

**BYLAWS
OF
DWELLING PLACE REGIONAL COMMUNITY LAND TRUST
(Adopted October 20, 2020)**

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ARTICLE I: NAME AND PURPOSES

1. **Name.** The name of this organization shall be **DWELLING PLACE REGIONAL COMMUNITY LAND TRUST**, hereinafter referred to as the “Corporation.”
2. **Purposes.** The purposes of the Corporation shall be exclusively charitable, specifically:
 - a. To provide opportunities for low-income people to secure housing that is decent and affordable and that is controlled by them on a long-term basis.
 - b. To preserve the quality and affordability of housing for future low-income residents of DP CLT.
 - c. 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-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.
 - d. 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.

ARTICLE II: MEMBERSHIP

The Corporation is organized on a membership basis. The Member is Dwelling Place of Grand Rapids Nonprofit Housing Corporation, a tax-exempt corporation organized to provide and preserve housing and related facilities for the benefit of low- and moderate-income people. The power to adopt, amend, restate or repeal the Articles of Incorporation or the bylaws is reserved exclusively to the Corporation’s Member.

ARTICLE III: BOARD OF DIRECTORS

1. **Number of Directors.** Except for the initial Board named in the Articles of Incorporation, the Board of Directors shall consist of up to twelve (12) Directors, as determined from time to time by the Member

2. **Composition of the Board.**

- a. The initial five-person Board has been appointed by the incorporator with the consent of the Member. All replacement Directors and additional Directors shall be appointed by the Member, except as provided in subsection (c) below.
- b. After the Corporation has achieved operational stability, as determined in the discretion of the Member, the Member may expand the Board to represent the interests of CLT homeowners and others whose expertise will, in the Member's discretion, likely enhance the prospects for the Corporation's long-term success. It may add, for example, members of key stakeholder groups such as municipal officials, lenders and funders, other nonprofit housing partners, residents of the Corporation's service area(s), those representing the interests of the general public, and CLT homeowners.
- c. When the Member determines that it is appropriate to do so, the CLT homeowners may elect up to one-third of Board members from among themselves, using the nomination and election procedure set out in these Bylaws. The Member will direct the CLT Board to notify CLT Homeowners of the available Board positions and of the nomination and election timing and process.

3. **Nomination of CLT Homeowner Directors.** For all regular elections of CLT Homeowner Directors after the Member determination described in 2. c. above, CLT Homeowner directors shall be nominated and elected as follows:

- a. Homeowners may nominate potential Homeowner Directors from among themselves in the manner and within the time provided in the notice sent at the direction of the Board. The notice may provide that nominations may be made at the Annual Meeting.
- b. In the event that, at the time the Board notice described above is to be sent out, the number of nominations is less than the number of Homeowner Director seats to be filled, the Member may nominate enough additional candidates so that the total number of candidates is sufficient to fill the number of open Homeowner Director seats to be filled. The additional candidates shall either be existing CLT Homeowners or those who, in the Member's judgment, can reasonably be expected to represent the normal interests and concerns of the Lessees.
- c. In the event that, at the time the Board notice described above is to be sent out, the CLT is operating in more than one geographic area (as determined by the Member), the Member may require that nominees for Homeowner Director positions equitably represent more than one of its geographic

service areas and may, in its discretion, add nominees to the Homeowner Director positions to achieve the desired equity.

4. **Election of Directors.** Homeowner Directors shall be elected from the designated nominees by the Member.
5. **Vacancies.**
 - a. .If any Director vacates his or her term or is removed from the Board, the Member may select a person to fill the vacancy, or may decide to leave the position vacant.
 - b. Any person selected to fill a vacancy on the Board of Directors must be one who, in the Member's discretion, can be reasonably expected to enhance the probabilities of the Corporation's success, If the Member is appointing a Homeowner Director, that appointee shall be one who, in the Member's discretion, is likely to represent the interests of CLT Homeowners.
6. **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 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.
7. **Terms of Directors.**
 - a. *Terms of First Elected Directors.* After the election of Directors at the first Annual Meeting, each Director shall be assigned, by the Member, , to a one-year or two-year term. In each of the categories of Directors at least one Director shall be assigned a two-year term.
 - b. *Terms of Successor Directors.* Except as otherwise provided in these Bylaws, each Director shall serve a full term of two years.
 - c. *Commencement of Terms.* The term of office of a regularly elected Director shall commence at the adjournment of the Annual 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.
 - d. *Re-election.* No person shall serve as a Director for more than three consecutive elected terms. After a year's absence from the Board, however, a person who has served three consecutive elected terms may return to the Board, if reelected, and may serve up to three consecutive elected terms.

8. Resignation.

- a. Any Director may resign at any time by giving written notice to the President. Unless otherwise specified, such resignation shall be effective upon the receipt of notice by the President.
- b. 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 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 attend three consecutive meetings, the President 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 President 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 who has missed three consecutive meetings shall not become effective until the Board has declared the position vacant as provided herein.

9. **Removal of Directors.** A Director may be removed, with or without cause, by the Member after notice and opportunity to hear from the director and other Board Members.

10. **Regular or Special Meetings.** The Board shall hold regular meetings at least annually. Regular or special meetings of the Board may be held either within or without the State of Michigan. A regular meeting may be held with or without notice as prescribed in these bylaws. A special meeting shall be held upon notice as prescribed in these bylaws. Attendance of a director at a meeting constitutes a waiver of notice of the meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, a regular or special meeting need be specified in the notice or waiver of notice of the meeting unless required by these bylaws. Unless otherwise restricted by the articles of incorporation or these bylaws, a member of the Board or of a committee designated by the Board may participate in a meeting by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. Participation in a meeting pursuant to this section constitutes presence in person at the meeting. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the board need be specified in the notice for that meeting.

11. **Notice of Special Meeting.** Special meetings of the Board may be called by the chairperson or by any two (2) directors for the transaction of such business as may be designated in the notice of the meeting. A special meeting shall be held only when notice of the time and place thereof is mailed to each director, at the address which appears on the records of the corporation, at least ten (10) days before the day on which the meeting is to be held, or sent to such place by telegraph, facsimile, e-mail, radio or cable, or telephoned or delivered personally, not later than ten (10) days before the day on which the meeting is to be held.
12. **Written Consents.** Any action, required or permitted to be taken pursuant to authorization voted at a meeting of the Board, may be taken without a meeting, without prior notice and without a vote, if a consent in writing, setting forth the action to be taken, is signed by each member of the Board. The written consents shall be filed with the minutes of the meetings of the Board. A consent transmitted by electronic means such as e-mail shall be considered a written consent for purposes of this section and as permitted by law from time to time.
13. **Quorum.** A quorum at a meeting of the Board is constituted by fifty percent (50%) of the members of the Board then in office provided that at once there is more than one category of board members, establishing a quorum requires that at least one representative from each of the categories of representatives is present and at least one (1) member of the Executive Committee.
14. **Required Vote.** Unless the vote of a larger number is required by Michigan law or these Bylaws, the vote of a majority of the directors present in person or by electronic means by which participants can communicate with each other at a meeting at which a quorum is present constitutes the action of the Board. At all meetings of the Board, each director present shall have only one (1) vote.
15. **Adjournment.** In the absence of a quorum, a majority of the directors present at the time and place of any meeting may adjourn such meeting from time to time until a quorum is present.
16. **Rules.** The parliamentary procedure for conduct of regular and special meetings of the Board shall be "Roberts Rules of Order."
17. **Duties of the Board of Directors.** The Board of Directors shall carry out the purposes of the Corporation 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. This report shall include a summary of the Corporation's activities during the previous year, the Corporation's most recent financial reports, and a list of all real estate held by the Corporation.

- b. Adopt an annual operating budget prior to the beginning of each fiscal year, and approve any expenditures not included in the budget.
 - c. Select all officers of the Corporation. Supervise the activities of all officers, agents, and committees of the Corporation in the performance of their assigned duties and investigate any possible conflicts of interest within the Corporation.
 - d. Adopt and implement personnel policies providing for the hiring, supervision, and evaluation of employees.
 - e. Provide for the deposit of funds in accordance with Article X of these Bylaws. 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.
 - f. 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.
 - g. Convey the right to use land, through leases or other limited conveyances, in accordance with the provisions of Articles VI and VII of these Bylaws.
 - h. Convey ownership of housing and other improvements on the Corporation's land to qualified lessees, as possible, in accordance with the provisions of Articles V and VI of these Bylaws.
 - i. 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.
 - j. Develop the resources necessary for the operation of the Corporation and for the acquisition and development of land and housing.
 - k. Assure the sound management of the Corporation's finances.
18. **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 and discharge advisors and consultants.
 - b. Create such committees as are necessary or desirable to further the purposes of the Corporation. (Any Director of the Corporation may be appointed to any committee. Except as otherwise provided in these Bylaws,

no committee may take action on behalf of the Corporation except as authorized by the Board of Directors.)

- c. Call special meetings.
 - d. Approve the borrowing and lending of money as necessary to further the purposes of the Corporation and in accordance with these Bylaws.
 - e. Exercise all other powers necessary to conduct the affairs and further the purposes of the Corporation in accordance with the Certificate of Incorporation and these Bylaws.
19. **Limitation on the Powers of the Board of Directors.** Action taken by the Board of Directors on any motion for the removal of Directors, the sale of land, the establishment or alteration of the “resale formula,” the amendment of the Articles of Incorporation or these Bylaws, or dissolution of the Corporation shall not become effective unless and until such action is approved in accordance with these Bylaws.
20. **Compensation.** The directors shall serve without compensation. Upon resolution of the Board not in conflict with the corporation’s articles of incorporation, the directors may receive reimbursement of expenses for attendance at any meeting of the Board. Unless the conflict is disclosed and the contractual arrangement is approved in accordance with the corporation’s conflict of interest policy, no director shall have any financial interest in any contractual arrangement entered into by the corporation in connection with the rendition of the services, the provision of goods or supplies, management of any facility owned and operated by the corporation, procurement of furnishings and equipment, or other matters whatsoever.
21. **Presumption of Assent.** A director of the corporation who is present at a meeting of the Board or a committee at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless his/her dissent shall be entered in the minutes of the meeting or unless he/she shall file his/her written dissent to such action with the person acting as the secretary of the meeting before the adjournment or shall forward such dissent by registered mail to the secretary of the corporation immediately after the adjournment of the meeting. Such right to dissent shall not apply to a director who voted in favor of such action.
22. **Committees.** The Board may designate one (1) or more committees, each committee to consist of one or more of the directors of the corporation and such non-directors as are approved by the chairperson of the committee, to serve at the discretion of the Board. Each committee shall include not less than one Board member. The directors may designate one (1) or more Board members as alternate members of a committee, who may replace an absent or disqualified

member at a meeting, of the committee. In the absence or disqualification of a member of a committee, the members thereof present at a meeting and not disqualified from voting, whether or not they constitute a quorum, may unanimously appoint another member of the Board to act at the meeting in place of such an absent or disqualified member. The following provisions apply to each committee:

- a. A committee designated pursuant to this Article, and each member thereof, shall serve at the pleasure of the Board.
- b. A member of a committee may participate in a meeting by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. Participation in a meeting pursuant to this section constitutes presence in person at the meeting.
- c. A majority of the members of each committee constitutes a quorum for the transaction of business. The vote of the majority of committee members present at a meeting at which a quorum is present constitutes the action of the committee.
- d. Any action required or permitted to be taken pursuant to authorization voted at a meeting of a committee may be taken without a meeting, if, before or after the action, all members of the committee consent thereto in writing. The written consents shall be filed with the minutes of the proceedings of the committee. The consent has the same effect as a vote of the committee for all purposes. A consent transmitted by electronic means such as e-mail shall be considered a written consent for purposes of this section and as permitted by law from time to time.
- e. A committee (except for the Executive Committee) designated by resolution of the Board, shall serve in an advisory capacity only unless the Board delegates any portion of its authority to manage, control, and conduct the business and affairs of the corporation. However, the Board may not delegate to a committee the power or authority to:
 - a. Adopt an agreement of merger or consolidation.
 - b. Approve the sale, lease, or exchange of all or substantially all of the corporation's property and assets.
 - c. Approve a dissolution of the corporation or a revocation of a dissolution.
 - d. Fill vacancies in the Board; or

- e. Fix compensation of any Board members or committee members.
- f. Each committee shall keep minutes of its meetings and shall send a copy thereof to each member of the Board. Its recommendations and reports shall be in writing and forwarded to the Board.
- g. The Executive Committee shall consist of the officers. The Executive Committee shall have, and may exercise, in the interim between meetings of the Board, all powers of the Board, provided that the Executive Committee shall not have the power to amend these Bylaws or take any other action as to which the Board is restricted. Meetings of the Executive Committee shall be called by the chairperson or, in his/her absence, by the vice-chairperson. A majority of the members of the Executive Committee shall constitute a quorum thereof. The Executive Committee shall report all actions taken between Board meetings at the next regularly scheduled meeting of the Board of Directors.
- h. No action by any committee, other than the Executive Committee, nor of any division, bureau, board, department, affiliate, employee, officer, or director shall be binding upon or constitute an expression of the policy of the Corporation unless or until it shall be approved by the Board.
- i. Whenever not prohibited by law, meetings and notices may be given and votes may occur by electronic means. Any meeting may be conducted by means of remote communication equipment that allows each participant of the meeting to communicate with all other meeting participants. Electronic transmissions shall be considered written transmissions for purposes of any provision of these Bylaws requiring any action or notice in writing.

ARTICLE IV: OFFICERS

1. **Designation.** The officers of the Corporation shall be: President, Vice President, Secretary, and Treasurer.
2. **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. Any vacancies occurring in any of these offices shall be filled by the Board for the unexpired term.
3. **Tenure.** The officers shall hold office until the next Annual Meeting of the Board after their election, 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 Director of the Board of Directors shall thereby cease to be an officer.

4. **Removal From Office.** 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 entire Board of Directors.

5. **Duties of the President.** The President shall be the principal executive officer of the corporation and, subject to the control of the Board, shall serve as chairperson of the Board and, in general, supervise and control all of the business and affairs of the corporation. He or she shall, when present, preside at all meetings of the Board. He or she may sign any deeds, mortgages, bonds, contracts, or other instruments which the Board has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board or by these bylaws or some other law to be otherwise signed or executed, and in general shall perform all duties incident to the office of president and such other duties as may be prescribed by the Board from time to time. Without limitation of the foregoing, the president shall:
 - a. Preside at meetings of the Board;
 - b. Call special meetings of the Board after consultation with the other officers;
 - c. Appoint committees;
 - d. Coordinate the function of the Board;
 - e. Serve as the Board's liaison with the community; and
 - f. Form general policies of the corporation in cooperation with the Board.

6. **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 those duties assigned to the President regarding the resignation or removal of a Director when the President is disqualified from performing 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 regarding these Bylaws; and assure that all actions of the 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. Perform such other duties as the Board of Directors may assign.

7. Duties of the Secretary. The Secretary shall:

- a. Record all minutes of the meeting of the Board;
- b. Be responsible for all correspondence with the Board;
- c. See that all notices are duly given in accordance with the provisions of these bylaws or as required by law;
- d. Be custodian of the corporate records;
- e. Keep a register of the post office address of each Board member and other relevant contact information; and
- f. In general perform all duties incident to the office of secretary and such other duties as from time to time may be assigned to him or her by the chairperson or by the Board.

In the event of the Secretary's absence from a meeting, the President may designate an Acting Secretary to record the proceedings of that meeting and to otherwise perform the duties of the Secretary during the absence.

8. Duties of the Treasurer. If required by the Board, the treasurer shall give a bond for the faithful discharge of his or her duties in such sum and with such surety or sureties as the Board shall determine. The Treasurer shall:

- a. Act as chairperson of the finance committee, if any;
- b. Serve as representative of the Board in all matters relating to funding and finances;
- c. Have charge and custody of and be responsible for all funds and securities of the corporation; receive and give receipts for monies due and payable to the corporation from any source whatsoever and deposit all such monies in the name of the corporation in such banks, trust companies or other depositories as shall be selected in accordance with the provisions of these bylaws; and
- d. In general perform all of the duties incident to the office of treasurer and such other duties as from time to time may be assigned to him or her by the chairperson or by the Board.

9. **Compensation of Officers.** All officers shall serve without compensation except as otherwise directed by the Board of Directors.

ARTICLE V: CONFLICT OF INTEREST POLICY

1. **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.
2. **Interested Person.** An Interested Person is anyone who has a financial interest, either directly or through family or business relationships, in a compensation arrangement with the Corporation or in an entity with which the Corporation is considering entering into a transaction.
3. **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 Director's judgment might be significantly influenced by outside interests, even though the Director is not an Interested Person.
4. **Disclosure.** Any Director 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.
5. **Voluntary Recusal.** If such a Director 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.
6. **Recusal by Board or Committee.** If the Director 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 Director 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 Director shall be immediately recused. The results of the vote shall be recorded in the minutes of the meeting.
7. **Recused Directors.** A recused Director 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.

8. **Agreement to Comply.** Upon joining the Board of Directors or of a committee with powers delegated by the Board of Directors, each new Director shall be given a copy of this conflict-of-interest policy and shall sign a document stating that he or she has read and understood the policy and agrees to comply with it.

ARTICLE VI: STEWARDSHIP OF LAND

1. **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 by low- or moderate-income people. In so doing, the Board shall be guided by the following principles:
 - a. The Board shall consider the needs of potential lessees and shall attempt to effect a just distribution of land use rights.
 - b. The Board shall convey land use rights on terms that will preserve affordable access to land and housing for future low- and moderate-income residents of the community.
 - 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.
2. **Encumbrance of Land.** The decision to mortgage or otherwise encumber land owned by the Corporation shall require the approval of the Board of Directors. Any such encumbrance shall be subordinated to any ground leases relating to such land.
3. **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 entire Board of Directors at a regular or special Board meeting, provided that (i) the Corporation has owned the parcel for no more than sixty (60) 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 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 entire Board of Directors 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.
- c. 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 the CLT, 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 the CLT.

ARTICLE VII: OWNERSHIP OF HOUSING AND OTHER IMPROVEMENTS LOCATED ON THE CORPORATION'S LAND, AND LIMITATIONS ON RESALE

1. **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 by low-and moderate-income people. 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.
2. **Preservation of Affordability.** It is a purpose of the Corporation to preserve the affordability of housing and other improvements for low-and moderate-income people in the future. 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 maybe resold only to the Corporation or to another low- and moderate-income person and only for a price limited by a "resale formula" as described in Section 3 below. 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 continued affordability for low-income people, and in such cases the resale restrictions described above shall not be required as a condition of the lease.
3. **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. 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 of the Corporation, in accordance with the following principles:

- a. To the extent possible, the formula shall allow the seller to receive a price based on the value that the seller has actually invested in the property being sold.
 - b. To the extent possible, the formula shall limit the price of the property to an amount that will be affordable for other low- and moderate-income people at the time of the transfer of ownership.
4. **Procedures for Adoption of the Resale Formula.** The adoption of the resale formula shall require:
 - a. 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.
5. **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 of the Corporation determine that the current formula presents an obstacle to the achievement of the purposes of the Corporation. In such event, the resale formula may be altered only by a two-thirds vote of the entire Board of Directors present at a meeting, as described above for the adoption of the formula.

ARTICLE VIII: AMENDMENT OF ARTICLES OF INCORPORATION AND BYLAWS

The Articles of Incorporation may only be amended by the Member.

ARTICLE IX: DISSOLUTION

A decision to dissolve the Corporation and to distribute the Corporation's assets in a particular manner in accordance with the Articles of Incorporation may only be made by the Member.

ARTICLE X: MISCELLANEOUS PROVISIONS

1. **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.
2. **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.

3. **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.
4. **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.
5. **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.
6. **Indemnification.** Any person (and the heirs, executors and administrators of such person) made or threatened to be made a party to any 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, incurred by him or her (or his or her heirs, executors, or administrators) in connection with the defense or settlement of such action, suit, or proceeding, or in connection with any appearance therein, except in relation to matters as to which it shall be adjudged in such action, suit or proceeding that such Director or Officer is liable for negligence or misconduct in the performance of his or her duties.

ARTICLE XI: INITIAL BOARD ADOPTION OF BYLAWS, FIRST ANNUAL MEETING

1. **Initial Board of Directors.** The Initial Board of Directors shall be as stated in the Articles of Incorporation. The Initial Board, after it and the Member have approved these Bylaws, shall call its first regular meeting. The terms of the initial Board of Directors shall commence at its first regular meeting and continue for the term established by the procedure in Article III, Section 7. of these Bylaws.
2. **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 at its first regular meeting. .
3. **First Annual Meeting.** The location and specific time of the First Annual Meeting shall be determined by the Initial Board of Directors. Notice of the

First Annual meeting shall be mailed to interested persons at least seven days prior to the Meeting and shall include a list of those persons nominated for the Board of Directors in accordance with Article III, Section 4 above. Except as otherwise provided in this Article, the election of Directors and other business of the First Annual Meeting shall be conducted in accordance with Articles II and III of these Bylaws.

Approved and Adopted: October 20, 2020