

CHAMPLAIN HOUSING TRUST INC.

BYLAWS

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ARTICLE I – GENERAL PROVISIONS

SECTION 1 – Name

The name of the Corporation is "Champlain Housing Trust" (formerly known as "Burlington Community Land Trust, Inc." ("BCLT"), hereinafter the "Corporation."

SECTION 2 – Purposes

This non-profit Corporation is formed for the charitable purposes of the relief of the poor and the distressed and the underprivileged, the promotion of social welfare, and the lessening of the burdens of government by fostering the availability of decent, safe, sanitary and affordable housing for low and moderate-income households through the Corporation's participation, directly and indirectly, in the creating, providing, operating and management of such housing while maintaining the historic and aesthetic qualities of the community. For these purposes the Corporation may (i) acquire, construct, rehabilitate, and provide housing and related facilities without regard to race, color, creed, sex, age, disability, handicap, sexual preference, gender identity or expression, or national origin; (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.

Said Corporation is organized exclusively for charitable, religious, educational and scientific purposes, including for such purposes, the making of distributions to organizations which qualify as exempt organizations under Section 501(c)(3) of the Internal Revenue Code of 1954 as amended (or the corresponding provision of any future United States Internal Revenue law).

Notwithstanding any other provision of these Bylaws, the Corporation shall not carry on any other 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 of 1954 as amended, or (b) by a Corporation, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code of 1954 (or the corresponding provision of any future United States Internal Revenue law.)

The Corporation shall also have the following purposes:

- A. To provide access to land and decent housing for low and moderate-income people;
- B. To preserve the affordability of housing for low and moderate-income people in perpetuity;
- C. To protect the natural environment and to promote the ecologically sound use of land and natural resources and the long-term health and safety of the community;
- D. To combat community deterioration in economically disadvantaged neighborhoods by promoting the development, rehabilitation, and maintenance of decent housing in these neighborhoods; by promoting economic opportunities for low- and moderate-income residents of these neighborhoods; by making land available for projects and activities that improve the quality of life in these neighborhoods; and by assisting residents of these neighborhoods in improving the safety and well-being of their community;
- E. To provide education, community service, and support for cooperative development throughout the community;
- F. To acquire property to preserve open space land; and

G. To acquire property to assist low- and moderate-income persons to obtain housing.

The enumeration above of a specific power shall not be construed as limiting or restricting in any manner either the meaning or the general terms used in any of these clauses or the scope of the general powers of the Corporation created by them; nor shall the expression of one thing in any of these clauses be deemed to exclude another not expressed, although it be of like nature.

SECTION 3 – Offices

The principal office of the Corporation shall be located in Burlington, Vermont 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 Vermont, as the affairs of the Corporation require.

SECTION 4 – Seal

The Seal of the Corporation shall be an adhesive wafer seal or a circular die bearing the name of the Corporation and the State and date of incorporation.

ARTICLE II – MEMBERSHIP

SECTION 1 – Continuing Membership

All persons who were General Members or Resident Members of the BCLT on October 1, 2006 shall continue to be Members of the Corporation, as long as they continue to meet the requirements for eligibility and continuing Membership set forth in Section 2 and Section 4 of this Article.

SECTION 2 – Types of Membership

1. Requirements. Subject to the Continuing Membership Requirements in Section 4 of this Article, a person who meets the following requirements shall be a member of the Corporation.

- a. Continuing Members as defined above;
- b. Any person 16 years of age or over who is a resident of the Corporation's housing, as defined under "Resident Member" below; or
- c. Any person 16 years of age or over who has; paid annual membership dues of \$1.00; and expressed interest and support for the Corporation and its purposes.

2. Categories. The Membership shall be grouped into two categories:

- a. Resident Members shall include all members of any household living in property owned, in whole or in part or otherwise in stewardship with the Corporation, as described in Article V, who are aged 16 years or older. This shall include single-family home owners who lease land owned by the Corporation, owners of housing units who have granted the Corporation a Housing Subsidy Covenant, tenants in rental units owned by the Corporation or by a limited partnership in which the Corporation, or any subsidiary of the Corporation has an ownership interest, and members of housing cooperatives that have signed a Contract for Services with the Corporation.
- b. General Members shall include all other Members.

SECTION 3 – Rights of Members

A. Each Member living in the Corporation's three-county service area of Chittenden, Franklin, and Grand Isle counties shall have the right to one vote on all matters properly put before the Members for consideration, as provided in these Bylaws; to nominate and elect or ratify members of the Board of Directors; to serve on the Board or on committees if chosen, and to receive notices, minutes and reports as provided in these Bylaws.

B. Members living outside of the Corporation's three-county service area shall be non-voting Members of the Corporation.

C. The assent of the voting Membership shall be required before action may be taken on the following issues:

1. The removal of Members or Directors;
2. Except as provided in Article V, Section 4(A), the authorization of the sale of certain lands by the Board of Directors;
3. The amendment of the Articles of Incorporation or these Bylaws;
4. The alteration, amendment, or deletion of the Corporation's limited appreciation formula;
5. The dissolution or merger of the Corporation;
6. The disposition of all or substantially all of the assets of the Corporation other than in the regular course of activities of the Corporation;

7. The movement of the Corporation's principal office to a location outside of Burlington, Vermont;
8. Any other matter which must be approved by the Members under the Vermont Nonprofit Corporation Act (the "Act"); and,
9. Any other major issue concerning the Corporation, as determined by majority vote of the Board of Directors.

SECTION 4 – Continuing Membership Requirements

A. In order to remain a General Member of the Corporation, each General Member, including those who are continuing Members of the Corporation, shall:

1. Pay Annual Membership dues of \$1.00, or more at the discretion of the Member, payable on, or within 30 days of, the date of the Annual Meeting; and;
2. Support permanently affordable housing.

B. In order to remain a Member of the Corporation, a Resident Member, including those who are Continuing Members of the Corporation, must remain a resident of any of the homeowner, rental, or co-op units identified under Section 2(2) above. Resident Members shall not be required to pay dues in order to become or remain Members of the Corporation. Former residents of the Corporation's housing, who are 16 years of age or older and who no longer qualify as Resident Members, may become General Members by paying annual dues.

SECTION 5 - Membership Meetings

A. Annual Meeting

The Annual Meeting of the Membership of the Corporation, for reports to the Membership by the Officers and the Board of Directors, the election of Directors, and the transaction of other business, shall be held within four months after the end of the fiscal year. The location and time of the Annual Meeting shall be determined by a consensus of the Board, and written notice shall be given to all Members at least one month but not more than 60 days before the meeting. The written notice shall include a description of matters which must be approved by the Members under Article II, Section 3(C) of these Bylaws. 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 be eligible to vote at the meeting.

B. Regular Meetings

Regular Meetings may be scheduled by the Membership at such times and place as they shall establish at an Annual Meeting. Additional notice thereof shall not be required.

C. 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 an officer of the Corporation, signed and dated by at least 5% 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 given to all Members at least ten but not more than 60 days in advance of each Special Meeting. Notification must be a written announcement of when and where the meeting will be held 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.

SECTION 6– Procedures for Membership Meetings and Actions

A. All Membership Meetings shall be open to the public.

B. Record Date for Notice of Membership Meetings.

Not more than seven days prior to the notice of any Membership meeting, the Corporation shall determine the Members who are entitled to: a) receive notice of the meeting; and b) vote at the meeting. This date shall constitute the record date for the meeting. After fixing the record date for any Membership meeting, the Corporation shall prepare an alphabetical list of the names of all of its Members who are entitled to notice of the meeting. The list must show the address of each Member who is entitled to vote at the meeting and shall indicate whether the Member is a General or Resident Member. The list shall be available for inspection by any Member and shall be made available at the meeting.

C. Minutes

Minutes of all Membership Meetings shall be kept in the Corporation Minute Book. This record shall be reviewed by the Directors at the second Directors meeting following the Membership Meeting, and shall be approved by the Membership at the next Membership Meeting. A copy of the minutes of the Annual Meeting of the Membership shall be made available to all Members within one month following that meeting. The Corporation Minute Book shall be open for inspection by any interested person.

D. Quorum

A quorum shall be established when 30 voting Members, excluding proxies, are physically present at an annual, regular, or special meeting.

E. Decision-Making

Whenever possible, decisions shall be made at Membership Meetings by consensus of the voting Members. If consensus cannot be reached, then a decision shall be made by a majority of those voting Members present and voting, a quorum having been established.

F. Proxy Voting by Special Populations

Members who have a physical or mental disability and are unable to attend Membership Meetings because of their condition may vote through a Member representative. Such representation must be authorized by a written statement by the absent Member, delivered to the Board of Directors in advance of the meeting at which it is to be utilized.

The statement need not endorse or reject a particular motion, but must specify clearly described and specific issues and must also show good cause for the Member's absence. This authorization shall permit the designated representative to vote for the absent Member on all matters relating to those issues, as prescribed by the written statement.

During any particular vote, no Member may represent more than one absent Member. Such representation shall be valid for one meeting only. No Member may vote by any other form of proxy, although any absent Member may send statements to be read at the meeting by other Members.

G. No person who has been a Member for less than 30 days may vote at a meeting other than the Annual Meeting.

SECTION 7 – 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 8 – Removal

A. Removal for Failure to Comply with Continuing Membership Requirements

Membership of all types shall be terminated when a Member has failed to comply with the Continuing Membership Requirements (as provided in Section 4 of this Article).

B. Removal for Cause

Membership may also be suspended or terminated for good cause, should a Member act in a manner seriously detrimental to the Corporation.

C. Procedure for Removal.

Before a suspension or removal of a Member or Director can occur under this Section 8:

1. 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.
2. 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.
3. 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 paragraph C of 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.
4. 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.
5. 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.

ARTICLE III – BOARD OF DIRECTORS

SECTION 1 – Designated Board of Directors

The Designated Board of Directors of the Corporation shall be as named in the Plan of Merger for the BCLT and Lake Champlain Housing Development Corporation (hereinafter referred to as “LCHDC”). This Board includes a number of currently elected members of the Board of Directors of BCLT, as well as other Board members designated in the Plan of Merger. They shall serve until the first Annual Meeting of the Membership, at which time a successor Board shall be elected, as provided in Sections 2, 3, 4, and 5 of this Article.

SECTION 2 – Successor Boards of Directors

Successor Boards of Directors shall consist of not fewer than 12 nor more than 15 Members. The first successor Board following the Merger referred to in Section 1 shall consist of 15 Members. The number of Directors may be increased or decreased at any time by a decision of the Board, but the number of Directors must never be less than 12 nor greater than 15. All successor Boards, must contain the balance of representation hereinafter provided (Section 3 of this Article). Directors’ terms shall be staggered to maintain the continuity of the Board. All members of the Designated or any Successor Board of Directors must be Members of the Corporation.

SECTION 3 - Composition of the Board

The Board of Directors shall contain three categories of representatives:

A. Resident Member Representatives

1. One-third of the Directors shall be Resident Member Representatives.
2. Resident Member Representatives may be any Resident Member, except that:
 - a. at least one Resident Member Representative shall be a shareholder/member who lives in a housing cooperative that has signed a Contract for Services with the Corporation;
 - b. at least one Resident Member Representative shall be a homeowner who either leases land from the Corporation or who has granted the Corporation a Housing Subsidy Covenant; and;
 - c. at least one Resident Member Representative shall be a tenant in a rental unit owned by the Corporation or by a limited partnership of which the Corporation, or a subsidiary of the Corporation, is a member.

B. General Member Representatives

1. One-third of the Directors shall be General Member Representatives.
2. General Member Representatives shall not be Resident Members.
3. Of the General Representatives, there shall be at least one representative from the private sector.

C. Public Representatives

1. One-third of the Directors shall be Public Representatives.
2. All but one of the Public Representatives shall be municipal officials from four different cities or towns located within the Corporation’s three-county service area. These municipal officials shall be the city’s or town’s highest-ranking elected or appointed executive officer or the designee of this highest-ranking executive officer.

3. The remaining Public Representative shall be either a municipal official from a city or town within the Corporation's three-county service area not already represented on the Corporation's Board or a person with experience in regional or state-wide public service. Included within the latter category may be state legislators, members of regional planning organizations, or persons with regional or state-wide experience who are members of a charitable organization or another nonprofit organization providing housing or social services for low-income and moderate-income households.

4. Public Member Representatives shall not be Resident Members.

SECTION 4 – Nomination and Election of Directors

A. Nomination

1. The names of persons to fill all vacancies on the Board of Directors shall be solicited, reviewed, and selected by the Corporation's Governance and Nominations Committee, which shall serve as the Nominating Committee for the purpose of filling Board vacancies.

2. Nominations must be received by the Nominating Committee at least six weeks, but not earlier than ten weeks, before the Annual Meeting of the Membership.

3. The Nominating Committee shall mail the list of nominees to all Members at least four weeks, but not more than 60 days before the Annual Meeting.

4. Nominations shall be made in the following manner:

a. Resident Member Representatives

The Nominating Committee shall actively solicit nominations from Resident Members, confirm that nominated individuals are willing to serve on the Board, and submit a list of candidates to the Members for consideration and possible election to the Board.

b. General Member Representatives

The Nominating Committee shall actively solicit nominations from General Members, confirm that nominated individuals are willing to serve on the Board, and submit a list of candidates to the Members for consideration and possible election to the Board.

c. Public Representatives

The Nominating Committee shall actively solicit nominations from cities and towns in Chittenden, Franklin, and Grand Isle counties, seeking a balance of Public Representatives between municipalities where the Corporation has developed many units of affordable housing in the past and municipalities where the Corporation hopes to develop affordable housing in the future. Nominees shall be submitted to the entire Board for consideration.

B. Election

Board members shall be elected at the Annual Meeting of the Membership as follows:

a. Resident Member Representatives

Shall be elected from the nominees by a majority of the Resident Membership voting at the Annual Meeting, whether in person or by proxy.

b. General Member Representatives

Shall be elected from the nominees by a majority of the entire Membership voting at the Annual meeting, whether in person or by proxy.

c. Public Representative Nominees

Shall be elected from the nominees by a majority of the entire Membership voting at the Annual

meeting, whether in person or by proxy.

SECTION 5 – Term of Office

A. Term of First Elected Board

To ensure the continuity of the Board of Directors, after the Designated Board is chosen pursuant to Section 1 of this Article III, Directors elected at the first Annual Meeting following the merger between BCLT and LCHDC shall draw lots among themselves so that one Director in each category shall begin a one-year term, two Directors in each category shall begin a two-year term, and two Directors in each category shall begin a three-year term. Directors elected for a one- or two-year term under this Subsection A shall be deemed to have served a full term for all purposes under these Bylaws, including without limitation Subsection D of this Section 5.

B. Terms of All Successor Directors

Except as otherwise provided for in Section 5(A) of this Article III of these Bylaws, each Member of the Board of Directors shall serve for a term of three years.

The term of office of a regularly elected member of the Board of Directors shall commence at the adjournment of the Annual Meeting at which they were elected.

C. Directors Appointed to Fill a Vacancy

A Director appointed to fill a vacancy shall serve until the next Annual Meeting at which they may stand for election for their first term.

The first term of office of a Director appointed to fill a vacancy shall commence at the adjournment of the Annual Meeting at which they were elected.

D. Limitation on Consecutive Terms

No Resident Member Representative or General Member Representative or Public Representative shall serve as a member of the Board of Directors for more than three consecutive full terms. After an absence from the Board of one year, a former Director may return to the Board, if reelected. He or she shall then be allowed to serve as a member of the Board for no more than two consecutive full terms.

SECTION 6 – Duties of the Board

The Board of Directors shall:

A. Carry out the purposes of the Corporation, implement decisions of the voting Membership, and be responsible for the general management of the affairs of the Corporation.

B. Prepare a written Annual Report for the Corporation outlining the nature and results of the Corporation's activities during the preceding year, showing the financial condition of the Corporation, listing all land and/or interests in land acquired by the Corporation during the preceding year and the nature and purposes of all leases granted by the Corporation for use of the land, and proposing a plan for Corporation activities during the coming year. Copies of the Annual Report shall be made available to any Member of the Corporation upon request.

C. Elect all Officers of the Corporation.

D. Supervise the activities of all Officers and committees and the Chief Executive Officer of the Corporation in the performance of their delegated responsibilities.

E. Determine by whom and in what manner deeds, contracts, and other instruments shall be executed on behalf of the Corporation.

F. Acquire property through donation or purchase and develop resources for the acquisition, rehabilitation and use

of land.

G. Convey the right to use land, which is owned by the Corporation in accordance with the purposes of the Corporation and the provisions of these Bylaws;

H. Provide notice of meetings, minutes and reports, as required by these Bylaws or otherwise required by the Membership.

SECTION 7 – Powers of the Board

The Board of Directors may:

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, the Chief Operating Officer, the Chief Financial Officer, and the Chief Administration Officer and their 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 such committees as will be necessary or desirable to conduct the affairs and further the purposes of the Corporation. Each Board member will serve on no less than one committee. Each committee will be chaired by a Board member. Each committee chair will report to the Board orally at least once a year. Otherwise reports will be in writing. Ad-Hoc committees will be assigned by the Board from time to time to address specific matters.

Committees other than the Governance and Nominations Committee may include individuals who are not Board members, provided that a majority of the full Board consents to the appointment of these individuals and provided that the chair of every committee is a member of the Board. Beyond any additional ad hoc or standing committees which the Board may decide to create, there shall be the following standing committees:

1. Governance and Nominations Committee
2. Co-op Advisory Committee
3. Real Estate Development and Management Committee
4. Finance and Audit Committee
5. HomeOwnership and Lending Committee
6. Community Relations and Fundraising Committee
7. Rental Resident Advisory Committee

C. Call special meetings of the Membership.

D. Exercise all other powers necessary to conduct the affairs and further the purposes of the Corporation in conformance with the Articles of Association 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 8 – Limitations on the Powers of the Board

The Board of Directors shall not:

A. Give a blanket mortgage on all the land owned by the Corporation.

B. Take action on any motion for the removal of Directors, sale of land, amendment of the Articles of Association or these Bylaws, amendment of the limited appreciation formula, disposition of assets in the event of dissolution or any other matter for which Membership approval is required by the Act or these Bylaws without the approval of the voting Membership, as provided in these Bylaws.

SECTION 9 – Conflict of Interest

Prior to election (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 any Member of the Corporation.

No matter in which a member of the Board of Directors or any parent, spouse, relationship by civil union, child, other family member, partner, employer or similarly related business entity has a direct or indirect interest may be approved by the Board unless, in advance of the vote by the Board or by any committee of the Board: (A) the material facts of the transaction and the Director's interest are disclosed or known to the Board or committee of the Board; and (B) the Directors approving the transaction in good faith believe that the transaction is fair to the Corporation; and (C) the Director who has an interest does not participate in the discussion and does not vote on the matter.

SECTION 10 – Meetings of the Board of Directors

A. Annual Meeting

The next regular meeting of the Board of Directors shall be held no later than one month following the Annual Meeting of the Membership.

B. Regular Meetings

The Board of Directors shall hold regular meetings at such times and places as the Board may establish. Notice must be given to each Director at least one week prior to each regular meeting. Notification may be by mail, telephone or in person.

C. Special Meetings

Special Meetings of the Board may be called by the President, by any three Directors, or by 20% or 20 (whichever is less) Members of the Corporation. Notice must be given to each Director at least five days prior to the meeting, by mail, telephone or in person unless any four members of the Board determine that the matter at hand constitutes an emergency. In the event of such an emergency, a Special Meeting may be called on one day's notice provided that every reasonable effort is made to notify all Directors by telephone or in person.

At a Special Meeting of the Board, only those matters for which the meeting was called, as stated in the notice of the meeting, may be acted upon by the Board unless all of the Directors are present at the meeting and consent to take action on other matters.

D. Quorum

1. A quorum shall consist of a majority of the number of seats on the Board, provided that at least one member from each of the Board's three categories of representatives is present.

2. A quorum may be a majority of the existing Board members for the sole purpose of filling vacancies.

E. Meetings by Telephonic Means

Any or all Directors may participate in a regular or special meeting by conference telephone, or any means of video-conferencing by which all Directors participating may simultaneously hear each other during the meeting.

F. Electronic Voting

To the extent permitted by Vermont law, voting by the Board of Directors or members may be conducted by electronic means.

SECTION 11 – Procedures for Meetings

All meetings of the Board of Directors shall be open to any Member, except when the Board votes to meet in executive session.

A. The Board may meet in executive session only upon the affirmative vote of two-thirds of its members present, a quorum having been established. A motion to go into executive session shall indicate the nature of the business of the executive session, and no other matter may be considered in the executive session. The vote shall be taken in the course of a public meeting and the result of the vote recorded in the minutes. No formal or binding action may be taken in executive session except actions relating to the securing of real estate options under Subdivision 2 of this Subsection. Minutes of an executive session need not be taken, but if they are, shall not be made public. The Board shall not hold an executive session except to consider one or more of the following:

1. Contracts, labor relations agreements with employees, arbitration, grievances, or litigation involving the Corporation where the Board has determined that premature general public knowledge would place the Corporation or person involved at a substantial disadvantage;
2. Real estate purchase offers and the negotiating or securing of real estate purchase options or contracts;
3. The appointment, employment or evaluation of an employee;
4. A disciplinary or dismissal action against an employee.
5. Relationships between the Corporation and any party who might be harmed by public discussion of matters relating to the relationship;
6. A clear and imminent peril to the public safety;
7. Discussion or consideration of records or documents excepted from the access to public records provisions of Article VI, Section 2 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.

B. Attendance in executive session shall be limited to members of the Board, its staff, clerical assistants, its legal counsel, and persons who are subjects of the discussion or whose expert information is needed.

SECTION 12 – 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.

SECTION 13 – Resignation

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

SECTION 14 – Removal

A. Removal for Failure to Attend a Sufficient Number of Meetings.

A Director may be removed if he/she fails to attend 50% of the meetings of the Board in any one year, unless good cause for absence and a continuing interest in participation on the Board are shown. A Director may be removed

under this paragraph A only if a majority of the Directors then in office vote for the removal.

B. Removal Without Cause

The Members may remove one or more Directors elected by them without cause.

C. Removal for Cause

A Director may also be removed, should the Director act in a manner seriously detrimental to the Corporation or to the Board in the fulfillment of its responsibilities. However, before such removal can occur:

1. Charges must be filed with the full Board of Directors and the Director affected offered a fair hearing (as provided in Article II, Section 8 (C) (1- 4) for Members, except that the Director charged shall not participate with the remaining Directors in the selection of the second member of the special committee).
2. If the special committee recommends that the Director be removed from the Board, this recommendation must be approved by 75% of the participating voting Members voting at a meeting properly held within one month of the completion of the committee's report. The affected Director shall be afforded a fair opportunity to appear before the Board and the Membership and present evidence in his/her defense. The Membership meeting to vote on the removal of a Director must be called for the purpose of considering removing the Director and the meeting notice must state that the purpose or one of the purposes of the meeting is a vote on the removal of the Director.
3. Subject to the same procedures and protections described in Subdivision 2 above, a Resident Member Representative to the Board may only be removed by a vote of 75% of the participating Resident Members present at the special Membership meeting.
4. Subject to the same procedures and protections described in Subdivision 2 above, any General or Public Representative of the Board may only be removed by a vote of 75% of the entire Membership.

SECTION 15 – Procedure for Filling Board Vacancies

Should vacancies occur on the Board of Directors as the result of resignation or removal, the remaining members of the Governance and Nominations Committee may nominate, and the remaining members of the Board may (though they may constitute less than a quorum) elect by two-thirds majority the person(s) who, in their judgment, will best serve the Board category represented by the vacating member(s). Board Members so appointed shall serve until the next Annual Meeting pursuant to Article III, Section 5 (C) of these Bylaws. During the period of time in which the Designated Board constitutes the Board of Directors, the remaining members of the Board of Directors shall fill any vacancy of a Director who holds his or her position as a result of being designated pursuant to Article III, Section 1.

ARTICLE IV – OFFICERS

SECTION 1 – Designation

The Officers of the Corporation shall include a President, Vice President, a Treasurer, a Vice Treasurer, and a Secretary.

SECTION 2 – Election

The Officers of the Corporation shall be elected by the Board of Directors, from among themselves, at the first Board meeting following the Annual Meeting. They shall take office immediately. Any vacancies occurring in any of these offices shall be filled by the Board for the unexpired term.

SECTION 3 – Tenure

The Officers shall hold office until their replacements are elected (unless removed as hereinafter provided). No Officer shall hold the same office for more than three successive one-year terms.

SECTION 4 – Duties of the Officers

A. Duties of the President The President shall:

1. Preside at all meetings of the Board of Directors and of the Corporation or properly delegate such duty.
2. Preside at all meetings of the Governance and Nominations Committee of the Board.
3. Report on the affairs of the Corporation to the Membership at their Annual Meeting and at any other time they may require.
4. Consult with the Officers of the Corporation regarding the fulfillment of their responsibilities.
5. Perform such other duties as the Board of Directors may direct.

B. Duties of the Vice President

The Vice President shall fulfill the duties of the President when the President is absent, assist the President as needed in fulfilling the duties stated in Section 4 (A), and oversee the Board's standing committees.

C. Duties of the Treasurer

The Treasurer shall perform or cause to be performed the following duties:

1. Collect all money owing to the Corporation and receive all gifts of money or property to the Corporation.
2. Hold all funds of the Corporation in such manner as the Board directs.
3. Maintain all deeds, title papers, and assets of the Corporation other than money in the name of the Corporation and in such manner as the Board directs.
4. Keep full and accurate account of all financial transactions, receipts, expenditures, debts owed by and to the Corporation, and the balance of corporate funds and other corporate holdings in books of the Corporation maintained for that purpose.
5. Perform such other duties as the Board of Directors may direct.

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

D. Duties of the Vice Treasurer

The Vice Treasurer shall fulfill the duties of the Treasurer when the Treasurer is absent and assist the Treasurer as needed in fulfilling the duties stated in Section 4 (C).

E. Duties of the Secretary

The Secretary shall perform or cause to be performed the following duties:

1. Give notice of all meetings of the Membership and the Board of Directors in accordance with these Bylaws.
2. Maintain a list of all Members of the Corporation and their mailing addresses.
3. Keep the minutes at all meetings of the Membership and the Board in such manner as the Board directs, and provides copies of the minutes as required by these Bylaws.
4. Confirm and record the status of motions and votes in meetings of the Membership or the Board.
5. Perform such other duties as the Board of Directors may direct.

SECTION 5 – 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 6 – Removal

The Board of Directors may remove any Officer from his/her office at any time by unanimous decision of all members of the Board, excluding the affected Officer.

ARTICLE V – STEWARDSHIP OF LAND

SECTION 1 – Lease of Land

The Board of Directors shall convey the right to use land owned by the Corporation:

- A. To facilitate access to land by landless people and others in need of its use, with special concern for those whose need is greatest;
- B. To provide for the environmental health and preservation of the land and natural community on and around it; and
- C. To guarantee the common stewardship of the land for the common good, in the present and the future.

In making such conveyances, the Board shall consider the real personal needs of potential lessees, and shall attempt to effect a just distribution of land use rights.

The decision to grant leases (or other limited conveyances) of these lands entrusted to the Corporation shall require the agreement of at least two-thirds of the members of the Board, present at a meeting at which a quorum is present.

The Directors shall establish policies and procedures for the Corporation's staff to a) supervise the use of the land and provide for periodic inspection of all leased lands; and b) terminate the leases if necessary for the protection of the land, the surrounding community, or the rights of future generations.

SECTION 2 – 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 members of the Board. Notice of the proposed conveyance of natural resources must be given to all Directors at least two weeks in advance of the meeting at which a decision is to be made.

SECTION 3 – 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 and the consent of any Leaseholder whose house is located on the land being encumbered.

SECTION 4 – Sale of Land

The sale of land does not conform with the philosophy or purposes of this Corporation. For this reason, 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 entire Board of Directors, a quorum having been established, 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 is taken, (ii) the parcel is not leased to any party, and (iii) the resolution states that the location or character of the parcel is determined by the Board 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. A parcel of land may be sold pursuant to a resolution adopted by an affirmative vote by at least two thirds of the entire Board of Directors, a quorum having been established, at a regular or special Board

meeting, provided that (i) the Board resolution states that the Board has determined in connection with a particular transaction that it is essential to the transaction and in the best interest of the Corporation and its mission to include a sale of land as part of the transaction and the parcel has not been leased to any party at the time of the sale.

C. In all other circumstances a parcel of land may be sold only with the 2/3 agreement of the entire Board of Directors, the approval of 75% of the voting Members at a Membership Meeting, and the consent of all Leaseholders of the land to be sold. Notice of the proposed sale must be given to all Members at least two weeks in advance of the meeting at which a decision is to be made.

ARTICLE VI – MISCELLANEOUS PROVISIONS

SECTION 1 – 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 2 – 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:

1. Records of executive sessions of the Board of Directors and the minutes thereof, as specified in Article III, Section 11 (A);
2. 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;
3. Records which by law may only be disclosed to specifically designated persons;
4. 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;
5. Records which, if made public pursuant to this Section, would cause the custodian to violate any statutory or common law privilege;
6. 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.
7. Records concerning formulation of policy where such would constitute a clearly unwarranted invasion of personal privacy if disclosed;
8. 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;
9. Records relating specifically to negotiation of contracts including, but not limited to, collective bargaining agreements with employees.

SECTION 3 – Notice

A. Determination of Notice Given

Whenever, pursuant to the provisions of these Bylaws, notice is required to be given to any Member or Director, such notice shall, unless otherwise provided, be given in writing, in person or by mail. If mailed, the notice shall be deposited in a post office or mailbox, postage paid and sealed, addressed to the Member or Director at such

address as appears on the records of the Corporation or to an address at which the Member or Director usually receives mail; and such notice shall be deemed to be given at the time when mailed.

B. Waiver of Notice

1. Any Member or Director may waive any notice required to be given pursuant to the provisions of these Bylaws.

2. Any Member or Director who did not receive notice of a meeting, but who attends such meeting in person or by proxy shall be deemed to have waived notice thereof unless he/she causes his/her protest to be entered in the record of the meeting.

SECTION 4 – 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.

ARTICLE VII – AMENDMENTS

The Articles of Association and these Bylaws may be altered or amended, in whole or in part, by 2/3 of the entire Board of Directors and the affirmative vote of 75% of the voting Members present or duly represented at a Membership Meeting, provided that written notice setting forth the nature of the proposed change(s) shall have been given to all Members no later than two weeks prior to the meeting. The notice must state that the purpose, or one of the purposes, of the meeting is to consider the proposed amendment and contain or be accompanied by a copy or summary of the amendment.

ARTICLE VIII – 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 Association 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 2/3 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 IX – PROCEDURE TO AMEND THE LIMITED APPRECIATION FORMULA

SECTION 1 – Introduction

The procedure set forth in this Article for amending the limited appreciation formula, as embodied in the legal documents used by the Corporation to convey title to improvements located on land owned by the Corporation or to convey title to housing units encumbered with a Housing Subsidy Covenant has been set down by the Board of Directors of the Corporation, its Members, lessees, and Covenantors in consideration of the following:

- A. 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 I, Section 2 of these Bylaws.
- B. 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, to the extent that an unrestricted rate of increase is recognized by the Membership of the Corporation as a major obstacle to occupancy by and resale among low- and moderate-income persons of safe, decent and affordable housing. The "limited appreciation formula" is the method by which the Corporation, its Members, lessees, and Covenantors implement the concept of limited appreciation.
- C. Any formula devised to accomplish the goals embodied in the concept of limited appreciation necessarily affects the ability of the Corporation, its Members, lessees and Covenantors to realize the mutually-held goal of promoting the occupancy by and resale among low- and moderate-income persons of safe, decent and affordable housing.

Therefore, the procedure set forth in Section 2 of this Article shall govern any action by the Board of Directors to amend the limited appreciation formula.

SECTION 2 – Procedure for Amending the Limited Appreciation Formula

- A. Any discussion by the Board of Directors relative to amending the limited appreciation formula shall be noted as an agenda item and each Director shall receive ten (10) days' notice of the Board meeting at which this item is scheduled for discussion.
- B. Any motion by a Director to amend the limited appreciation formula shall be made only after two-thirds of the Board of Directors, a quorum having been established, find that the current formula may be detrimental to the mutually-held purposes of the Corporation, its Members, lessees, and Covenantors as established by these Bylaws, including this Article.
- C. If two-thirds of the Board of Directors finds that the current limited appreciation formula may be detrimental to the mutually-held purposes of the Corporation, its Members, lessees, and Covenantors, the Board may propose and vote on a specific amendment to the current limited appreciation formula which addresses the Board's concerns. Any such amendment must be adopted by a vote of two-thirds of the Board of Directors. If the amendment is adopted by the Board, the Board shall then call a Special Meeting of the Membership for the sole purpose of voting on the Board's action to amend the limited appreciation formula. An affirmative vote of at least two-thirds of the voting Members present at the Special Membership meeting, a quorum having been established, is required to amend the limited appreciation formula. Any such amendment shall not affect or impair any agreement involving a limited appreciation formula which is in effect on the date of the Amendment.

Secretary

Adam J. Pe