

BEVERLY-VERMONT COMMUNITY LAND TRUST

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ARTICLE I: Name

The name of this corporation shall be Beverly-Vermont Community Land Trust.

ARTICLE II: Statement of Purpose

The corporation is organized under the California Nonprofit Public Benefit Corporation Law for charitable purposes: 1) to provide opportunities for low- and moderate-income residents to secure housing that is decent and affordable and that is controlled by the residents on a long-term basis (as stated in greater detail in Article II of this corporation's Articles of Incorporation); and 2) to use land and natural resources so as to promote the long-term health and well-being of the community and of the environment. This corporation is operated exclusively for charitable purposes within the meaning of §501(c)(3) of the Internal Revenue Code and shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of its primary charitable purposes.

The specific purposes of this corporation are:

1. To steward the land so as to create pedestrian-centered neighborhoods with affordable housing, work and recreational spaces that are economically and socially sustainable, and that integrate urban living with nature;
2. To preserve and promote permanently affordable housing for low-to-moderate income households and to prevent community deterioration by providing affordable housing to long-term neighborhood residents;
3. To combat community deterioration in economically disadvantaged neighborhoods of the City of Los Angeles by developing, rehabilitating and maintaining decent housing and commercial spaces in these neighborhoods; by promoting environmentally sensitive economic opportunities for residents; by making land available for projects and activities that improve the quality of life and by helping residents improve the safety and well being of their community; and
4. To conserve and regenerate the environment by creating environmentally sustainable residential and commercial structures and by providing education designed to give residents a stake in the community's cultures, functions and governance.

ARTICLE III: Principal Office

The initial principal office of the corporation shall be located at 117 Bimini Place, Los Angeles, California, 90004. The Board of Directors may at any time, or from time to time, change the location of the principal office from one location to another within said city and county.

The Board of Directors may at any time establish branch offices at any place where the corporation is qualified to do business.

ARTICLE IV: Nonpartisan Activities

This corporation has been formed under the California Nonprofit Public Benefit Corporation Law (the “Law”) for the charitable purposes described above, and it shall be nonprofit and nonpartisan. No substantial part of the activities of the corporation shall consist of the carrying on of propaganda or otherwise attempting to influence legislation, nor shall this corporation participate in or intervene in any political campaign on behalf of or in opposition to any candidate for public office.

ARTICLE V: Dedication of Assets

Although the period of duration of this nonprofit corporation is perpetual, if for any reason the corporation is to be dissolved or otherwise terminated, all property and proceeds of the corporation, subject to the discharge of valid obligations of the corporation and to the applicable provisions of California law, shall be distributed as directed by the Board of Directors and approved by the Regular Members exclusively for the purposes of the corporation, among one or more corporations, trusts, community chests, funds or foundations organized and operated exclusively for similar charitable purposes as this corporation, no part of the net earnings of which inure to the benefit of any private shareholder, member or individual, and no substantial part of whose activities consist of carrying on propaganda or otherwise attempting to influence legislation and which does not participate or intervene in any political campaign on behalf of any candidate for public office, or to other entities of the type which qualify for exemption under Section 501(c)(3) of the Internal Revenue Code or corresponding future provisions of the federal tax law. Any of such assets not so disposed of shall be disposed of by the United States District Court for the Central District of California, exclusively for such purposes or to such organization or organizations, as said court shall determine which are organized and operated exclusively for purposes described herein.

ARTICLE VI: Membership

1. Regular Membership.

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

- a. The Lessee Members, who shall be all persons who lease land, housing or commercial spaces from the corporation or who lease or own facilities located on land leased by another entity from the corporation and have complied with the following requirements:

- i. Attendance at one of the orientation meetings that shall be scheduled from time to time by the Board of Directors for the purpose of introducing prospective members to the purposes and methods of the corporation.
 - ii. Participation in a minimum of 10 hours of service to the corporation or 10 hours of training as defined by the Board of Directors and these bylaws. Board mandated training may include, but is not limited to, consensus training, mediation and/or nonviolent-communications training, and reading/understanding financial reports.
 - iii. Submission of a membership application including a signed statement of support for the purposes of the corporation in a form to be determined by the Board of Directors.
- b. The General Members, who shall be all other persons, eighteen years of age or older, who have complied with the following requirements.
- i. Attendance at one of the orientation meetings that shall be scheduled from time to time by the Board of Directors for the purpose of introducing prospective members to the purposes and methods of the corporation.
 - ii. Submission of a membership application including a signed statement of support for the purposes of the corporation in a form to be determined by the Board of Directors.
 - iii. Payment of dues as established by the membership for the current calendar year.
 - iv. Participation in a minimum of 10 hours of service to the corporation or 10 hours of training as defined by the Board of Directors and these bylaws. Board mandated training may include, but is not limited to, consensus training, mediation and/or nonviolent-communications training, and reading/understanding financial reports.

2. Requirements for Continuing Membership

To maintain Regular Membership as a Lessee Member beyond a person's first year of Regular Membership a person must have complied with the following requirements:

- a. Have attended at least one meeting of the membership or Board of Directors during the previous twenty-four months or have shown good cause for non-attendance and continuing interest in the corporation;

- b. Have contributed a minimum of 10 hours of service to the corporation or attended a minimum of 10 hours of training as defined by the Board of Directors; and
- c. Have signed an annual statement providing that the Lessee Member supports the principles of the corporation.

To maintain Regular Membership as a General Member beyond a person's first year of Regular Membership a person must have complied with the following requirements:

- a. Have attended at least one meeting of the membership or Board of Directors during the previous twenty-four months or have shown good cause for non-attendance and continuing interest in the corporation;
- b. Have contributed a minimum of 10 hours of service to the corporation or attended a minimum of 10 hours of training as defined by the Board of Directors; and
- c. Have signed an annual statement providing that the Lessee Member supports the principles of the corporation.
- d. Have paid dues established for the current calendar year by _____ [date].

3. Membership Dues

- a. Annual membership dues shall be assessed for each calendar year by an affirmative vote of a majority of the Regular Members present and voting at the Annual Meeting of the Membership proceeding that year. If no such action is taken to assess dues for a given year, the dues for that year shall be as established for the previous year.
- b. Membership dues may be paid either in cash and/or a local currency, through a contribution of labor to the organization. The Board of Directors shall determine the hourly rate at which labor will be credited as dues, and shall have the power to designate the types of labor that may be credited.
- c. The initial membership dues will be \$35.00 per year.

4. Rights of Regular Members

- a. Every Regular Member shall have the right to participate in membership meetings, to cast one vote on all matters properly put before the membership, to nominate and participate in the election of the Board of Directors as provided by these bylaws, to serve on the Board of Directors or on committees if chosen, and to receive notices and minutes of membership meetings and Annual Reports of the corporation.

- b. The assent of the Regular Membership, in accordance with these bylaws, shall be required before action may be taken on the assessment of membership dues, the sale of land, the establishment or alteration of the Resale Formula, the amendment of the Articles of Incorporation or these bylaws, or the dissolution of the corporation.

5. Supporting Members

- a. Any person who has paid the annual dues established for the current calendar year; and who does not wish to become a Regular Member or has not met all of the requirements of Regular Membership shall be designated a Supporting Member of the corporation, but no such reference shall constitute anyone as a member within the meaning of Section 5056 of the California Corporations Code.
- b. Supporting Members shall have all of the rights of Regular Members except: (1) the right to nominate and participate in the election of the Board of Directors; and (2) the right to vote on matters put before the Regular Membership.

6. Membership Meetings

- a. *Notice of Membership Meetings.* Written notice of every membership meeting shall be given to all Regular Members and Supporting Members and shall include an agenda for the meeting. Notice shall specify the place, date and hour of the meeting. If Directors are to be elected, the notice must also state the names of those persons nominated for the Board of Directors as provided in Article VII of these bylaws as of the time notice is sent to the members. Notice must be given personally, by electronic transmission by the corporation, or by first-class mail or other means of written communication to the member at the address of the member appearing on the books of the corporation or the address given by the member to the corporation for purpose of notice, not less than ten days nor more than 90 days prior to a meeting.

Meetings, however noticed, are valid as if proper notice had been given if each person entitled to vote, not present at the meeting, provides a written waiver of notice or consent to the holding of the meeting or a written approval of the minutes thereof. Attendance of a person at a meeting shall constitute a waiver of notice unless at the beginning of the meeting that person objects to the transaction of any business because the meeting was not lawfully called.

- b. *Waiver of Notice.* Waiver of notice can be provided as a written waiver of notice, as a written consent to the holding of the meeting, or a written approval of the minutes of the meeting. All waivers, consents and approvals must be filed with the corporate records or made a part of the minutes of the meeting. The removal of a Director for cause, a vote to

fill a vacancy on the Board, an amendment to the Articles of Incorporation, an amendment to the Bylaws, and/or a decision to dissolve the corporation must be specified in any written waiver of notice, consent to the holding of the meeting or approval of the minutes.

Attendance of a person at a meeting constitutes waiver of notice except when the person objects, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called. However, attendance at a meeting is not a waiver of any right to object to consideration of the matters required to be included in the notice, but not so included, if that objection is expressly made at the meeting.

- c. *Place of Meeting.* Meetings of the members shall be held at any place within California as designated by the Board of Directors. In the absence of any such designation, membership meetings shall be held at the corporation's principal office.
- d. *Annual Membership Meetings.* Subsequent to the First Annual Meeting of the Membership, the Annual Meeting of the Membership, for reports to the membership by the Board of Directors and Officers, the election of Directors, the assessment of dues, and the transaction of other business, shall be held in the first quarter of each year. The location and specific time of the Annual Meeting of the Membership shall be determined by the Board of Directors.
- e. *Regular Membership Meetings.* Regular Membership Meetings may be scheduled by the Regular Membership at such times and places as they shall establish at the Annual Meeting, or any other properly noticed meeting of the membership.
- f. *Special Membership Meetings.* Special Membership Meetings may be called by the Board of Directors, the Board President or by a written petition, addressed to the Board President, signed by at least five percent of the Regular Membership. The officer receiving the request shall cause notice to be given promptly to the members entitled to vote, provided that the meeting date shall be at least 35 days but not more than 90 days after receipt of the request. If the notice is not given within 20 days after the request is received, the person or persons requesting the meeting may give the notice. Nothing in this Section 6(e) shall be construed as limiting, fixing, or affecting the time at which a meeting of the members may be held when the meeting is called by the Board of Directors. At a Special Meeting of the Membership, only those matters stated on the agenda, as included in the notice of the meeting, may be acted upon by the membership.
- g. *Open Meetings and Attendance.* All membership meetings shall be open to any person. The Board of Directors may create a code of conduct governing anyone who attends a membership meeting. Members must attend membership meetings in person or by proxy. Additionally, a meeting of the members may be conducted by electronic

transmission by and to the corporation or by electronic video screen communication if (1) the corporation gives the members a reasonable opportunity to participate in person, (2) the corporation maintains a record of any vote made by electronic transmission, and (3) the corporation obtains the member's consent. "Electronic transmission" includes communication by fax, by posting on an electronic message board or network, which the corporation has designated for those communications, or by other means of electronic communication.

- h. *Minutes.* Minutes of all membership meetings shall be recorded by the Secretary of the corporation or by another person designated by the Board of Directors. Minutes for every meeting shall be approved by the Regular Membership at the next membership meeting. The Board may make all minutes publicly available by posting them on the corporation's website, or, if the corporation does not have a website, on another easily accessible internet site.
- i. *Voting.* Members entitled to vote at any meeting shall be those Regular Members in good standing as of the meeting in question. At a meeting, voting may be by voice or ballot, except that any election of directors must be by ballot if demanded by any Regular Member at the meeting before the voting begins. Proxy voting is allowed. Each member entitled to vote shall be entitled to cast one vote on each matter submitted to a vote of the Regular Members. Cumulative voting is prohibited. No person who becomes a Regular Member at any membership meeting may vote at that membership meeting
- j. *Making Decisions.* Wherever practical, decisions shall be made at membership meetings by the consensus of the Regular Members present, a quorum being assembled. In the event that consensus is not attained, a decision shall be made by an affirmative vote of a majority of the Regular Members present and voting, a quorum being assembled, except as otherwise provided by these bylaws. Before a vote is held on any motion, the exact language of the motion shall be recorded by the Secretary and read to the membership, and all members present shall have a reasonable opportunity to express their opinions on the proposition.
- k. *Quorum.* A quorum shall consist of one-quarter of the total Regular Membership, as determined by the Secretary of the corporation, however the only matters that may be voted on at a Regular Meeting of the Membership actually attended by less than one-third of the voting power are those for which notice of a general nature was given.
- l. Members present at a duly called meeting at which a quorum is present may continue to transact business until adjournment. A meeting at which a quorum is initially present may continue to transact business notwithstanding the withdrawal of members, if any action taken is approved by at least two-thirds of the required quorum for such meeting.

m. *Adjournment.* Any member meeting, whether or not a quorum is present, may be adjourned by the vote of the majority of the members represented in person at the meeting. When a member meeting is adjourned to another time or place, notice need not be given of the adjourned meeting if the time and place to which the meeting is adjourned are announced at the meeting at which adjournment is taken. No meeting may be adjourned for more than 45 days. At the reconvened meeting, the corporation may transact any business that these bylaws would have permitted to be transacted at the original meeting.

7. Termination of Membership.

A membership shall terminate if any of the following events occur:

- a. Resignation of the member, on reasonable notice to the corporation;
- b. Expiration of the period of membership, unless the membership is renewed on the renewal terms fixed by the corporation;
 - i. For a Lessee Member, the membership period has expired when the Lessee Member no longer leases land, housing, or other facilities from the corporation or no longer leases or owns housing or other facilities located on land leased by another entity from the corporation, unless the Lessee Member either meets the requirements for general membership under Article VI, Section 1(b) of these bylaws, in which case the member is a General Member, or meets the requirements for supporting membership under Article VI, Section 5(a)
- c. Expulsion of the member in accordance with Article VI, Section 9 of these bylaws based on a good faith determination by the Board of Directors, or a committee or person authorized by the Board to make such a determination, that the member has failed in a material and serious degree to observe the rules of conduct of the corporation, or has engaged in conduct materially and seriously prejudicial to the purposes and interests of the corporation.
- d. Failure to fully and timely pay dues, as specified in Article VI.2.b.

8. Suspension of Membership.

A member may be suspended under Article VI, Section 9 of these bylaws, based on a good faith determination by the Board, or a committee or person authorized by the Board to make such a determination, that the member has failed in a material and serious degree to observe the corporation's rules of conduct, or has engaged in conduct materially and seriously

prejudicial to the purposes and interests of the corporation. A person whose membership is suspended shall not be a member during the period of suspension, which in no event shall exceed one year.

9. Procedure for Expulsion or Suspension.

- a. If grounds appear to exist for expulsion or suspension of a member under Article VI, Section 7 or 8 of these bylaws, except in the case of expiration of the period of membership, the procedure set forth below shall be followed:
 - i. The member shall be given 15 days notice, by any method reasonably calculated to provide actual notice, of the proposed expulsion or suspension and the reasons therefore. Any notice given by mail shall be sent by first-class, registered, or certified mail to the member's last address as shown on the corporation's records.
 - ii. The member shall be given an opportunity to be heard, either orally or in writing, at least five (5) days before the effective date of the proposed expulsion or suspension. The hearing shall be held, or the written statement considered, by the Board, or by a committee or person authorized by the Board of Directors, to determine whether the expulsion or suspension shall take place.
 - iii. The Board of Directors, committee, or authorized person shall decide whether or not the member should be suspended, expelled or sanctioned in some other way.
 - iv. Any action challenging an expulsion, suspension, or termination of membership, including a claim alleging defective notice, must be commenced within one year after the date of the expulsion, suspension, or termination.

10. Transfer of Membership.

No membership or right arising from membership shall be transferred. All membership rights cease on the member's death or dissolution or termination of membership.

11. Liability for Debts or Obligations.

A member of the corporation is not, as a member, personally liable for the debts, liabilities, or obligations of the corporation.

ARTICLE VII: Board of Directors

1. Powers

Subject to the provisions and limitations of any other applicable laws, and subject to any limitations in the articles of incorporation or bylaws regarding actions that require approval of the members, the business and affairs of the corporation shall be managed, and all corporate powers shall be exercised, by or under the direction of the Board of Directors. The Board of Directors may delegate the management of the day-to-day operation of the business of the corporation to a committee or other person, provided that the activities and affairs of the corporation shall be managed and all corporate powers shall be exercised under the ultimate direction of the Board of Directors.

2. Number of Directors.

The Board of Directors shall consist of nine (9) to fifteen (15) Directors.

3. Composition of the Board.

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

4. Nomination of Directors.

Directors shall be nominated as follows:

- i. Lessee Representatives
 - i. Lessee Members may nominate Lessee Representatives to the Board of Directors from among themselves. These nominations must either be submitted in writing to the Secretary of the corporation at least twenty days prior to the Annual Meeting of the Membership or be made from the floor of the Annual Meeting of the Membership.
 - ii. If, at the time the notice of the Annual Meeting of the Membership is to be sent out, the number of nominations is less than the number of Lessee Representative seats to be filled, the Board of Directors shall nominate enough candidates so that

the total number of candidates is sufficient to fill the number of seats to be filled. To achieve this end, the Board of Directors may, at any time prior to the sending out of such notice, approve a list of candidates for Lessee Representatives and may instruct the Secretary to include this list with the notice of the Annual Meeting. In making such nominations, the Board shall select actual Lessee Members to the extent that they are available to serve on the Board of Directors. Otherwise the Board of Directors shall select persons who can reasonably be expected to represent the normal interests and concerns of Lessee Members.

ii. General Representatives

- i. General Members may nominate General Representatives to the Board of Directors from among themselves. These nominations must either be submitted in writing to the Secretary of the corporation at least twenty days prior to the Annual Meeting of the Membership or be made from the floor at the Annual Meeting of the Membership.
- ii. If, at the time the notice of the Annual Meeting of the Membership is to be given, the number of nominations for General Representatives is less than the number of General Representative seats to be filled, the Board of Directors shall nominate enough candidates so that the total number of candidates is sufficient to fill the number of seats to be filled. To achieve this end, the Board of Directors, may, at any time prior to the giving of such notice, approve a list of candidates for General Representatives and may instruct the Secretary to include this list with the notice of the Annual Meeting of the Membership.

- iii. *Public Representatives.* At least twenty days prior to the Annual Meeting of the Membership, the Board of Directors shall make nominations for Public Representatives to the Board of Directors.

5. Election of Directors.

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

Positions on the Board of Directors shall be filled by those candidates receiving the largest numbers of votes in the category, though such numbers may constitute less than a majority of the total votes cast in the category.

- a. *Separate Voting by Category.* A separate vote shall be taken first for Lessee Representatives, second for General Representatives and third for Public Representatives in that order. If a person has been nominated in more than one category and is then

elected in one category, his or her name shall be removed from the list of nominees in the remaining category(s).

- b. *Election of Lessee Representatives.* Only Lessee Members may vote to elect Lessee Representatives unless no Lessee Members are present at the Annual Membership Meeting. If no Lessee Members are present, then General Members may vote to elect Lessee Representatives. Each member qualified to vote for Lessee Representatives may vote for as many nominees in this category as there are Lessee Representative seats to be filled.
- c. *Election of General Representatives.* Only General Members may vote to elect General Representatives unless no General Members are present at the Annual Meeting of the Membership. If no General Members are present, then Lessee Members may vote to elect General Representatives. Each member qualified to vote for General Representatives may vote for as many nominees in this category as there are General Representative seats to be filled.
- d. *Election of Public Representatives.* All Regular Members may vote to elect Public Representatives. Each Regular Member may vote for as many Public Representative nominees as there are Public Representative seats to be filled.

6. Vacancies

- a. *Election to Fill Vacancies.* Except for a vacancy created by the removal of a Director by the members, if any director vacates his or her term or is removed from the Board of Directors, the remaining directors, though they may constitute less than a quorum, may elect a person to fill the vacancy, or may, by unanimous agreement, decide to leave the position vacant until the next Annual Meeting of the Membership, provided the Board of Directors still includes at least three Representatives in each category. Decisions to fill vacancies shall be made by a majority vote of the remaining directors.
- b. *Qualifications of Replacements.* Any person elected to fill a vacancy on the Board of Directors must be someone who can be reasonably expected to represent the interest of the constituents in the category (Lessee, General, or Public) in which the vacancy occurs.
- c. *Term of Replacements.* Replacement directors elected by the Board of Directors shall serve out the remaining term of the person who vacated the position.

7. Terms of Directors

- a. *Terms of First-Elected Directors.* After the election of directors at the first Annual Meeting of the Membership, each Director shall be assigned, by mutual agreement or by

lot, to a one-year or two-year term. In each of the three categories of representatives, two directors shall be assigned a one-year term and approximately half of the directors 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 of the Membership of Directors in which he or she is elected. The term of office of a director elected by the Board of Directors to fill a vacancy shall begin at the time of his or her acceptance of the position.
- d. *Reelection.* No person shall serve as a director for more than three consecutive 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 additional consecutive elected terms.

8. Resignation

- a. *Voluntary Resignation.* Any director may resign at any time by giving notice to the President. Unless otherwise specified, such resignation shall be effective upon the receipt of notice by the President.
- b. *Resignation by Absence.* 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 of Directors with the exception of Emergency Meetings. When a director has failed to attend two consecutive meetings, the Secretary will notify her or him that missing another consecutive meeting will result in his or her resignation from the Board of Directors.

9. Removal of Directors.

A director of the corporation may be removed without cause by the Regular Members of the corporation. However, before such removal can occur, the following procedure must be followed:

- a. At either a duly called Regular Membership Meeting or a duly called Special Membership Meeting, a quorum being assembled, the class of membership that elected the director at issue shall decide whether or not to remove the director and approve of such decision in the following manner:

- i. A Lessee Representative can only be removed by a majority vote of all the Lessee Members.
- ii. A General Representative can only be removed by a majority vote of all the Non-Lessee Members.
- iii. A Public Representative can be removed a majority vote of all the Regular Membership.

10. Board Meetings

- a. *Notice of Board Meetings.* Except as provided below for Emergency Meetings, written notice of a board meeting shall be mailed, or, with the prior consent of the director, sent via email, to all directors at least seven days prior to the meeting or shall be delivered in person at least five days prior to the meeting. Notice of every meeting shall include an agenda for the meeting and any materials needed for decisions to be made at the meeting.
- b. *Waiver of Notice.* Notice of a meeting need not be given to a director who provided a waiver of notice, or a consent to holding the meeting, or an approval of the minutes of the meeting in writing, whether before or after the meeting, or who attends the meeting without protesting, before the meeting or at its commencement, the lack of notice to that director. All waivers, consents and approvals must be filed with the corporate records or made a part of the minutes of the meetings.
- c. *Annual Meeting.* The Annual Meeting of the Board of Directors may be held immediately following the Annual Meeting of the Membership and must be held no later than six weeks following the Annual Meeting of the Membership.
- d. *Regular Meetings.* The Board of Directors shall meet no less often than once every two months, at such times and places as the Board of Directors may establish. Any meeting may be held by conference telephone, electronic video screen communication, or electronic transmission by and to the corporation, as long as all directors participating in the meeting can communicate with one another concurrently and each director has the means to participate in all matters before the Board of Directors, including, without limitation, the capacity to propose, or to interpose an objection to, a specific action to be taken by the corporation. All such directors shall be deemed to be present in person at such meeting.
- e. *Submission of Agenda Items.* At least ten (10) days prior to the Annual Meeting of the Board of Directors or a Regular Meeting of the Board of Directors, any director may request that an item be placed on the agenda by submitting an information form to the President or to a person designated by the President.

At any point prior to a meeting the President or any two directors may designate an agenda item as time sensitive. Time sensitive items will be taken up as early as practical during the meeting. Action on time sensitive items may be postponed only under extraordinary circumstances.

- f. *Special Meetings and Emergency Meetings.* Special Meetings of the Board of Directors may be called by the President, by any three directors, or by 10% of the Regular Members of the corporation. Notice must be given as provided above, unless any three directors determine that the matter at hand constitutes an emergency. When so determined, an Emergency Meeting may be called on 48 hours notice delivered personally or by telephone, including a voice messaging system or other system or technology designed to record and communicate messages, telegraph, facsimile, electronic mail, or other electronic means. Notice of Special Meetings of the Board of Directors and Emergency Meetings must include an announcement of the agenda. At any Special Meeting of the Board of Directors or Emergency Meeting, only those matters included in the announced agenda may be acted upon unless all of the directors are present at the meeting and unanimously agree to take action on other matters.

11. Procedures for Board Meetings

- a. *Open Meetings.* All Board Meetings shall be open to any person except when the Board has voted, during an open meeting, to go into Executive Session.
- b. *Executive Session.* A motion to go into Executive Session shall state the nature of the business of the Executive Session, and no other matter may be considered in the Executive Session. No binding action may be taken in Executive Session except actions regarding the securing of real estate purchase options or contracts. Attendance in Executive Session shall be limited to the directors and any persons whose presence is requested by the Board of Directors. Minutes of an Executive Session need not be taken; however, if they are taken, they shall be recorded as a part of the minutes of the meeting in which the Board of Directors has voted to go into Executive Session. The Board shall not hold an Executive Session except to consider one or more of the following matters:
 - i. Contracts, labor relations agreements with employees, arbitration, grievances, or litigation involving the corporation when premature public knowledge would place the corporation or person involved at a substantial disadvantage;
 - ii. Real estate purchase offers and the negotiating or securing of real estate purchase options or contracts;

- iii. The appointment or evaluation of an employee, and any disciplinary or dismissal action against an employee (however, nothing in this section shall be construed to impair the right of the employee to a public hearing if action is taken to discipline or dismiss);
 - iv. The consideration of applications from persons seeking to lease land and/or housing, purchase housing, or arrange financing from the corporation; and
 - v. Relationships between the corporation and any party who might be harmed by public discussion of matters relating to the relationship.
- c. *Quorum.* At any meeting of the Board of Directors, a quorum shall consist of a majority of the Board of Directors, provided that at least one Lessee Representative is present.
- d. *Making Decisions.* The Board of Directors shall attempt to reach unanimous agreement on all decisions. In the event that unanimous agreement cannot be achieved, a decision may be made by a majority of the directors present and voting, except as otherwise provided in these bylaws.
- e. *Minutes.* Minutes of all meetings of the Board of Directors shall be recorded by the Secretary or by such other person as the Board of Directors may designate, and shall be approved by the Board of Directors at the next Board meeting. All minutes of Board of Directors meetings shall be kept on permanent record by the corporation and shall be open for inspection by any member of the corporation. The Board may make all minutes publicly available by posting them on the corporation's website, or, if the corporation does not have a website, on another easily accessible internet site.

12. Limitation on the Powers of the Board of Directors.

Action taken by the Board of Directors on any motion for the assessment of membership dues, the removal 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 by the membership in accordance with these bylaws.

13. Compensation.

Directors may not receive any compensation for their services as such, but may receive reasonable reimbursement of expenses incurred in the performance of their duties, including advances as provided in Article IX, Section 2, as may be fixed or determined by resolution of the Board of Directors. Directors may not be compensated for rendering services to this

corporation in any capacity other than Director, unless such compensation is reasonable and approved as provided in Article IX, Section 7.

ARTICLE VIII: 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 of Directors. Any vacancies occurring in any of these offices shall be filled by the Board of Directors for the remainder of the term.

3. Tenure.

The officers shall hold office until the next Annual Meeting of the Board of Directors 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 member 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:

- a. Preside or designate another director to preside at all meetings of the Board of Directors, and preside or designate another director or member to preside at all meetings of the membership.
- b. Consult with the other officers and committees of the corporation regarding the fulfillment of their duties.
- c. Ensure that an agenda is prepared for every meeting of the membership and the Board of Directors.

- d. Call special meetings of the membership or Board of Directors for specific purposes.
- e. Perform such other duties as the Board of Directors may assign.
- f. Give notice to any director who has been absent from three consecutive regular meetings, as required by the bylaws.
- g. Carry out the duties assigned to the President regarding the removal of a director

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. Ensure that the corporation adopts bylaws and maintains an up-to-date copy of the bylaws; answer all questions from the Board of Directors regarding the bylaws; and ensure that all actions of the membership and Board of Directors comply with the bylaws once they are adopted.
- c. Ensure that any and all committees established by the Board of Directors are constituted as the Board of Directors has directed and meet as necessary and appropriate.
- d. Perform such other duties as the Board of Directors may assign.
- e. Perform those duties assigned to the President regarding the resignation or removal of a director when the President is disqualified from performing these duties.

7. Duties of the Secretary.

The Secretary shall:

- a. Ensure that a list of all members and their mailing addresses is maintained by the corporation.
- b. Ensure that proper notice of all meetings of the membership and the Board of Directors is given.
- c. Ensure that motions and votes in meetings of the membership and Board of Directors are accurately represented to those present and are accurately recorded in the minutes.

- d. Ensure that accurate minutes of all meetings of the membership and the Board of Directors are recorded and kept on permanent record.
- e. Handle any correspondence that Board or committee members request.
- f. Perform such other duties as the Board of Directors may assign.

8. Duties of the Treasurer.

The Treasurer shall oversee the corporation's finances. Specifically, the Treasurer shall:

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

ARTICLE IX: Standard of Care

1. General.

A director shall perform the duties of a director, including duties as a member of any committee of the Board of Directors on which the director may serve, in good faith, in a

manner such director believes to be in the best interest of this corporation and with such care, including reasonable inquiry, as an ordinarily prudent person in a like situation would under similar circumstances.

In performing the duties of a director, a director shall be entitled to rely on information, opinions, reports or statements, including financial statements and other financial data, in each case prepared or presented by:

- a. One or more officers or employees of the corporation whom the director believes to be reliable and competent in the matters presented;
- b. Counsel, independent accountants or other persons as to matters which the director believes to be within such person's professional or expert competence; or
- c. A committee of the Board of Directors upon which the director does not serve, as to matters within its designated authority, which committee the director believes to merit confidence, so long as in any such case, the director acts in good faith, after reasonable inquiry when the need therefore is indicated by the circumstances and without knowledge that would cause such reliance to be unwarranted.

2. Loans.

The corporation shall not lend money or property to, nor guarantee any obligation of, its directors or officers, provided however that the corporation may advance money to its directors and officers of the corporation for expenses that it reasonably anticipates them to incur in performing their duties and for which it would otherwise reimburse them.

3. Conflict of Interest Policy

The purpose of the conflict of interest policy is to protect the corporation's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of one of its officers or directors, or that might otherwise result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable California and federal laws applicable to nonprofit charitable corporations and is not intended as an exclusive statement of responsibilities.

a. Definitions

Unless otherwise defined, the terms used in this Section have the following meanings:

- i. “Interested Persons” – Any director, principal officer, or member of a committee with board-delegated powers, which has a direct or indirect financial interest, as defined below, is an interested person.
- ii. “Financial Interest” – A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:
 - 1) An ownership or investment interest in any entity with which the corporation has a transaction or arrangement;
 - 2) A compensation arrangement with the corporation or with any entity or individual with which the corporation has a transaction or arrangement; or
 - 3) A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the corporation is negotiating a transaction or arrangement.

Compensation includes direct and indirect payment for goods or services as well as gifts or favors that are not insubstantial.

A financial interest is not necessarily a conflict of interest. A person who has a financial interest may have a conflict of interest only if the Board of Directors, or a committee thereof, decides that a conflict exists pursuant to the procedures set forth below.

b. Procedures

i. Duty to Disclose

In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the directors, who are considering the proposed transaction or arrangement.

ii. Determining Whether a Conflict of Interest Exists

After disclosure of the financial interest and all material facts, and after any discussions with the interested person, the interested person shall leave the Board of Directors meeting while the determination of a conflict of interest is discussed and voted upon. The remaining members of the Board of Directors shall decide if a conflict of interest exists.

iii. Procedure for Addressing the Conflict of Interest

In the event that the Board of Directors determines that a proposed transaction or arrangement presents a conflict of interest, the Board of Directors shall take the following actions:

- 1) An interested person may make a presentation at the meeting of the Board of Directors, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
- 2) The President shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- 3) After exercising due diligence, the Board of Directors shall determine whether the corporation can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.
- 4) If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the Board of Directors shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the corporation's best interest, for its own benefit, and whether it is fair and reasonable. It shall make its decision as to whether to enter into the transaction or arrangement in conformity with this determination.

c. Violations of the Conflict of Interest Policy

If the Board of Directors has reasonable cause to believe an interested person has failed to disclose actual or possible conflicts of interest, it shall inform the interested person of the basis for such belief and afford the interested person an opportunity to explain the alleged failure to disclose.

If, after hearing the interested person's response and after making further investigation as warranted by the circumstances, the Board of Directors determines the interested person has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

d. Records and Procedures

The minutes of the Board of Directors shall contain:

- i. The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the Board of Director's decision as to whether a conflict of interest in fact existed.
 - ii. The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.
- e. Annual Statements

Each director, principal officer and member of a committee with Board-delegated powers shall annually sign a statement which affirms such person:

- i. Has received a copy of this conflict of interest policy;
- ii. Has read and understands the policy;
- iii. Has agreed to comply with the policy; and
- iv. Understands that the corporation is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

4. Compensation

a. Definitions

- i. "Highest Compensated Employee" - Any employee of the corporation, whose total compensation would require the employee to be listed in Part I of Schedule A of IRS Form 990, or in response to an equivalent question on any successor exempt organization annual return.
- ii. "Highest Compensated Independent Contractor"- Any independent contractor engaged by the corporation, whose total compensation would require the contractor to be listed in Part II or Schedule A of IRS Form 990, or in response to an equivalent question on any successor exempt organization annual return.

- b. No director, officer, Highest Compensated Employee or Highest Compensated Independent Contractor may receive compensation, directly or indirectly, from the

corporation unless such compensation is first determined by the disinterested directors, or an authorized committee thereof, to be just and reasonable to the corporation.

The names of the persons who were present for discussions and votes relating to the compensation arrangement, the content of the discussion, including any information used to determine the reasonableness of the compensation, and a record of any votes taken in connection with the proceedings shall be maintained in the minutes of the corporation.

The determination of reasonableness shall be based upon information about compensation paid by similarly situated organizations for similar services, current compensation surveys compiled by independent firms or actual written offers from similarly situated organizations. Similarly situated organizations may include both taxable and tax-exempt organizations.

No director, officer, Highest Compensated Employee or Highest Compensated Independent Contractor shall participate in the discussion and approval of his or her compensation, except that such persons may provide information to the disinterested directors as described in the conflict of interest policy above.

5. Periodic Reviews

Periodic reviews shall be conducted to ensure the corporation operates in a manner consistent with its charitable purposes and does not engage in activities that could jeopardize its tax-exempt status. The periodic reviews shall, at a minimum, include the following subjects:

- a. Whether compensation arrangements and benefits are reasonable, based on competent survey information and the result of arm's length bargaining.
- b. Whether partnerships, joint ventures, and arrangements with management corporations conform to the corporation's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or an excess benefit transaction.

When conducting the period reviews, the corporation may use outside advisors. If used, their use shall not relieve the Board of Directors of its responsibility for ensuring that periodic reviews are conducted.

6. Restriction on Interested Directors

Not more than forty-nine percent (49%) of the persons serving on the Board of Directors at any time may be interested persons. For the purposes of this Section 6, an interested person is (1) any person currently being compensated by the corporation for services rendered to it

within the previous twelve (12) months, whether as a full-time or part-time employee, independent contractor, or otherwise, excluding any reasonable compensation paid to a director as director; and (2) any brother, sister, ancestor, descendant, spouse, brother-in-law, sister-in-law, son-in-law, daughter-in-law, mother-in-law, or father-in-law of any such person. However, any violation of the provisions of this Section 6 shall not affect the validity or enforceability of any transaction entered into by the corporation.

7. Indemnification.

To the fullest extent permitted by law, this corporation shall indemnify its directors, officers, employees, and volunteers, including persons formerly occupying any such position, and their heirs, executors, and administrators, against all expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred by them in connection with any threatened, pending or completed action or proceeding, whether civil, contractual, administrative or investigative, including an action by or in the right of the corporation, by reason of the fact that the person is or was an agent of the corporation. For the purposes of this Section 6, expenses include without limitation attorneys' fees and any expenses of establishing a right to indemnification. Such right of indemnification shall not be deemed exclusive of any other rights to which such persons may be entitled apart from this Section 6.

To the fullest extent permitted by law and except as otherwise determined by the Board of Directors in a specific instance, expenses incurred by a person seeking indemnification in defending any action or proceeding as described above shall be advanced by the corporation before final disposition of the action or proceeding upon receipt by the corporation of an undertaking by or on behalf of that person to repay such amount unless it is ultimately determined that the person is entitled by the corporation for those expenses.

The Corporation shall have the power to purchase and maintain insurance to the fullest extent permitted by law on behalf of any agent of the corporation, against liability asserted against or incurred by the agent in such capacity or arising out of the agent's status as such, or give other indemnification to the extent permitted by law.

ARTICLE X: 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- and moderate- income people, in ways that ensure environmental health and maintain or regenerate the balance of the ecosystems on and near the land. In so doing, the Board of Directors shall be guided by the following principles:

- a. The Board of Directors shall consider the needs of potential lessees and shall attempt to effect a just distribution of land use rights that is in harmony with local ecosystems.
- b. The Board of Directors shall convey land use rights on terms that will preserve affordable access to land for housing for future low- and moderate-income residents of the community and for ecologically sensitive small, locally owned businesses.
- c. The Board of Directors 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 and the consent of any parties to whom such land is leased.

3. Sale of Land.

The sale of land does not conform with the philosophy and the 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 Meeting of the Board of Directors 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 Meeting of the Board of Directors, provided that written notice of such meeting has described the proposed sale and the reasons for the proposal;
 - ii. The written consent of any persons to whom the land in question is leased; and
 - iii. The approval of two-thirds of the Regular Members present at a Regular or Special Meeting of the Membership, a quorum being assembled, provided that written notice of such meeting has described the proposed sale and the reasons for the proposal.

ARTICLE XI: Ownership of Housing and Other Improvements Located on the Corporation's Land, and Limitations on Resale.

1. Ownership of Housing and Improvements on 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, commercial and open spaces 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 bioremediation of brownfields; the development and 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. Preserving Affordability.

It is a purpose of the corporation to preserve the affordability of housing, commercial property 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 ensure that as a condition of the lease, housing on the land may be resold only to the corporation or to another income qualified person (as defined in the lease) 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- and moderate-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 lessees may receive when they sell housing and other improvements located on the land that is leased to them by the corporation. A policy establishing such restrictions shall be referred to as and in the form of a resale formula ("Resale Formula"). The Resale Formula shall be adopted by the Board of Directors and the Regular Members of the corporation, in accordance with the following principles:

- a. To the extent possible, the Resale 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 Resale Formula shall limit the price of the property to an amount that will be affordable for other income qualified people at the time of transfer of ownership.

4. Procedures for the Adoption of the Resale Formula.

The adoption of the Resale Formula shall require:

- a. An affirmative vote by at least three-quarters of the entire Board of Directors at any Regular or Special Meeting of the Board of Directors, provided that written notice of such meeting has set forth the proposed Resale Formula with an explanation thereof; and
- b. An affirmative vote by at least two-thirds of the Regular Members present at any Regular or Special Meeting of the Membership, a quorum being assembled, provided that written notice of such meeting has set forth the proposed Resale 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 and Regular Members of the corporation determine that the current Resale Formula presents an obstacle to the achievement of the purposes of the corporation. In such an event, the Resale Formula may be altered only by a three-quarters vote of the entire Board of Directors at a meeting of the Board of Directors and a two-thirds vote of the Regular Members present at a membership meeting, as described above for the adoption of the Resale Formula.

ARTICLE XII: Amendment of Articles of Incorporation and Bylaws

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

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

ARTICLE XIII: 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 shall require:

- a. An affirmative vote by two-thirds of the entire Board of Directors at any Regular or Special Meeting of the Board of Directors, provided that written notice of such meeting has included a full description of the plan of dissolution; and
- b. An affirmative vote by two-thirds of all the Regular Members, provided that the vote is taken at a Regular or Special Meeting of the Membership, a quorum being assembled, provided that written notice of such meeting, including a full description of the proposed plan of dissolution, has been given to all members of the corporation no less than three weeks prior to the meeting.

ARTICLE XIV: Corporate Records and Reports

1. Maintenance of Corporate Records.

At its principal office the corporation shall keep:

- a. Its board and committee meeting minutes that include the date, time, notice, place and proceedings of those meetings.
- b. Accurate, current and detailed account books and records of its assets, contracts, disbursements, gains, liabilities, losses, properties, receipts and transactions.
- c. A list of its directors and its members that includes their names, addresses and phone numbers.
- d. A copy of its Articles of Incorporation, federal tax exemption application, and bylaws as amended to date.
- e. Annual information returns for the prior three years, which shall be open to public inspection and copying to the extent required by law.

The corporation must allow its directors or corporation-authorized representatives to inspect and see the minutes, books, records, lists and documents for any lawful purpose at any reasonable time during its usual business hours. Upon leaving office, any director, officer, or agent must turn over, in good order, to their successors or the President all corporate books,

documents, lists, minutes, monies, records, or property that was in their custody during their term of office.

On written demand of the corporation any member may inspect, copy and make extracts of the accounting, books, records and minutes of the proceedings of the members, the Board of Directors and committees at any reasonable time for a purpose reasonably related to the member's interest as a member. Subject to the provisions of Sections 6330-6332 of the Law California Corporations Code any member may inspect and copy the records of the members' names, addresses and voting rights on five days prior written demand stating the purpose for which the request is made.

Upon leaving office, any director, officer, or agent must turn over, in good order, to their successors or the President all corporate books, documents, lists, minutes, monies, records, or property that was in their custody during their term of office.

2. Annual Report.

The corporation shall prepare annual financial statements using generally accepted accounting principles.

The corporation must prepare and give all its members an annual report within 120 days after the end of its fiscal year. This report must appropriately detail the following information:

- a. The corporation's assets and liabilities, including trusts funds, during that fiscal year;
- b. All changes in the corporation's assets and liabilities, including trust funds, during that fiscal year;
- c. The corporation's revenue and receipts, both restricted and unrestricted, for that fiscal year;
- d. The corporation's expenses and disbursements, for both restricted and unrestricted purpose, during that fiscal year; and
- e. All information required by California Corporation's Code §6322 concerning certain self-dealing transactions involving more than \$50,000 or indemnification involving over \$10,000 which took place during that fiscal year.

All independent audits or, if none, the Treasurer's certification that the annual report, was prepared without independent audit, must accompany an annual report.

ARTICLE XV: Miscellaneous Provisions

1. Fiscal Year.

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

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.

3. 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.

4. 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.

Article XVI: Initial Membership and Board, Adoption of Bylaws, First Annual Meeting

1. Initial Membership.

The initial members (“Initial Members”) empowered to vote at the First Annual Meeting of the Membership shall be those persons 18 years of age or older who have attended at least one organizing meeting designated as such by the Initial Board of Directors held between June 15, 2007 and the time of the First Annual Meeting, as recorded in the minutes of these

meetings, and who have signed a statement of support for the purposes of corporation in a form to be determined by the Initial Board of Directors.

2. Initial Board of Directors.

The initial board of directors (“Initial Board of Directors”) shall consist of six members, two of which shall be appointed by the CRSP board of directors, two of which shall be appointed by the Cultivating Sustainable Communities board of directors, and two of which shall be appointed by the residents of the Los Angeles Eco-Village intentional community. The Initial Board of Directors, after approving these bylaws, shall call the First Annual Meeting of the Membership, and shall serve until the first elected Board of Directors has been seated upon the completion of the First Annual Meeting of the Membership.

3. Adoption of Bylaws.

Adoption of these bylaws as the bylaws of the corporation shall require:

- a. Approval by two-thirds of the Initial Board of Directors prior to the First Annual Meeting of the Membership; and
- b. Ratification by two-thirds of the Initial Members present and voting at the first Annual Meeting of the Membership.

4. Nomination of Directors to be Elected at First Annual Meeting.

In consultation with the Initial Members, the Initial Board of Directors shall nominate a slate of nine (9) to fifteen (15) candidates and shall designate one-third of these candidates as candidates for “Lessee Representatives,” and one-third as candidates for “General Representatives” and one-third as candidates for “Public Representatives.” Additional nominations for any of the three categories of representatives may be made by any Initial Member from the floor at the First Annual Meeting of the Membership.

5. First Annual Meeting.

The First Annual Meeting of the Membership, for the ratification of these bylaws, the election of directors, the assessment of membership dues, and the transaction of other business shall be held on a date determined by the Initial Board of Directors.

The location and specific time of the First Annual Meeting of the Membership shall be determined by the Initial Board of Directors. Notice of the First Annual Meeting of the Membership shall be mailed to all Initial Members at least ten days prior to the First Annual Meeting of the Membership and shall include a list of those persons nominated for the Board

of Directors in accordance with Section 4 above. Except as otherwise provided in this Article XVI, the election of directors and other business of the First Annual Meeting of the Membership shall be conducted in accordance with Articles VI and VII of these bylaws.

Certification of Secretary

I, the undersigned, certify that I am the presently elected and acting secretary of the Beverly-Vermont Community Land Trust, a California nonprofit public benefit corporation, and the above bylaws consisting of 33 pages, are the bylaws of this corporation as adopted by the Board of Directors on January 21st, 2008, and that they have not been amended or modified since that date.

Executed on March 15th, 2008, California.

Ann Finkbeiner
Secretary