.

SECTION 29. **SURPLUS AND DEFICIT**

Following allocation to a maintenance fund, any surplus or deficit that may arise within the housing co-operative association's operations shall be carried forward.

HOUSING CO-OPERATIVE QUESTIONS

SECTION 30.

EXTRACT FROM THE APARTMENT REGISTER

The housing co-operative has the right to obtain excerpts from the apartment list regarding their housing co-operative rights. The excerpt shall set out:

1. the apartment's designation, address, number of rooms and other spaces;
2. the date that the financial plan which is the basis for housing co-operative rights is registered at the Swedish Companies Registration Office;
3. the housing co-operative's name;
4. the investment amount paid for the housing co-operative rights;
5. what has been recorded regarding charges registered against the housing co-operative rights, and
6. the date of issue.

SECTION 31.

HOUSING CO-OPERATIVE RESPONSIBILITIES

The housing co-operative shall, at their own expense, keep the apartment in good condition. This means that the housing co-operative is, at their own expense, responsible for maintenance and repair of the apartment.

The housing co-operative shall obtain insurance cover for the housing co-operative's maintenance and repair responsibilities in accordance as required by law and these statutes. If the housing co-operative association has purchased an equivalent insurance policy in favor of the housing co-operative, the housing co-operative shall, if applicable, be liable for the excess and the cost of any age-based differential.

The tenant shall comply with the instructions provided by the housing co-operative association regarding installations regarding sewage, heat, gas, electricity, water, ventilation, and data transfer arrangements. For certain measures in the apartment, the board's permission is required in accordance with section 37. All works undertaken by the tenant in the apartment must always be carried out in a professional manner.

The apartment includes:

1. the surface layer of the apartment's walls, floors and ceiling together with the underlying preparation that is necessary in order to apply the surface layer in a professional manner. The housing co-operative is also responsible for the moisture-proofing layers in the bathroom and wet rooms;
2. non-load bearing internal walls;
3. the furnishings of the apartment and other spaces belonging to the apartment including, sanitary ware, kitchen furnishings, white goods such as fridge/freezer and washing machine; the housing co-operative is also responsible for water pipes, shut-off valves and, where applicable, connections for water pipes to these furnishings;
4. the interior doors of the apartment with associated moldings, surrounds, skirting boards, linings, frames, sealing strips,
5. the inside of the exterior door and fittings, handles, hinges, sealing strips, letterboxes, locks and keys;
6. glass in windows and doors and glazing bars and, where applicable, double glazing panels,
7. window/door window fittings, handles, hinges, sealing strips and painting; however, the housing co-operative association is responsible for painting parts of the windows/window doors which are visible from outside of the property;
8. painting of radiators and radiator pipes;
9. conduits for wastewater, gas, water and data transfer devices to the parts that are visible in the apartment and which serve only the apartment in question;
10. water fittings (mixer, shower nozzle, etc.) including gaskets, shut-off valves and water pipe connection fittings;
11. clamping ring around the floor drain, cleaning of the floor drains and water trap;
12. fireplaces and iron stoves;
13. kitchen fans, carbon filter fans, cooker hoods, ventilators and ventilation fans if they are not part of the building's ventilation system. Installation of items that affect the ventilation of the building requires the permission of the board;
14. fuse boxes, all electrical wiring in the apartment together with switches, electrical outlets and fixtures;
15. fire alarms, and
16. electrical floor heaters and towel rails that the housing co-operative has added to the apartment.

If the housing co-operative's rights include additional storage spaces, garage or other apartment supplements, the housing co-operative has the same maintenance and repair responsibility for these spaces as for the apartment in accordance with above. This also applies to land in which rights are granted together with the housing co-operative rights.

If the apartment has a balcony, patio, land or outside space that is a part of the housing co-operative rights, the housing co-operative is responsible for cleaning and snow removal. The housing co-operative is responsible for painting of the inside of the balcony/patio surround and the floor. Painting is to be carried out in accordance with the housing co-operative association's instructions. If the apartment has a roof terrace, the housing co-operative must ensure that the run-off of storm water is not impeded. With regards to the land/patio, the housing co-operative is obliged to follow the housing co-operative association's instructions with regards to the management of the land/patio.

The housing co-operative is obliged to report to the housing co-operative association errors and deficiencies in any apartment fixtures, pipes and cables that the housing co-operative association is responsible for according to these statutes or as required by law.

SECTION 32. THE ASSOCIATION'S RESPONSIBILITIES

The housing co-operative association is responsible for ensuring that the building and the housing co-operative association's real property, excluding the items which remain the housing co-operative's responsibility according to section 31, are well maintained and kept in good condition.

The housing co-operative association is responsible for maintenance and repair of the following:

1. pipes and cables for drainage, heat, gas, electricity and water, if the housing co-operative association has installed such pipes and cables to the apartment and such pipes and cables supply services to more than one apartment (so-called trunk lines);
2. pipes and cables for gas, water and data transfer devices provided by the housing co-operative association to the apartment and situated in the floors, ceilings, separating walls or load-bearing walls;
3. radiators and radiator pipes in the apartment that the housing co-operative association provided to the apartment;
4. chimneys (excluding chimneys in tiled stoves) and ventilation ducts, including the entire ventilation system including ventilation appliances including those for cookers/kitchen fans which are part of the building's ventilation; and
5. front door including letterbox, postbox and fence.

SECTION 33. FIRE, WATER AND VERMIN DAMAGE

For repair of fire or water damage (damage due to outflow of tap water), the tenant is responsible only to a limited extent in accordance with the Housing co-operative Rights Act.

This also applies, where applicable, to vermin in the apartment.

SECTION 34. THE ASSOCIATION'S ASSUMPTION OF MAINTENANCE OBLIGATIONS

The housing co-operative association may carry out repairs and replace the fixtures and fittings for which the housing co-operative is responsible according to section 31. Such a decision shall be made at the association meeting and may only relate to measures taken in connection with extensive maintenance or remodeling of the housing co-operative association's property and which affect the tenant's apartment.

SECTION 35. ALTERATIONS TO THE APARTMENT BY THE ASSOCIATION

If a decision made at a housing co-operative association meeting means that an apartment held with housing co-operative rights will be modified or taken over by the housing co-operative association as a result of a renovation or extension, the housing co-operative must consent to the decision. If the tenant does not consent to the change, the decision will only be valid if at least two-thirds of the persons voting at the association meeting have agreed with it and the decision has already been approved by the Rent Tribunal.

SECTION 36. REMEDYING DEFECTS

If the housing co-operative neglects their responsibility in respect of the condition of the apartment so that the safety of another person is jeopardised or there is a risk of extensive damage to the property of a third-party and the housing co-operative fails to remedy the defect regarding the condition of the apartment, upon request, as soon as possible, the tenant association may remedy the defect at the expense of the tenant.

SECTION 37.
**ALTERATIONS TO THE APARTMENT
BY THE HOUSING CO-OPERATIVE**

The housing co-operative may not, without the board's consent, carry out works which include:

1. alterations to a supporting structure;
2. alterations to existing pipes and cables for drainage, heat, gas or water; or
3. other significant alterations to the apartment.

The board may only refuse to consent to such works referred to in the first paragraph if the works will significantly damage or cause inconvenience to the housing co-operative association.

SECTION 38.
USE OF THE APARTMENT - DISTURBANCES

When using the apartment, the tenant shall ensure that persons living in the surrounding area are not disturbed in such a way that would cause damage to their health or otherwise impair their living environment to an extent that should not reasonably be tolerated. The housing co-operative shall also, in general when using the apartment, act in a manner so as to maintain health, order and good condition inside or outside the property.

The housing co-operative shall monitor that the obligations are also complied with by persons living in the housing co-operative's household, persons who visit the housing co-operative as a guest, persons who the housing co-operative has accommodated, or persons who performs work in the apartment on behalf of the housing co-operative.

The housing co-operative association may adopt regulations governing conduct. The aforementioned regulations must accord with local customs. The housing co-operative shall comply with the housing co-operative association's regulations.

If there is a disturbance in the property, the housing co-operative association shall give the tenant the opportunity to ensure that the disturbance immediately ceases. The aforementioned shall not apply if the housing co-operative's membership in the association is terminated due to the fact that the disturbance is particularly serious in view of its nature or extent.

If the tenant knows or has reason to suspect that an item may have vermin it may not be taken into the apartment.

SECTION 39.
ACCESS TO THE APARTMENT

Representatives the housing co-operative association are entitled to gain access to the apartment when required to inspect or carry out work that the housing co-operative association is responsible for or to remedy a defect if the tenant neglects their responsibility with regards to the apartment's condition.

When the housing co-operative has surrendered the housing co-operative rights or when the apartment is to be forcibly sold, the housing co-operative shall allow the apartment to be viewed at reasonable times. The housing co-operative association shall ensure that the housing co-operative is not unnecessarily inconvenienced.

The housing co-operative association may access the apartment and complete necessary works to eradicate vermin in the property or the grounds.

If the housing co-operative does not allow access to the housing co-operative association, the association may apply for special administrative assistance from the Swedish Enforcement Authority.

SECTION 40.
SUBHOUSING CO-OPERATIVE RIGHTS

A housing co-operative may only grant subhousing co-operative rights in their apartment to a third-party for independent use with the written consent of the board. The board's consent should be limited to a specific period of time and shall be granted if the housing co-operative has reason for granting subhousing co-operative rights and the housing co-operative association has no justified reason to refuse consent.

If the board does not consent to the subhousing co-operative rights, the housing co-operative may nonetheless grant subhousing co-operative rights in the apartment if the subhousing co-operative rights are approved by the Rent Tribunal.

When a legal entity holds a housing co-operative apartment, consent to subhousing co-operative rights may only be denied if the housing co-operative association has a justified reason.

Consent to subhousing co-operative rights is not required:

- if the housing co-operative rights were acquired by way of executive sale or forced sale under the Housing co-operative Rights Act by a legal entity who had a mortgage on the apartment and who was not accepted as a member of the housing co-operative association; or
- if the apartment is intended as a permanent residence and the housing co-operative rights for the apartment are held by a municipality or county council.

Where consent is not required, the housing co-operative shall immediately notify the board of the subhousing co-operative rights.

SECTION 41.

ACCOMMODATION PROVIDED TO THIRD PARTIES

The housing co-operative may not allow a third party to reside in the apartment where such might result in prejudice to the housing co-operative association or any other member of the housing co-operative association.

SECTION 42.

USE OF THE APARTMENT FOR INTENDED PURPOSE

The housing co-operative may not use the apartment for any purpose other than its intended purpose.

The housing co-operative association may, however, only invoke deviations which are of considerable significance to the housing co-operative association or any member of the housing co-operative association.

SECTION 43.

SURRENDER OF HOUSING CO-OPERATIVE RIGHTS

A housing co-operative may surrender their housing co-operative rights after two years, at the earliest, from the grant of the housing co-operative rights and is thereafter released from its obligations as a housing co-operative. The surrender shall be made in writing to the board.

Upon surrender, the housing co-operative rights shall transfer to the housing co-operative association at the end of the first full month which occurs three months after the surrender, or at such later end of the month specified in the surrender.

SECTION 44.

GROUNDINGS FOR TERMINATION

The housing co-operative's right to use an apartment pursuant to their housing co-operative rights, and possession of which has commenced, is forfeited and the housing co-operative association may terminate the housing co-operative rights and demand surrender of the premises as follows:

1. Late payment of investment sum or fee for grant of housing co-operative rights

If payment by the housing co-operative of the investment sum or fee for grant of housing co-operative rights is delayed for more than two weeks from the date the housing co-operative association instructs the tenant to fulfil their payment obligation;

2. Late annual fee or subhousing co-operative rights fee

If payment by the housing co-operative of the annual fee or subhousing co-operative rights fee, in the case of an residential apartment, is delayed for more than one week after the due date or, in the case of commercial premises, more than two weekdays after the due date;

3. Grant subhousing co-operative rights without consent

If the housing co-operative grants subhousing co-operative rights in the apartment without the necessary consent or permission;

4. Other purpose

If the apartment is used for purposes other than those permitted;

5. Accommodation of third parties

If the owner tenant accommodates third parties to the prejudice of the housing co-operative association or other member;

6. Vermin

If the tenant or a person to whom the apartment has been transferred by way of subhousing co-operative rights negligently causes vermin to enter the apartment, or if the tenant does not inform the board without undue delay that there is vermin in the apartment, thereby contributing to the spread of the vermin within the building;

7. Neglect, disturbances, etc.

If the apartment is otherwise neglected or if the housing co-operative or a person to whom the apartment has been transferred by way of subhousing co-operative rights otherwise exposes residents in the area to disturbance, or fails to maintain a healthy environment, proper order and the good condition of the apartment, or fails to comply with the housing co-operative association regulations;

8. Denied access

If the housing co-operative fails to provide access to the apartment when the housing co-operative association has a right to access and the housing co-operative cannot demonstrate a valid reason for such;

9. Important obligations

If the housing co-operative fails to fulfil an obligation that exceeds what the tenant owner is obligated to do according to the Housing co-operative Rights Act and it must be considered of utmost importance to the housing co-operative association that the obligation is fulfilled; and

10. Illegal activities

If the apartment is used wholly or substantially for business or similar activities which constitute, or which a not insignificant part involves, criminal acts or if the apartment is used for temporary sexual relations for payment.

Notice of termination must be in writing.

The right of use shall not be forfeited where the damage or inconvenience caused by the housing co-operative is of minor significance.

Request for correction, termination, and special provisions

Clauses 3-5 and 7-9

Termination in accordance with clauses 3-5 or 7-9 may be made if the housing co-operative fails to remedy, without delay, after notice has been given.

Clauses 1-6 and 7-9

If the right of use in accordance with clauses 1-5 or 7-9 is forfeited but remedial measures are taken before the housing co-operative association has demanded surrender of the apartment, the housing co-operative may not then be evicted from the apartment on that basis. The aforementioned shall not apply if a right of use is forfeited on the basis of a particularly serious disturbance within the property.

The housing co-operative may also not be evicted from the apartment in accordance with clauses 6 or 9 if the housing co-operative association has not demanded surrender of the apartment within three months from the date the housing co-operative association was notified of the event referred to.

Clause 2

If the right of use in accordance with clause 2 is forfeited due to a delay in payment of the annual fee or subhousing co-operative rights fee, and if the housing co-operative association has for this reason demanded surrender of the apartment, the housing co-operative may not be evicted on the grounds of delay.

1. if the fee – in the case of a residential apartment – is paid within three weeks from notification of the possibility to reacquire the apartment by paying the fee within this time, and notification of termination and the reason for this is provided to Social Services in the municipality where the apartment is located.
2. if the fee – in the case of commercial premises – is paid within two weeks of the housing co-operative being notified of the possibility to reacquire the apartment by paying the fee within this time.

In the case of a residential apartment, the housing co-operative may not be evicted from the apartment if the housing co-operative has been prevented from paying the fee within the time specified in clause 1 on the basis of illness or similar unforeseen circumstances and the fee is paid as soon as possible, however at the latest when the dispute regarding eviction is settled in the first instance.

Clause 1 shall not apply if the housing co-operative, by repeatedly failing to pay the fee, has breached their obligations to such extent that the housing co-operative should not reasonably be allowed to keep the apartment.

The decision regarding eviction may be issued no earlier than the third weekday after expiry of the time specified in the first paragraph of clause 1 or 2.

Clause 3

In the case of a residential apartment, however, termination in accordance with clause 3 may not be made if the housing co-operative applies without delay for consent to grant subhousing co-operative rights and the application is granted.

The tenant may only be evicted from the apartment if the housing co-operative association has demanded that the housing co-operative make rectification. The demand to rectify shall be made within two months of the date the housing co-operative association was notified of the event referred to in clause 3.

Clause 7

In the case of a particularly serious disturbance in the property, clause 7 shall apply even if no notice to rectify has been given. Notice to rectify is always required if subhousing co-operative rights have been granted in respect of the apartment.

Social Services shall be notified prior to termination of the housing co-operative rights in accordance with clause 7. In the case of a particularly serious disturbance, termination can be made without notification to Social Services. A copy of the notice of termination shall, however, be sent to social services.

Clause 10

The housing co-operative may be evicted from the apartment in accordance with clause 10 only if the housing co-operative association has demanded surrender of the apartment within two months of the date the housing co-operative association learned of the circumstance. However, if the criminal acts are being prosecuted, or if a preliminary investigation has been initiated within the same time, the housing co-operative association retains its right of termination until two months have elapsed from the date of judgment in the criminal proceedings has gained legal force or the legal proceedings were completed in another way.

SECTION 45.
CERTAIN NOTIFICATIONS

The housing co-operative association has complied with its obligations when notice, as set out below, is sent by the housing co-operative association by registered post to the recipient's usual address.

1. notice of disturbance in the property
2. notice to remedy a deficiency
3. request to pay the investment sum or grant of housing co-operative rights fee
4. notice to remedy
5. notice to Social Services
6. notice to the mortgage lender in respect of unpaid fees to the housing co-operative association
7. notice to legal entities and decedents estates concerning denied membership

Other notices to members are given when posted in an appropriate place on the housing co-operative association's property or by post.

The housing co-operative association may use electronic methods to communicate with its members or other persons where there is a requirement by law for written information. Further regulations on the conditions for the use of electronic methods are set out in law.

SPECIAL RESOLUTIONS

SECTION 46. **HOUSING CO-OPERATIVE ASSOCIATION'S PROPERTY AND SITE LEASEHOLD INTEREST**

The board, or authorized signatories, may not dispose of housing co-operative association property, part of the property, or a site leasehold interest without the association meeting's approval

The board, or authorized signatories, may not demolish or decide on significant changes to the housing co-operative association's building or land such as significant additions, rebuilds and redevelopments of such property.

The board, or authorized signatories, may apply for a mortgage or other registration in the land register of the housing co-operative association's property or land.

SECTION 47. **SPECIFIC RULES FOR VALID RESOLUTIONS**

The following resolutions require the approval of the board of directors of HSB:

1. resolutions to transfer the housing co-operative association's property, part of the property, or site leasehold interest;
2. resolution amending the housing co-operative association statutes.

The following resolutions require the approval of the board of directors of HSB and HSB Riksförbund;

3. a resolution that the housing co-operative association shall enter into liquidation or be merged with another legal entity;
4. resolutions amending the housing co-operative association statutes that do not correspond with HSB Riksförbund's recommended general statutes for housing co-operative associations.

SECTION 48. **WITHDRAWAL FROM HSB**

If a resolution entails that the housing co-operative association requests its withdrawal from HSB, the resolution is only valid if adopted at two consecutive association meetings and, at the later association meeting, is supported by at least two-thirds of the persons voting.

Upon withdrawal from HSB, the housing co-operative association's statutes and name shall be amended without application of section 47.

SECTION 49. **DISSOLUTION**

If the housing co-operative association is dissolved, retained assets shall accrue to the members in proportion to the housing co-operatives' investments.



HSB – home of opportunities

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