

# Bylaws of Milwaukee Community Land Trust, Ltd

## Article I. GENERAL PROVISIONS

### Section 1.01 Name

The name of this organization shall be Milwaukee Community Land Trust, Ltd., hereinafter referred to as the “Corporation.”

### Section 1.02 Purposes

The purposes for which this corporation is organized are:

This corporation is organized and operated exclusively for charitable and educational purposes, as well as to promote the general social welfare of the City of Milwaukee, within the meaning of 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future federal tax code, by fostering the availability of quality, affordable housing in the City of Milwaukee.

The specific purposes for which this corporation is organized are:

To hold land, real, or personal property for the public benefit with the goal of creating permanently affordable housing and supporting the general social welfare for all residents of the City of Milwaukee. To promote these purposes, use of land, housing, commercial, or related facilities held by this corporation shall forward one or more of the following goals:

- Provide access to land and affordable housing for low income households.
- Provide access to land and housing units for a public housing organization.
- Increase the total housing stock in the City of Milwaukee in order to promote affordable and available housing throughout the City of Milwaukee.
- Increase housing density to promote walkable neighborhoods and decrease households’ utility and transportation costs.
- Maintain or augment the aesthetic or historical qualities of the City of Milwaukee.
- Promote conservation and responsible management of land and natural resources.

- Provide access to land and commercial or related facilities to local businesses or organizations in order to develop an economic base in and for the City of Milwaukee.

To study, provide education, and community service to the public about urban planning, affordable housing, homeownership, financial matters, housing rehabilitation, and cooperative development.

To (i) acquire, construct, rehabilitate, and provide housing, commercial, and related facilities without regard to race, color, creed, sex, national origin, age, disability, or sexual preference, (ii) acquire, improve, and operate any real or personal property or interest or rights therein or appurtenant thereto, (iii) sell, convey, assign, mortgage, or lease any real or personal property, (iv) borrow money and execute such evidence of indebtedness and such contracts, agreements, and instruments as may be necessary, and execute and deliver any mortgage, deed of trust, assignment of income, or other security instrument in connection therewith, and (v) do all things necessary and appropriate for carrying out and exercising the foregoing purposes and powers.

### **Section 1.03 Offices**

The principal office of the Corporation shall be located in Milwaukee, Wisconsin unless another location is approved by an affirmative vote of a majority of the Corporation's voting Membership present at a duly called Membership meeting. The Board of Directors may establish other offices from time to time, within or outside the State of Wisconsin, as the affairs of the Corporation require.

### **Section 1.04 Seal**

The board of directors may adopt, use, and at will alter, a corporate seal. Such seal shall be kept at the principal office of the corporation. Failure to affix the seal to corporate instruments, however, shall not affect the validity of any such instrument.

## **Article II. MEMBERSHIP**

### **Section 2.01 Regular Membership**

Subsequent to the First Annual Membership Meeting, the Regular Members of the Corporation, with full voting rights, shall be:

- (a) The Lessee Members, who shall be all persons currently leasing land or housing from the Corporation or who lease or own housing that is located on land leased by another entity from the Corporation, or any member of such a household eighteen years of age or older.
- (b) The General Members, who shall be all other persons, eighteen years of age or older, who have complied with the following requirements:
  - (i) *Payment of dues of \$1 for the current calendar year.*
  - (ii) *Are a resident of the City of Milwaukee.*
  - (iii) *Have expressed interest and support for the ideals of this Corporation: that land should be held for the public good with democratic oversight; the implementation of sound urban planning principles for the benefit of the people of Milwaukee; and that affordable housing is a universal human right.*
  - (iv) *Anyone who is elected as a Public Representative to the Board of Directors but is not eligible to become a Lessee or General Member shall be considered a Regular Member until the end of their term as Director. In elections to the Board of Directors, these members shall only have the right to vote only for Public Representatives.*

## **Section 2.02 Rights of Members**

Every Member shall have the right to serve on Committees of the Board of Directors if chosen. Every Regular Member shall have the right to participate in meetings of the Membership, to cast one vote on all matters properly put before the Membership for consideration, to nominate and participate in the election of the Board of Directors as provided by these Bylaws, to serve on the Board of Directors if chosen, and to receive notices of Membership Meetings.

The assent of the Regular Membership, in accordance with these Bylaws, shall be required before action may be taken on the assessment of membership dues, the removal or suspension of Members or Directors, the sale of land as specified in Article 7 Section 5, the alteration of the “resale formula,” the amendment of the Articles of Incorporation or these Bylaws, the dissolution or merger of the Corporation, the disposition of all or substantially all of the assets of the Corporation other than in the regular course of activities of the Corporation, the movement of the Corporation’s principal office to a location outside of Milwaukee, Wisconsin, and any other major issue concerning the Corporation, as determined by majority vote of the Board of Directors.

## **Section 2.03 Supporting Membership**

Any person who has paid the annual dues established for the current calendar year but who does not wish to become a Regular Member or has not met all of the requirements of Regular Membership shall be designated a Supporting Member of the Corporation.

## Section 2.04 Membership Meetings

- (a) *Notice of Meetings.* Written notice of every Membership Meeting shall be given to all Regular Members and all Supporting Members who have paid annual dues, and shall include the place, date, and time of the meeting, and a description of any matters that must be approved by the Membership. Unless otherwise specified in these Bylaws, notice shall be mailed at least 30 days but no more than 60 days prior to a meeting. Notice shall occur by email, but any Member without an email address shall be sent notice by mail.
- (b) *Annual Meetings.* Subsequent to the First Annual Membership Meeting, the Annual Meeting of the Membership, for reports to the Membership by the Board of Directors and Officers, the election of Directors, and the transaction of other business, shall be held within three months after the end of the calendar year. The location and specific time of the Annual Meeting shall be determined by the Board of Directors. Only those persons who are Members on the date of the Annual Meeting may vote at the Annual Meeting. Any Member who has let his/her Membership lapse within the last year may renew his/her Membership on or before the day of the Annual Meeting and shall then be eligible to vote at the meeting.
- (c) *First Annual Membership Meeting.* The First Annual Membership Meeting shall occur in the first quarter of 2019 unless the Initial Board of Directors decides by majority vote to call the First Annual Membership Meeting in the first quarter of 2018.
- (d) *Regular Meetings.* Regular Meetings may be scheduled by the Regular Membership at such times and places as they shall establish at the Annual Meeting. Additional notice thereof shall not be required.
- (e) *Special Meetings.* Special Meetings of the Membership may be called by a majority vote of the Board of Directors, a quorum having been established, or by a written petition or petitions addressed and delivered to the Vice President, signed and dated by at least 30% of the voting Membership or 20 voting Members (whichever is less) and describing the purposes for which the special meeting is to be held. Notice must be provided as above and must include an agenda and a description of the matters for which the meeting was called. At a Special Meeting, only those matters for which the meeting was called, as stated in the notice, may be acted upon by the Membership.
- (f) *Open meetings.* All Membership Meetings shall be open to any person.

- (g) Minutes. Minutes of all Membership Meetings shall be recorded by the Secretary of the Corporation or by another person designated by the Board of Directors. Minutes for every meeting shall be approved by the Regular Membership at the next Membership Meeting, except for the Annual Meeting which may be approved by the Membership or the Board of Directors. All duly approved minutes of Membership meetings shall be kept on permanent record by the Corporation. A copy of the minutes of the Annual Meeting of the Membership shall be made available to all Members within ten days after their approval.*
- (h) Quorum. A quorum shall consist of the greater of 10 members or 10 percent of the total Regular Membership, as determined by the Secretary of the Corporation, excluding proxies, physically present at an annual, regular, or special meeting. Without a quorum present, the presider shall not entertain any motion except a motion to adjourn.*
- (i) Decision-Making. Whenever possible, decisions shall be made at Membership Meetings by the consensus of the Regular Members present, a quorum being assembled. In the event that consensus is not attained, a decision shall be made by an affirmative vote of a majority of the Regular Members present and voting, a quorum being assembled, except as otherwise provided in these Bylaws. Before a vote is held on any motion, the exact language of the motion shall be recorded by the meeting's secretary and read to the Membership, and all Members present shall have a reasonable opportunity to express their opinions on the proposition.*
- (j) Proxy Voting. A voting Member who is present at a Membership meeting may hold up to three signed proxies from other non-present Members in good standing who have responsibilities that prevent them from attending a meeting in person, and vote for those Members.*
- (k) No person who has been a Member for less than 30 days may vote at a meeting other than the Annual Meeting.*

## **Section 2.05 Resignation**

Any Member of the Corporation may resign at any time by delivering or mailing a written resignation to the Corporation. Unless otherwise specified, such resignation shall be effective upon its receipt by the Corporation.

## Section 2.06 Removal

- (a) *Membership of all types shall be terminated when a Member has failed to comply with the requirements of Section 1 of this Article.*
- (b) *Membership may also be suspended or terminated for good cause, should a Member act in a manner seriously detrimental to the Corporation. Before a suspension or removal of a Member:*
  - (i) *Written charges specifying the conduct must be filed with the Secretary of the Board. Any Member of the Corporation may file the charges and appear before the Board with respect to the charges. The Board shall review the charges and if it votes to proceed with the charges, the Board shall set a date for suspension or removal and follow the procedure described in this Section. If the Board determines that the charges are not sufficient to support a suspension or removal, the Board shall dismiss the charges and that shall constitute the final action of the Corporation with respect to the particular charges.*
  - (ii) *If the Board votes to support the charges, it shall give a copy of the notice of the charges to the Member charged along with a notice that the Board has voted to support the charges and the date set for suspension or removal (the "Notice"). The date for suspension or expulsion shall be after the date by which the Member may request a fair hearing. The Notice may state that a Member may avoid suspension or expulsion by taking specified action prior to the date of suspension or expulsion. The Notice shall be mailed or hand delivered to the Member. Notice by mail shall be by first class or certified mail sent to the last address of the Member shown on the Corporation's records. Notice by mail shall be deemed delivered within 5 days of mailing.*
  - (iii) *The Member charged shall have had at least twenty-five days following the mailing of the Notice in which to request a fair hearing before a special committee of the Corporation consisting of three persons: one selected by the affected Member; one selected by the Board of Directors within ten days following the selection of the first, in consultation with the Member who brought the charges; and one selected by the first two. These persons may be, but need not be, Members of the Corporation. No suspension or expulsion shall take place pending the outcome of the fair hearing procedure described in this Section. If a Member fails to request a fair hearing, or fails to take corrective action if corrective action is specified in the Notice, the suspension or removal shall take effect on the date set forth in the Notice.*

- (iv) If requested by the affected Member, the committee shall hold a hearing, allowing each of the charging Member and the affected Member to present evidence in the presence of the other. The committee shall base its decision on all of the relevant facts and circumstances. After the hearing, this committee shall prepare a written report of its findings and its recommendation (by majority vote, if consensus cannot be reached) whether the Member should be suspended or removed. This report must include the vote of each member of the committee and a personal statement explaining the basis for his/her decision. The report shall be completed within one month following the appointment of the committee, if that is reasonably possible.*
- (v) If the committee recommends that the Member be suspended or removed, this recommendation must be approved by 2/3 of the voting Members present at the next Membership Meeting held after the completion of the committee's report. The affected Member shall be afforded a fair opportunity to appear before the Membership and present evidence in his/her defense before the decision is made.*

## **Section 2.07 Non-Residential Representatives**

- (a) The Corporation may own land or other facilities that are used for commercial, production, or for other non-residential purposes. Each non-residential lessee may appoint, remove, or replace as they deem appropriate one person per unit leased from the Corporation to represent them as a Non-Residential Representative. Each non-residential lessee shall provide their Representative's name and mailing address to the Secretary of the Corporation.
- (b) Non-Residential Representatives are not Members of this Corporation and do not have any of the rights of Members, unless they are simultaneously a Regular or Supporting Member. Non-Residential Representatives have only the right to nominate and participate in the election of the Non-Residential Advocate to the Non-Residential Committee, as described in Article 5 Section 1 of these Bylaws.

## **Article III. BOARD OF DIRECTORS**

### **Section 3.01 Number of Directors**

All Boards of Directors shall consist of nine, twelve, or fifteen Directors, as the Board of Directors may determine in order to ensure equitable distribution of Board responsibilities, the development of skills and leadership among the Membership, and adequate representation of the Membership, except:

- (a) The Initial Board of Directors shall be the Board of Directors as named in the Articles of Incorporation.
- (b) The first elected Board of Directors (elected at the First Annual Membership Meeting) may consist of six Directors.

### **Section 3.02 Composition of the Board**

There shall be three categories of Directors, each consisting of one third of the total Board. The three categories shall be “Lessee Representatives” representing Lessee Members, “General Representatives” representing General Members, and “Public Representatives” representing the interests of the general public.

### **Section 3.03 Nomination of Directors**

For all regular elections subsequent to the First Annual Membership Meeting of the Membership, Directors shall be nominated as follows:

(a) Lessee Representatives

- (i) Lessee Members may nominate Lessee Representatives to the Board from among themselves. These nominations must be submitted in writing to the Secretary of the Corporation at least ten days prior to the Secretary sending notice of the Annual Membership Meeting to the Membership.*
- (ii) In the event that, at the time when the notice of the Annual Membership Meeting is to be sent out, the number of nominations is less than the number of Lessee Representative seats to be filled, the Board of Directors shall nominate enough candidates so that the total number of candidates is sufficient to fill the number of seats to be filled. To achieve this end, the Board may, at any time prior to the sending out of such notice, approve a list of candidates for Lessee Representative to be nominated in such event. In making such nominations, the Board shall select actual Lessees to the extent that they are available to serve on the Board of Directors. Otherwise the Board shall select persons who can reasonably be expected to represent the normal interests and concerns of Lessees.*
- (iii) Lessee Member Representatives shall be or live in the household of:*

  - 1) a homeowner
  - 2) a limited equity housing cooperative shareholder
  - 3) a tenant in a rental housing unit
  - 4) unless there are no such members qualified or willing to serve as a Lessee Representative.

(b) General Representatives

- (i) General Members may nominate General Representatives to the Board from among themselves. These nominations must be submitted in writing to the Secretary of the Corporation at least ten days prior to the Secretary sending notice of the Annual Membership Meeting to the Membership.*
- (ii) In the event that, at the time the notice of the Annual Membership Meeting is to be sent out, the number of nominations for General representative is less than the number of General Representative seats to be filled, the Board of Directors shall nominate enough candidates so that the total number of candidates is sufficient to fill the number of seats to be filled. To achieve this end, the Board may, at any time prior to the sending out of such notice, approve a list of candidates for General Representatives to be nominated in such event. Otherwise the Board shall select persons who can reasonably be expected to represent the normal interests and concerns of General Members.*

(c) Public Representatives.

- (i) The Board of Directors shall actively solicit nominations for individuals whose skills, ability to represent populations underrepresented on the Board, or who possess some other qualification that would enhance the capabilities of the Board of Directors. All Members may nominate individuals over the age of 18 to run as a Public Representative subject to these same guidelines. Nominations must be submitted in writing to the Secretary of the Corporation at least at least ten days prior to the Secretary sending notice of the Annual Membership Meeting to the Membership.*
- (ii) A list of all persons nominated in each of the three categories shall be included with the notice of the Annual Meeting.*

**Section 3.04 Election of Directors**

Directors shall be elected by the Regular Members present and voting at the Annual Meeting, a quorum being assembled, in accordance with the following procedures:

- (a) A separate vote shall be taken for each of the three categories of Board representatives in the following order: (1) Lessee Representatives, (2) General Representatives, and (3) Public Representatives. If a person has been nominated in more than one category and is then elected in one category, his or her name shall be removed from the list of nominees in the remaining categories.
- (b) Only Lessee Members may vote to elect Lessee Representatives unless no Lessee members are present at the Annual Membership Meeting. If no Lessee members are present, then General Members may vote to elect Lessee Representatives. Each Member qualified to vote for Lessee Representatives may vote for as many nominees in this category as there are Lessee Representative seats to be filled unless voting proceeds by preference voting.
- (c) Only General Members may vote to elect General Representatives unless no General members are present at the Annual Membership Meeting. If no General Members are present, then Lessee Members may vote to elect General Representatives. Each Member qualified to vote for General Representatives may vote for as many nominees in this category as there are General Representative seats to be filled unless voting proceeds by preference voting.
- (d) All Regular Members (both Lessee and General Members) may vote to elect Public Representatives. Each Regular Member may vote for as many Public Representative nominees as there are Public Representative seats to be filled unless voting proceeds by preference voting.
- (e) In each of the three categories, if voting does not proceed by preference voting, positions shall be filled by those candidates receiving the greatest number of votes in the category. No candidate shall be elected without receiving a vote from a majority of ballots, with runoff votes taken if necessary.
- (f) If the number of candidates in a category exceeds the number of vacant positions by more than one, voting shall proceed by preference voting.
- (g) If the terms in a category are not of equal length, the winning candidates shall be assigned terms longest to shortest by greatest to least vote total (or first winner to last winner in preference voting), or by lot if the vote totals are equal; however, the winning candidates may choose to assign term lengths by mutual agreement.

### Section 3.05 Vacancies

- (a) Subsequent to the First Annual Membership Meeting, should vacancies occur on the Board of Directors as the result of resignation or removal, the remaining Directors (though they may constitute less than a quorum) may elect a person to fill the vacancy by two-thirds majority. Directors so elected shall serve until the next Annual Meeting, at which time the seat will be filled by election by the Membership for the remainder of that term, following the procedures of this Article. Alternatively, by unanimous agreement, the Board of Directors may decide to leave the position vacant until the next Annual Meeting of the Membership, provided there is not already a vacancy in the departing Director's category (Lessee, General, or Public).
- (b) Prior to the First Annual Membership Meeting, should vacancies occur on the Board of Directors as a result of resignation or removal, the remaining Directors shall elect a person to fill the vacancy by two-thirds majority vote of the remaining Directors.
- (c) Any person elected to fill a vacancy on the Board of Directors must be one who can be reasonably expected to represent the interests of the constituents in the category (Lessee, General, or Public) in which the vacancy occurs.

### **Section 3.06 Low Income Representation**

In their actions regarding the nomination and election of directors and appointment of people to fill vacancies on the board of directors, the Membership and the Board of Directors shall at all times ensure that at least one third of the Board is maintained for residents of low-income neighborhoods, other low-income community residents, or representatives of low-income neighborhood organizations.

### Section 3.07 Terms of Directors

- (a) Terms of Directors. Except as otherwise provided in these Bylaws, each Director shall serve a full term of three years. Terms end at the Adjournment the Annual Membership Meeting at which their replacement is elected.
- (b) Staggering of Terms to Ensure Continuity. To ensure continuity on the Board of Directors, (a) no more than one third of the seats on the Board of Directors and (b) no more than two Directors of the same category as defined in Section 2 of this Article shall be up for election in a single year. Therefore and only if necessary, newly elected Directors shall be assigned as described in Section 4 Paragraph 7 of this article to a two-year, three-year, or four-year term such that the expiration of terms is in compliance with the continuity requirements of this paragraph.
- (c) Terms of the Initial Board of Directors. The initial Board of Directors shall serve until the First Annual Membership Meeting and will thus have terms of approximately 2.5 years.
- (d) Commencement of Terms. The term of office of a regularly elected Director shall commence at the adjournment of the Annual Membership Meeting in which he or she is elected. The term of office of a Director elected by the Board to fill a vacancy shall begin at the time of his or her acceptance of the position.
- (e) Re-election. In order to encourage the development of skills and leadership among the Membership, no person shall serve as a Director for more than two consecutive elected terms. Appointment by the Board of Directors to replace a vacant seat shall not count as an elected term, but a partial term in which a Director was elected to fill a vacancy shall count as an elected term. After a year's absence from the Board, however, a person who has served two consecutive elected terms may return to the Board if reelected, and may serve up to two consecutive elected terms.

### Section 3.08 Resignation

Any Director may resign at any time by giving written notice to the Secretary. Unless otherwise specified, such resignation shall be effective upon the receipt of notice by the Secretary.

### Section 3.09 Removal

- (a) For absences. A Director shall be considered to have given notice of resignation and his or her position shall be declared vacant by the Board of Directors if he or she fails to attend 50% of the meetings of the Board in a twelve-month period or three consecutive meetings of the Board with the exception of emergency meetings, unless good cause for absence and continuing interest in participation on the Board are recognized by the Board. When a Director has failed to comply with the absence requirements of this paragraph, the Secretary shall notify him or her in writing that, at the next regular Board meeting, his or her position will be declared vacant unless the Board determines that there has been good cause for the Director's absences and that the Director continues to be interested in participating on the Board of Directors. The notification by the Secretary shall be mailed no later than seven days prior to the Board meeting at which the position may be declared vacant. At this meeting, the Director in question shall be given the opportunity to show good cause for past absences from meetings and continuing interest in participating on the Board. The resignation of a Director for absences shall not become effective until the Board has declared the position vacant by majority vote.
- (b) For cause. A Director can be removed for acting in a manner seriously detrimental to the Corporation, including activities that may damage the Corporation's reputation or cause a perception that a Director is unable to be trusted in the management of a charitable organization. Violations of the Conflicts of Interest policy (Article 6) are sufficient grounds for removal as even small violations are against the character of this Corporation and jeopardize its tax exempt status. The procedure for removing a Director from the Board of Directors is the same as for removing a member, as described in Article 2 Section 6, and the affected Director must be recused from all Board discussions and votes on this matter. The special committee may recommend that the affected Director's Membership be terminated, thus rendering this person ineligible to serve as Director and vacating his or her position as Director. Alternatively, the committee may recommend that the affected Director's Membership be temporarily suspended for the remainder of his or her term; in this case, the Director would be rendered ineligible to serve as director, thus vacating his or her position as Director, but would be able to participate as a Member at the end of the suspension period.

### Section 3.10 Meetings of the Board of Directors

- (a) Notice of Meetings. Except as provided below for emergency meetings, written notice of a Board meeting shall be mailed to all Directors at least seven days prior to the meeting, or shall be delivered in person or emailed at least five days prior to the meeting. Notice of every meeting shall include an agenda for the meeting.

- (b) **Waiver of Notice.** Any Director may waive any notice required by these Bylaws. Any Director who has not received notice of a Board meeting but has attended that meeting shall be considered to have waived notice of that meeting, unless he or she requests that his or her protest be recorded in the minutes of the meeting.
- (c) **Annual Meeting.** The Annual Meeting of the Board of Directors may be held immediately following the Annual Membership Meeting and must be held no later than 24 hours following the Annual Membership Meeting.
- (d) **Regular Meetings.** The Board of Directors shall meet no less often than once every two months, at such times and places as the Board may establish.
- (e) **Special Meetings and Emergency Meetings.** Special meetings may be called by the President, by any three Directors, or by written petition or petitions addressed and delivered to the Vice President of the Corporation, signed and dated by at least 30% of the voting Membership or 20 voting Members (whichever is lower). Notice must be given as provided above, unless any three Directors determine that the matter at hand constitutes an emergency. When so determined, an Emergency Meeting may be called on one-day notice. Notice of Emergency Meetings, including an announcement of the agenda, shall be given by telephone or in person to all Directors. At any Special or Emergency Meeting of the Board, only those matters included in the announced agenda may be acted upon unless all of the Directors are present at the meeting and unanimously agree to take action on other matters.

### **Section 3.11 Procedures for Meetings of the Board of Directors**

- (a) **Open Meetings.** All meetings of the Board of Directors shall be open to any Member of this Corporation except when the Board has voted, during an open meeting, to go into executive session.
- (b) **Executive Session.** A motion to go into executive session shall state the nature of the business of the executive session, and no other matter may be considered in the executive session. No binding action may be taken in executive session except actions regarding the securing of real estate purchase options or contracts in accordance with Paragraphs a and b below. Attendance in executive session shall be limited to the Directors and any persons whose presence is requested by the Board of Directors. Minutes of an executive session need not be taken; however, if they are taken, they shall be recorded as a part of the minutes of the meeting in which the Board has voted to go into executive session. Entering Executive Session does not exempt the Board from the Conflicts of Interest requirements of Article 6, including the taking of accurate corporate records for matters with a real or perceived conflict of interest. The Board shall not hold an executive session except to consider one or more of the following matters:

- (i) *Contracts, labor relations agreements with employees, arbitration, grievances, or litigation involving the Corporation when premature public knowledge would place the Corporation or person involved at a substantial disadvantage.*
  - (ii) *Real estate purchase offers and the negotiating or securing of real estate purchase options or contracts.*
  - (iii) *The appointment or evaluation of an employee, and any disciplinary or dismissal action against an employee (however, nothing in this section shall be construed to impair the right of the employee to a public hearing if action is taken to discipline or dismiss).*
  - (iv) *The consideration of applications from persons seeking to lease land and/or housing, purchase housing or other improvements, or arrange financing from the Corporation.*
  - (v) *A clear and imminent peril to the public safety*
  - (vi) *Matters pertaining to relationships between the Corporation and any party who might be harmed by public discussion of such matters.*
  - (vii) *Discussion or consideration of records or documents excepted from the access to public records provisions of Article 11, Section 10 of these Bylaws. Discussion or consideration of the excepted record or document shall not itself permit an extension of the executive session to the general subject to which the record or document pertains.*
- (c) **Quorum.** At any meeting of the Board, a quorum shall consist of a majority of the Board of Directors, provided that at least one representative from each of the three categories of representatives is present. Prior to the First Annual Membership Meeting, a quorum shall consist of a majority of the Board of Directors. Without a quorum present, the presider shall not entertain any motion except a motion to adjourn.
- (d) **Decision-Making.** The Board shall attempt to reach unanimous agreement on all decisions. In the event that unanimous agreement cannot be achieved, a decision may be made by a majority of the Directors present and voting, except as otherwise provided in these Bylaws.
- (e) **Minutes.** Minutes of all Board meetings shall be recorded by the Secretary or by such other person as the Board may designate, and shall be corrected as necessary and approved by the Board at the next Board meeting. All duly approved minutes of Board meetings shall be kept on permanent record by the Corporation. Minutes shall include voting as described in Article 6 Section 9.

### **Section 3.12 Duties of the Board of Directors**

The Board of Directors shall carry out the purposes of the Corporation, implement the decisions of the Regular Membership, and be responsible for the general management of the affairs of the Corporation in accordance with these Bylaws. Specifically, the Board shall:

- (a) Approve a written Annual Report to the Membership, and make this report available to all Members. This report shall include a summary of the Corporation's activities during the previous year, the Corporation's most recent financial reports, a list of all real estate held by the Corporation, explain the nature and purpose of all leases, and explain the Corporation's plans for next year.
- (b) Adopt an annual operating budget prior to the beginning of each fiscal year, and approve any expenditures not included in the budget.
- (c) Elect all officers of the Corporation.
- (d) Supervise the activities of all officers, agents, and Committees of the Corporation to assure that their duties are performed properly and investigate any possible conflicts of interest within the Corporation.
- (e) Adopt and implement personnel policies providing for the hiring, supervision, and evaluation of employees.
- (f) Provide for the deposit of funds in accordance with Article 11 of these Bylaws.
- (g) Determine by whom and in what manner deeds, leases, contracts, checks, drafts, endorsements, notes and other instruments shall be signed on behalf of the Corporation.
- (h) Acquire such parcels of land, with or without buildings and other improvements, through donation, purchase, or otherwise, as the Board shall determine that it is useful and prudent to acquire in furtherance of the purposes of the Corporation.
- (i) Convey the right to use land, through leases or other limited conveyances, in accordance with the provisions of Articles 8 of these Bylaws.
- (j) Convey ownership of housing and other improvements on the Corporation's land to qualified lessees, as possible, in accordance with the provisions of Articles 8 of these Bylaws.
- (k) Exercise, as appropriate, the Corporation's option to repurchase (or arrange for the resale of) housing and other improvements on the Corporation's land, or condominium units on which the corporation holds a purchase option.
- (l) Develop the resources necessary for the operation of the Corporation and for the acquisition and development of land and housing.

- (m) Assure the sound management of the Corporation's finances.
- (n) Provide notice of meetings, minutes, and reports, as required by these Bylaws or otherwise required by the Membership.
- (o) Perform any and all duties imposed on them collectively or individually by law, the Articles of Incorporation, the Membership, or these Bylaws.
- (p) Appoint and remove, employ and discharge, and, except as otherwise provided in these Bylaws, prescribe the duties and fix the compensation, if any, of all officers, agents, and employees of the corporation. All votes taken on compensation must be recorded in meeting minutes with the vote of each Director recorded.
- (q) Meet at such times and places as required by these Bylaws
- (r) Register their addresses with the Secretary of the Corporation.

### **Section 3.13 Powers of the Board of Directors**

In addition to the power to carry out the duties enumerated above, the Board of Directors shall have the power to:

- (a) Appoint, employ and discharge advisors and consultants who have skills necessary or helpful to the Corporation; provided, however, that such power shall not prevent the Chief Executive Officer and his or her designees from appointing, employing and discharging advisors, employees and consultants consistent with the authority granted such executive and other staff by their respective job descriptions.
- (b) Create, dissolve, and oversee such committees as necessary or desirable to further the purposes of the Corporation. No committee may take action on behalf of the Corporation except as authorized by the Board of Directors. Unless otherwise specified in these Bylaws:
  - (i) *Committees shall only be created or dissolved by the Board of Directors by majority vote.*
  - (ii) *Any Member of the Corporation may be appointed to any committee by majority vote of the Board of Directors. All Committee members shall serve at the pleasure of the Board of Directors and may be removed at any time by majority vote of the Board of Directors.*
- (c) Call special meetings of the membership.
- (d) Approve the borrowing and lending of money as necessary to further the purposes of the Corporation and in accordance with Article 8 of these Bylaws.
- (e) Exercise all other powers necessary to conduct the affairs and further the purposes of the Corporation in conformance with the Articles of Incorporation and these Bylaws, including, without limitation, the power to authorize the Corporation to purchase real property, enter into contracts and other legal instruments and authorize the staff of the Corporation to execute such contracts and other legal instruments on behalf of the Corporation.

### **Section 3.14 Limitations on the Powers of the Board of Directors**

Action taken by the Board of Directors on any motion for the assessment of membership dues, the removal or suspension of Members of Directors, the sale of land except as provided in Article 7 Section 5(1), the establishment or alteration of the “resale formula,” the amendment of the Articles of Incorporation or these Bylaws, the dissolution or merger of the Corporation, the disposition of all or substantially all of the assets of the Corporation other than in the regular course of activities of the Corporation, and the movement of the Corporation’s principal office to a location outside of Milwaukee, Wisconsin, shall not become effective unless and until such action is approved by the Regular Membership in accordance with these Bylaws.

The Board of Directors shall not give a blanket mortgage on all the land owned by the Corporation.

### **Section 3.15 Compensation**

The members of the Board of Directors shall serve without compensation (except for reimbursement of actual authorized expenses) unless approved by the voting Membership.

## **Article IV. OFFICERS**

### **Section 4.01 Designation**

The officers of the Corporation shall be: President, Vice President, Secretary, and Treasurer.

### **Section 4.02 Election**

The officers of the Corporation shall be elected by a majority vote of the Board of Directors, from among themselves, at the Annual Meeting of the Board of Directors. Any vacancies occurring in any of these offices shall be filled by the Board for the unexpired term.

### **Section 4.03 Tenure**

The officers shall hold office until their replacements are elected, unless, before such time, they resign or are removed from their offices, or unless they resign or are removed from the Board of Directors. Any officer who ceases to be a member of the Board of Directors shall thereby cease to be an officer.

In order to encourage the development of skills and leadership among the Membership, no officer shall serve in the same position for more than two full, consecutive terms.

### **Section 4.04 President Emeritus**

The President Emeritus is not an officer, but an as-needed assistant to the current President. This position shall only be filled by any past President, who may or may not be a current member of the Board of Directors. There shall only be a President Emeritus during the first term of a President who has not previously served as President. There are no consecutive term limits.

### **Section 4.05 Removal**

The officers shall serve at the pleasure of the Board of Directors and may be removed from office at any time by an affirmative vote of two thirds of the Board of Directors, a quorum being assembled.

### **Section 4.06 Resignation**

Any Officer may resign from his/her office at any time by giving notice to the Board. Unless otherwise specified, such resignation shall be effective upon delivery of notice to the Board.

#### **Section 4.07 Duties of the President**

The President shall:

- (a) Preside at all meetings of the Board of Directors and the Membership or properly delegate such duty.
- (b) Consult with the other officers and the Committees of the Corporation regarding the fulfillment of their duties.
- (c) Assure that an agenda is prepared for every meeting of the Membership and provided to the Secretary in a timely fashion.
- (d) Assure that an agenda is prepared for every meeting of the Board of Directors and provided to the Secretary at least eight days in advance of the meeting.
- (e) Report on the affairs of the Corporation to the Membership at their Annual Meeting and at any other time they may require.
- (f) Perform such other duties as the Board of Directors may assign.

#### **Section 4.08 Duties of the Vice President**

The Vice President shall:

- (a) Perform all duties of the President in the event that the President is absent or unable to perform these duties.
- (b) Perform all duties of the Secretary and Treasurer in the event that these officers are unable or unwilling to perform these duties.
- (c) Assure that up-to-date copies of these Bylaws (incorporating any duly approved amendments) are maintained by the Corporation; answer all questions from the Board and Membership regarding these Bylaws; and assure that all actions of the Membership and Board of Directors comply with these Bylaws.
- (d) Assure that any and all Committees established by the board of directors are constituted as the board has directed and meet as necessary and appropriate.
- (e) Call special meetings of the Membership or Board of Directors when petitioned to do so in accordance with these Bylaws.
- (f) Perform such other duties as the Board of Directors may assign.

#### **Section 4.09 Duties of the Secretary**

The Secretary shall:

- (a) Assure that a list of all Members and their mailing addresses is maintained by the Corporation.
- (b) Assure that proper notice of all meetings of the Membership is given.
- (c) Assure that proper notice of all meetings of the Board of Directors is given, including an agenda provided by the President.
- (d) Assure that motions and votes in meetings of the Membership and Board are accurately represented to those present and are accurately recorded in the minutes.
- (e) Assure that minutes of all meetings of the Membership and the Board of Directors are recorded and kept on permanent record and provide copies of the minutes as required by these Bylaws.
- (f) Assure that all Committees have a Committee member who appropriately records all meeting minutes and keeps those minutes on permanent record.
- (g) Give notice to any Director who has been absent from three consecutive regular meetings or 50% of all regular meetings in a twelve-month period, as required by these Bylaws.
- (h) Compare the list of properties and business interests of the Board of Directors described in Article 6 Section 5 Paragraph 2 of these Bylaws with Board meeting agendas and report any potential conflicts of interest at Board Meetings.
- (i) Maintain on permanent record a list of all organizations leasing non-residential facilities from this Corporation, which shall be open to inspection to any interested person.
- (j) Perform all duties of the Vice President in the event that the Vice President is absent or unable to perform these duties.
- (k) Perform such other duties as the Board of Directors may assign.

#### **Section 4.10 Duties of the Treasurer**

The Treasurer shall oversee the finances of the Corporation. Specifically, the Treasurer shall:

- (a) Assure that the financial records of the Corporation are maintained in accordance with sound accounting practices.
- (b) Assure that funds of the Corporation are deposited in the name of the Corporation in accordance with these Bylaws.
- (c) Assure that all deeds, title papers, leases, and other documents establishing the Corporation's interest in property and rights in particular matters are systematically and securely maintained.
- (d) Assure that all money owed to the Corporation is duly collected and that all gifts of money or property to the Corporation are duly received.
- (e) Assure the proper disbursement of such funds as the Board of Directors may order or authorize to be disbursed.
- (f) Assure that accurate financial reports (including balance sheets and revenue and expense statements) are prepared and presented to the Board at the close of each quarter of each fiscal year.
- (g) Assure that such reports and returns as may be required by various government agencies are prepared and filed in a timely manner.
- (h) Assure that an annual operating budget is prepared and presented to the Board for its approval prior to the beginning of each fiscal year.

The Board may require that the Treasurer be bonded, in any amount satisfactory to the Board.

## **Article V. COMMITTEES**

This Article contains exceptions to the management of Committees as specified in Article 3 Section 13 of these Bylaws.

## Section 5.01 Non-Residential Committee

- (a) If there are no non-residential leases, there shall be no Non-Residential Committee.
- (b) The Non-Residential Committee shall consist of three individuals:
  - (i) *Two appointed by the Board of Directors.*
  - (ii) *One Non-Residential Advocate, a Non-Residential Representative nominated and elected by the Non-Residential Representatives at the Annual Meeting. The Non-Residential Representatives may elect two Non-Residential Advocates, with the candidate with the largest number of votes filling the position on the Committee and the candidate with the second largest number of votes serving only when necessary due to absence or recusal; voting must occur by preference voting if there are three or more candidates. Non-Residential Representatives may nominate representatives to this Committee from among themselves. These nominations must be submitted in writing to the Secretary of the Corporation at least ten days prior to the Secretary sending notice of the Annual Membership Meeting to the Membership. Notice of the Annual Membership Meeting shall include nominees for this position. If there is no Non-Residential Representative willing to serve on this Committee, then the Board of Directors may at any time choose a person to fill this position or may leave it vacant. This position shall have terms of one year without term limits. Each term shall end when a replacement is elected.*
- (c) Per Article 7 Section 1(4b) of these Bylaws, all non-residential leases shall charge below market rates. The Committee's only power is to oversee the execution or renewal of any non-residential lease agreement of land or facilities, excluding any matter that has been subject to Executive Session, per Article 3 Section 11(2) of these Bylaws. If, by majority vote, this Committee finds that a non-residential lease agreement of land or facilities is not in compliance with Article 7 Section 1(4b) of these Bylaws or is otherwise unfair to a lessee, the lease terms shall be reviewed by the Board of Directors and appropriately amended if needed to comply with Article 7 Section 1 (4b) of these Bylaws. Any non-residential lessee may request a review by this Committee, but the Committee cannot recommend a change to a contract that has already been executed.

## Article VI. CONFLICTS OF INTEREST POLICY

### Section 6.01 Duty to Corporation

Every Board and committee member shall make decisions and carry out his or her oversight responsibilities in the best interests of the Corporation.

## **Section 6.02 Background**

Because this Corporation deals with real estate, the potential for a conflict of interest is great. It is the responsibility of the Directors of this Corporation to avoid all conflicts of interest and for its Members to remain vigilant against any sort of abuse. A major source of conflicts of interest is the development, management, rehabilitation of real estate, when such services are obtained from a for-profit company in which a Director is an Interested Person. Non-residential properties constitute another risk for conflicts of interest since these properties may be leased to for-profit interests. This Article seeks to prevent conflicts of interest, and any violations constitute a serious affront to the values of this Corporation, endanger this Corporation's nonprofit status, and are sufficient grounds for removal from the Board of Directors. Whenever possible, contracts, joint ownership, and joint ventures with for-profit organizations should be avoided to minimize the potential for conflicts of interest. For example, if the Corporation were to acquire a multi-family building, a housing cooperative (owned by its residents) should be preferred instead of a condominium (owned privately).

This Corporation shall strive to have a systematic protocol for applying for contracts and non-residential leases to minimize the risk of a conflict of interest.

## **Section 6.03 Interested Person**

An Interested Person is anyone who has a financial interest, either directly or through family relationship (including parent, spouse, relationship by civil union, child, other family member, or partner), or through a business relationship (including employer or similarly related business entity), in a compensation arrangement with the Corporation or in an entity with which the Corporation is considering entering into a transaction.

## **Section 6.04 Appearance of a Conflict of Interest**

The appearance of a conflict of interest occurs when a reasonable person might have the impression, after full disclosure of the facts, that a member's judgment might be significantly influenced by outside interests, even though the member is not an Interested Person.

## **Section 6.05 Disclosure**

- (a) Any member of the Board of Directors or a Committee with powers delegated to it by the Board of Directors who believes he or she is an Interested Person or might appear to have a conflict of interest with regard to any matter coming before the Board or such committee must disclose the existence of the interest or apparent conflict to the Board or committee.
- (b) Prior to election (for Directors) or appointment (for Committee members), or after the acquisition of such interest, if later, each Director shall file with the Secretary of the Corporation a statement indicating the identity of each parcel of property other than their primary residence and each business within the Corporation's service area, in which such Director has a direct and substantial interest. Such statement shall be preserved among the records of the Corporation and shall be open to inspection by the public.

## **Section 6.06 Voluntary Recusal**

If such a member believes his or her interest in a matter constitutes either a conflict of interest or the appearance of a conflict of interest, he or she shall recuse herself or himself from any discussion related to the matter and from voting on the matter.

## **Section 6.07 Recusal by Board or Committee**

If the member does not voluntarily recuse herself or himself, any Director or Committee member may request that the Board or Committee determine whether such member should be recused. Such member shall not be present during the discussion and vote on the recusal and may not be counted in determining the existence of a quorum at the time of such vote. In making the decision as to recusal, the Board or committee shall keep in mind that it is the Corporation's policy to avoid the appearance of a conflict of interest. If a majority of the Board or committee votes for recusal, a quorum being present, the member shall be immediately recused. The results of the vote shall be recorded in the minutes of the meeting.

## **Section 6.08 Recused Members**

A recused Director or Committee member shall not be present during the discussion of the matter in regard to which he or she has been recused and shall not participate in the vote on such matter. A matter in which a Director or Committee member is an Interested Person may proceed as long as all of the provisions in this article are followed and as long as the Directors approving the transaction in good faith believe that the transaction is in the best interests of the Corporation.

## **Section 6.09 Records of the Board of Directors and Committee Proceedings**

In addition to all other relevant information, the minutes of meetings of the Board of Directors and all Committees with board delegated powers shall contain:

- (a) The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the governing board's or committee's decision as to whether a conflict of interest in fact existed.
- (b) The names of the persons who were present for any discussions and votes, the content of the discussion, any alternatives to proposed transactions or arrangements, and a record of any votes taken, including how each person voted. Accurate corporate records are imperative for all matters, but particularly so for any financial arrangements or transactions.

### **Section 6.10 Compensation Arrangements**

The Board of Directors must approve compensation arrangements to all officers, directors, trustees, highest compensated employees, and highest compensated independent contractors prior to any payment of compensation, following the rules of this Article and the rest of these Bylaws. The Board of Directors shall obtain and rely upon appropriate data as to comparability prior to approving the terms of compensation. Only if this Corporation's annual revenue is less than \$1 million, data may be limited to compensation paid by three comparable organizations in the same or similar communities for similar services.

### **Section 6.11 Violations of the Conflicts of Interest Policy**

If the Board of Directors or a Committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose. If, after hearing the member's response and after making further investigation as warranted by the circumstances, the governing board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

### **Section 6.12 Prohibition Against Donor Advice and Conditions**

To protect against the possibility of an actual or perceived conflict of interest or the possibility of a donor deriving impermissible economic benefit (as defined in Section 501(c)(3) of the Internal Revenue Code) from a donation, this Corporation cannot accept donations that come with conditions from a donor, and donors are not allowed to advise this Corporation on the use of their donation.

### **Section 6.13 Safeguards Against Impermissible Economic Benefit**

Because this Corporation's goals include renting facilities to businesses and organizations for below-market rents, there exists a significant incentive for impermissible economic benefit as defined in 501(c)(3) of the Internal Revenue Code. A donor may attempt to secure below-market rents in exchange for a donation, which would be unethical, forbidden by section 501(c)(3) of the Internal Revenue Code, and against the character of this Corporation. To guard against this, donors shall be made aware that their donation

will not affect any decisions made by this corporation and will be advised that a list of donors and businesses renting any of the Corporation's facilities will be publicly available, making such unethical arrangements unlikely to escape public scrutiny. Anonymous donations cannot be accepted due to the substantial risk of impermissible economic benefit. The Secretary shall maintain on permanent record a list of all organizations leasing non-residential facilities from this Corporation, which shall be open to inspection to the public.

## **Article VII. STEWARDSHIP OF LAND**

### **Section 7.01 Principles of Land Use**

The Board of Directors shall oversee the use of land owned by the Corporation and shall convey the right to use such land so as to facilitate access to land and affordable housing for all, in perpetuity. In so doing, the Board shall be guided by the following principles:

- (a) Land should be held for the common good with democratic input.
- (b) The Board shall consider the needs of potential lessees and shall attempt to effect a just distribution of land use rights..
- (c) The Board shall convey land use rights in a manner that will promote the long-term well-being of the community and the long-term health of the environment.
- (d) For the lease of non-residential facilities, the Board shall convey land use rights on terms that will promote a healthy civic, cultural, and economic environment to benefit the City of Milwaukee as a whole by:
  - (i) *Giving reasonable first priority to local businesses and organizations.*
  - (ii) *Charging below market rents for tenants, to be reviewed annually to ensure that rents are always below market.*
  - (iii) *For for-profit businesses, including one or more enforceable performance requirements in lease contracts such that the benefit to the public exceeds the private benefit to the for-profit business in below-market rents. These requirements might include an agreement that a certain number of employees must be hired from unemployed residents of neighborhoods described in Section 2 Paragraph 2 of this Article, or an agreement to source a certain percentage of inputs from businesses that are situated in and employ residents of neighborhoods described in Section 2 Paragraph 2 of this Article. The benefit to the public must be direct and measurable.*

### **Section 7.02 Principles of Land Acquisition**

- (a) This Corporation will seek to acquire land consistent with sound urban planning principles to promote healthy, walkable neighborhoods. For example, this Corporation will not acquire land that does not have good access to public transportation.
- (b) Non-residential facilities may be used for charitable, civic, cultural, or artistic organizations, but they also may be used by for-profit businesses. Thus, in order to ensure the charitable nature of this Corporation's efforts, this Corporation shall only seek to acquire land to be used for non-residential purposes in neighborhoods where the unemployment rate exceeds the unemployment rate of the State of Wisconsin generally, in order to facilitate the availability of civic, cultural, and employment opportunities among economically distressed populations.

### **Section 7.03 Use of Natural Resources**

The decision to convey or authorize the use of any minerals, timber or other natural resources, except for reasonable personal use by lessees, shall require the agreement of at least two- thirds of the Board of Directors.

#### Section 7.04 Encumbrance of Land

The decision to mortgage or otherwise encumber land owned by the Corporation shall require the approval of two-thirds of the Board of Directors, a quorum being assembled. Any such encumbrance shall be subordinated to any ground leases relating to such land. In no event shall the Board of Directors approve an encumbrance of land on a Residential Leasehold once it is occupied unless it is related to a subsidy source or community investment.

#### Section 7.05 Sale of Land

The sale of land does not conform with the philosophy and purposes of the Corporation. Accordingly, land shall not be sold except in extraordinary circumstances, and then only in accordance with the following guidelines:

- (a) A parcel of land may be sold pursuant to a resolution adopted by an affirmative vote by at least two thirds of the Board of Directors, a quorum being assembled, at a regular or special Board meeting, provided that:
  - (i) *The Corporation has owned the parcel for no more than ninety (90) days at the time the vote to sell the parcel is taken.*
  - (ii) *The parcel is not leased to any party.*
  - (iii) *The resolution states that the location or character of the parcel is determined to be such that the charitable purposes of the Corporation are best served by selling the land and applying the proceeds to the support of other activities serving those purposes.*
- (b) In all other circumstances a parcel of land may be sold only with:
  - (i) *An affirmative vote by at least two thirds of the Board of Directors, a quorum being assembled, at a regular or special Board meeting, provided that written notice of such meeting has described the proposed sale and the reasons for the proposal.*
  - (ii) *The approval of a majority of the Regular Members present at a regular or special Membership Meeting, a quorum being assembled, provided that written notice of such meeting has described the proposed sale and the reasons for the proposal.*
  - (iii) *If any of the Corporation's land is to be sold to any person or entity other than a not-for-profit corporation or public agency sharing the purposes of this Corporation, any ground lessees on that land shall have the opportunity to exercise a right of first refusal to purchase the land that they have been leasing from this Corporation*

## **Section 7.06 Land Use Fee**

Land use fee is a monthly fee charged to Members leasing land or housing from the Corporation. The Fee will only be increased in accordance with the details outlined in the Ground Lease. The Fee will be increased over time for new Members, but is not intended to reflect market rent for income-eligible homebuyers, and therefore will remain affordable and will be included in the affordability analysis when pricing new homes for sale.

## **Article VIII. HOUSING AND OTHER IMPROVEMENTS LOCATED ON THE CORPORATION'S LAND**

### **Section 8.01 Introduction**

The term "limited appreciation" is used to describe the concept of moderating the rate at which real estate, (i.e., land and improvements) increases in value. The concept of limited appreciation is the cornerstone on which the Corporation, its Members, lessees, and Covenantors rely to meet the stated purposes of this organization as set forth in Article 1, Section 2 of these Bylaws. An unrestricted rate of increase of the value of real estate is recognized by the Membership of the Corporation as:

- (a) A major obstacle to the goal of universal, high-quality, affordable housing in Milwaukee.
- (b) Necessary for the creation of housing price bubbles, which presents a substantial risk to the economic well-being of the residents in the City of Milwaukee generally.

The "resale formula" is the method by which the Corporation, its Members, lessees, and Covenantors implement the concept of limited appreciation.

### **Section 8.02 Ownership of Housing and Improvements on the Corporation's Land**

In accordance with the purposes of the Corporation, the Board of Directors shall take appropriate measures to promote and facilitate the ownership of housing and other improvements on the Corporation's land, with reasonable priority given to those in greatest need. These measures may include, but are not limited to, provisions for the sale of housing to such people; provisions for financing the acquisition of housing by such people, including direct loans by the Corporation; and provision for grants or other subsidies that will lower the cost of housing for such people.

### **Section 8.03 Preservation of Affordability**

It is a purpose of the Corporation to preserve the affordability of housing and other improvements in perpetuity. Accordingly, when land is leased for such purpose, the Board of Directors shall assure that, as a condition of the lease, housing on the land may be resold only to the Corporation or to another person the Corporation has determined is

in need of affordable housing, with reasonable priority given to those with the greatest need, and only for a price limited by a “resale formula” as described in Section 4 of this Article. However, notwithstanding the foregoing, the Board of Directors may choose, for reasons consistent with the charitable purposes of the Corporation, to lease certain parcels of land for uses that do not require limited appreciation, and in such cases the resale restrictions described above shall not be required as a condition of the lease.

#### **Section 8.04 The Resale Formula.**

Whenever its purpose is to preserve affordability, the Corporation shall restrict the price that ground lessees may receive when they sell housing and other improvements located on the land that is leased to them by the Corporation so that the homes located on MCLT land, or those otherwise developed in partnership with MCLT and sold at a below-market price, will remain affordable to future income-eligible home buyers. The same policy shall be applied in the case of condominium units stewarded by the Corporation, regardless of whether the land is owned by the Corporation. A policy establishing such restrictions in the form of a “resale formula” shall be adopted by the Board of Directors and the Regular Members of the Corporation and shall be included in the Corporations lease or other restrictive covenants.:

#### **Section 8.05 Procedures for Adoption of the Resale Formula**

The adoption of the resale formula shall require an affirmative vote by at least two thirds of the entire Board of Directors at any regular or special Board meeting, provided that written notice of such meeting has set forth the proposed formula with an explanation thereof.

#### **Section 8.06 Procedures for Altering the Resale Formula**

The consistent long-term application of a resale formula is essential to the purposes of the Corporation. Accordingly, the resale formula shall not be altered unless the Board of Directors and Regular Members of the Corporation determine that the current formula presents an obstacle to the achievement of the purposes of the Corporation. Such a resolution must be passed by two thirds of the entire Board of Directors. In such event, the resale formula may be altered only by a two-thirds vote of the entire Board of Directors and an affirmative vote by a majority of the Regular Members present at any regular or special Membership meeting, a quorum being assembled, provided that written notice of such meeting has set forth the proposed formula with an explanation thereof.

### **Article IX. AMENDMENT OF ARTICLES OF INCORPORATION AND BYLAWS**

The Articles of Incorporation may be amended and these Bylaws may be amended or may be repealed and new Bylaws adopted only by:

- (a) An affirmative vote by two thirds of the entire Board of Directors at any regular or special Board meeting, provided that written notice of such meeting has set forth the proposed amendment or replacement, with appropriate explanations thereof; and, after the First Annual Membership Meeting,
- (b) An affirmative vote by a majority of the Regular Members present at any regular or special Membership meeting, a quorum being assembled, provided that written notice of such meeting has set forth the proposed amendment or replacement, with appropriate explanations thereof.

## **Article X. DISSOLUTION**

In the event that the Corporation must be dissolved, the assets of the Corporation shall be distributed in accordance with the Corporation's Articles of Incorporation to one of the following organizations organized and operated as an exempt organization under Section 501(c)(3) of the Internal Revenue Code (or the corresponding provision of any future United States Internal Revenue law) as follows:

- (a) To the local non-profit "Community Land Trust" Corporation(s) serving the area(s) closest to the area(s) in which the Corporation owns land and/or interest in land; or
- (b) To any other local Community Land Trust, or regional or national Community Land Trust federation or organization; or
- (c) If no other Community Land Trust organization is willing to assume responsibility for the assets of this Corporation, or if no other Community Land Trust organization meets the approval of the Board and the voting Membership of this Corporation to any other 501(c)(3) tax-exempt non-profit organization which agrees to administer the assets of this Corporation in accordance with its goals and purposes.

The types of organizations listed above do not constitute a list of priorities, and the determination of which non-profit, tax-exempt organization or organizations shall receive the Corporation's assets on dissolution shall be in the discretion of the Board of Directors and the Membership of the Corporation. The motion for disposition of the assets of the Corporation must be approved by 75% of the Board of Directors and the affirmative vote of 75% of the voting Members present or duly represented at a Membership Meeting. Notice of the motion for disposition of the assets of the Corporation shall be given to all Members no later than one month prior to the meeting at which a decision is to be made. The notice must state that the purpose, or one of the purposes, of the meeting is to consider dissolving the Corporation and contain or be accompanied by a copy of the plan of dissolution.

## **Article XI. MISCELLANEOUS PROVISIONS**

[removed at 2018 annual meeting]

### **Section 11.01 Fiscal Year**

The fiscal year of the Corporation shall begin on January 1 of each year, and shall end on December 31 of each year.

### **Section 11.02 Deposit of Funds**

All funds of the Corporation not otherwise employed shall be deposited in such banks, trust companies, or other reliable depositories as the Board of Directors from time to time may determine.

### **Section 11.03 Checks, etc.**

All checks, drafts, endorsements, notes and evidences of indebtedness of the Corporation shall be signed by such officers or agents of the Corporation and in such manner as the Board of Directors from time to time may determine. Endorsements for deposits to the credit of the Corporation shall be made in such manner as the Board of Directors from time to time may determine.

### **Section 11.04 Loans**

No loans or advances shall be contracted on behalf of the Corporation, and no note or other evidence of indebtedness shall be issued in its name, except as authorized by the Board of Directors. Any such authorization shall relate to specific transactions.

### **Section 11.05 Contracts**

Any officer or agent of the Corporation specifically authorized by the Board of Directors may, on behalf of the Corporation, enter into those contracts or execute and deliver those instruments that are specifically authorized by the Board of Directors. Without the express and specific authorization of the Board of Directors, no officer or other agent of the Corporation may enter into any contract or execute and deliver any instrument in the name of the Corporation.

### **Section 11.06 Discrepancies between Articles of Incorporation and Bylaws**

In the event of a discrepancy between the Articles of Incorporation and these Bylaws, the Articles of Incorporation shall take precedence.

### **Section 11.07 Indemnification**

Any person (and the heirs, executors and administrators of such person) made or threatened to be made a party to any demand, claim action, suit or proceeding by reason of the fact that he or she is or was a Director or Officer of the Corporation shall be indemnified by the Corporation against any and all liability and the reasonable expenses, including attorneys' fees and disbursements, actually incurred by him or her (or his or her heirs, executors, or administrators) in connection with the defense or settlement of such demand, claim action, suit, or proceeding, or in connection with any appearance therein, provided such Officer or Director has acted in good faith for a purpose which such Officer or Director believed to be in the best interest of the Corporation. All members shall be notified in writing of any indemnification with or before notice of the next

Membership Meeting.

#### **Section 11.08 Insurance for Corporate Agents**

Except as may be otherwise provided under provisions of law, the Board of Directors may adopt a resolution authorizing the purchase and maintenance of insurance on behalf of any agent of the Corporation (including a director, officer, employee, or other agent of the Corporation) against liabilities asserted against or incurred by the agent in such capacity or arising out of the agent's status as such, whether or not the Corporation would have the power to indemnify the agent against such liability under the Articles of Incorporation, these Bylaws, or provisions of law.

#### **Section 11.09 Equality and Personal Freedom**

The rights of all Members of the Corporation to absolute freedom of religion, political commitment, personal conviction, association, expression and action shall not be abridged or impaired by the Corporation, or any body or agent of the Corporation, except insofar as freedom of an individual Member seriously conflicts with the rights of other Members or persons, or with the public welfare. In all of its dealing with Members, prospective Members, prospective Leaseholders, and all other persons, the Corporation and/or its duly authorized agents and bodies shall not discriminate against any individual or group for reasons of race, color, creed, sex, age, culture, national origin, sexual preference, handicap, family size, or marital status.

#### **Section 11.10 Openness and Public Accountability**

The records and minutes of all Membership and Board meetings of the Corporation shall be open to, or available for, inspection by any person upon reasonable request, except as follows:

- (a) Records of executive sessions of the Board of Directors and the minutes thereof, as specified in Article 3 Section 11(2);
- (b) Records which by law or ethical standards are designated confidential or by a similar term; including, but not limited to any communication in any form to or from the Corporation's attorneys;
- (c) Records which by law may only be disclosed to specifically designated persons;
- (d) Records which, if made public pursuant to this Section, would cause the custodian to violate duly adopted standards of ethics or conduct for any profession regulated by the state;
- (e) Records which, if made public pursuant to this Section, would cause the custodian to violate any statutory or common law privilege;
- (f) Personal documents relating to an individual, including information in any files maintained to hire, evaluate, promote or discipline any employee of the Corporation, information in any files relating to personal finances, medical or psychological facts concerning any individual to whom the Corporation leases land, is considering for the lease of land, or has entered or is considering entering into a covenant with; provided, however, that all information in personnel files of an individual employee of the Corporation shall be made available to that individual employee or his/her designated representative.
- (g) Records concerning formulation of policy where such would constitute a clearly unwarranted invasion of personal privacy if disclosed;
- (h) Information pertaining to the location of real or personal property before public announcement of the project, and information pertaining to appraisals or purchase price of real or personal property before the formal award of contracts for sale or purchase thereof;
- (i) Records relating specifically to negotiation of contracts including, but not limited to, collective bargaining agreements with employees.

## **Article XII. INITIAL MEMBERSHIP AND BOARD, ADOPTION OF BYLAWS**

### **Section 12.01 Initial Membership**

The Initial Members empowered to vote at the First Annual Membership Meeting shall be those persons 18 years of age or older who have expressed interest in becoming a Member and provided the Board of Directors with an address where notice of the First Annual Membership Meeting can be sent. Membership dues shall not be a condition of Membership until after the First Annual Membership Meeting.

### **Section 12.02 Initial Board of Directors**

The Initial Board of Directors shall be as stated in the Certificate of Incorporation. The Initial Board of Directors may expand the Initial Board to up to nine seats, filling those seats by majority vote for partial terms ending at the adjournment of the First Annual Membership Meeting.

### **Section 12.03 Adoption of Bylaws**

Adoption of these Bylaws as the Bylaws of the Corporation shall require approval by a majority of the Initial Board of Directors.

### **Section 12.04 Nomination of Directors to Be Elected at First Annual Membership Meeting**

In consultation with the Initial Members, the Initial Board of Directors shall nominate a slate of candidates, designating these candidates as candidates for Lessee Representatives, General Representatives, and Public Representatives. Additional nominations for any of the three categories of representatives may be made by any Initial Member from the floor at the First Annual Membership Meeting provided the nominee is present to accept the nomination or has already agreed to accept the nomination in writing.

## **Article XIII. IRS 501(c)(3) TAX EXEMPTION PROVISIONS**

### **Section 13.01 Limitations on Activities**

No substantial part of the activities of this corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation (except as otherwise provided by Section 501(h) of the Internal Revenue Code), and this corporation shall not participate in, or intervene in (including the publishing or distribution of statements), any political campaign on behalf of, or in opposition to, any candidate for public office.

Notwithstanding any other provisions of these Bylaws, this corporation shall not carry on any activities not permitted to be carried on (a) by a corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code, or (b) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code.

### **Section 13.02 Prohibition Against Private Inurement**

No part of the net earnings of this corporation shall inure to the benefit of, or be distributable to, its members, directors or trustees, officers, or other private persons, except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes of this corporation.

## **AMENDMENTS**

These bylaws contain amendments approved on these dates:

December 9, 2018

October 26, 2021