

Thurston Housing Land Trust
Proposed Bylaws - As Adopted June 9, 2018

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ARTICLE I
NAME AND PURPOSE

1. Name. The name of this organization shall be Thurston Housing Land Trust, hereinafter referred to as the "Land Trust" or "Corporation."

2. Purposes. The purposes of the Corporation, as stated in the Corporation's Articles of Incorporation (the "Articles") shall be:

- (a). To acquire or build housing for low and moderate income people, and to preserve and improve such housing for future generations of low and moderate-income people.
- (b). To secure public or private lands, loans, grants, donations or financing with the primary purpose of providing on an affordable basis to low or moderate income people.
- (c). To lease or sell housing held by the Land Trust to low and moderate income people with agreements that include buy-back provisions which:
 - (1) allow these people to develop equity and pride of stewardship,
 - (2) allow them to get back their original equity plus the value of approved improvements (including sweat equity), all adjusted for changes in the value of the dollar, and
 - (3) limit future increases in equity so the housing can continue to be affordable by low and moderate-income persons.
- (d). To acquire and use land and/or existing structures in a manner consistent with stewardship of the land which supports the improvement of low and moderate income neighborhoods and communities, including socially valuable uses other than housing.
- (e). To support and develop community-based, democratically controlled organizations among low and moderate income people, neighborhoods and communities, including democratic governance across the organization and, where appropriate, within properties.
- (f). To collect and share information and skills which will enable, encourage and support the improvement of housing, land and other activities which will improve low and moderate income neighborhoods and communities.
- (g). To aid, support, and assist by gifts, contributions or otherwise, other nonprofit corporations, land trusts, community chests, funds and foundations organized and operated exclusively for charitable, scientific, or educational purposes, no part of the net earnings of which inures to the benefit of any private shareholder or individual, and no substantial part of the activities of which is carrying on propaganda, or otherwise attempting to influence legislation.
- (h). To do any and all lawful activities which may be necessary, useful or desirable for the furtherance, accomplishment, fostering or attainment of the foregoing purposes, either directly or indirectly and either alone or in conjunction with cooperation with others, whether such others be persons or organizations of any kind or nature, such as corporations, firms, associations, trusts, institutions, foundations or governmental bureaus, departments, or agencies.

ARTICLE II -
MEMBERSHIP

1. Membership. Subsequent to the first annual meeting, the members ("Members" or the "Membership") of the Land Trust, with full voting rights, shall be:

(a) The "Lessee Members," who shall be all persons who lease land or housing from the Land Trust or who lease or own housing that is located on land leased by another entity from the Land Trust; and

(b) The "General Members," who shall be all other persons, eighteen years of age or older, who have complied with the following requirements.

(1) 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 Trustees.

(2) Payment of dues as established by the Corporation for the current calendar year.

2. Requirements for Continuing Membership. To maintain status as a Member beyond a person's first year of such status a person must either be a Lessee Member or have paid dues established for the current calendar year.

3. Membership Dues

(a) Annual membership dues shall be assessed for each calendar year by an affirmative vote of a majority of the Members present and voting at the Annual Meeting preceding 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) The Annual dues may be paid either in cash or through a contribution to the organization. The Board of Trustees may determine other kinds of services which may be credited instead of cash.

4. Rights of Members.

(a) Every Member shall have the right to participate in meetings of the Membership, to cast one vote on all matters properly put before the Membership for consideration, to nominate and participate in the election of the Board of Trustees as provided by these Bylaws, to serve on the Board of Trustees 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 Members, in accordance with these Bylaws, shall be required before action may be taken on the assessment of membership dues, the sale of land except as permitted in Article VI, section 3 of these bylaws, the establishment or alteration of the "resale formula," the amendment of the Articles or these Bylaws, and the dissolution of the Corporation.

5. Supporting Membership.

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

(b) Supporting Members shall have all of the rights of Members except the right to nominate and participate in the election of the Board of Trustees and the right to vote on matters put before the Members.

6. Membership meetings.

(a) Notice of Meetings. Written notice of every Membership meeting shall be given to all Members and Supporting Members and shall include an agenda for the meeting. Except as otherwise provided in Article VIII of these Bylaws, notice shall be provided at least seven days prior to a meeting by mail or email to the Members in accordance with the contact information most recently provided in writing by the respective Members.

(b) Annual Meetings. An annual meeting (the "Annual Meeting") of the Membership, for reports to the Members by the Board of Trustees and Officers, the election of Trustees, the assessment of dues, and the transaction of other business, shall be held in the fourth quarter of each year. The location and specific time of the Annual Meeting shall be determined by the Board of Trustees. Notice of the Annual Meeting shall include a list of those persons nominated for the Board of Trustees as provided in Article III of these Bylaws.

(c) Regular Meetings. Regular meetings of the Membership may be scheduled by the Members at such times and places as they shall establish at the Annual Meeting.

(d) Special Meetings. Special meetings of the Membership may be called by the Board of Trustees or by a written petition signed by at least one tenth (10%) of the Members or at least 15 Members, addressed to the President of the Corporation. 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.

(e) Open meetings. All Membership meetings shall be open to any person.

(f) Minutes. Minutes of all Membership meetings shall be recorded by the Secretary of the Land Trust or by another person designated by the Board of Trustees. Minutes for every meeting shall be approved by the Members at the next Membership meeting.

(g) Quorum. A quorum shall consist of 5 percent of the total Membership or 20 members, as determined by the Secretary of the Corporation.

(h) Decision-Making. Decisions shall be made at Membership meetings by an affirmative vote of a majority of the Members present, a quorum being assembled, except as otherwise provided in these Bylaws. Before a vote is held on any motion, the exact language of the motion shall be recorded by the Secretary and read to the Membership, and all Members present shall have a reasonable opportunity to express their opinions on the proposition.

ARTICLE III **BOARD OF TRUSTEES**

1. Number of Trustees. Subject to the provisions herein requiring Membership approval of certain actions, the Corporation will be managed by a Board of Trustees (the "Board" or "Board of Trustees," and each member thereof, a "Trustee"). The Board shall be comprised of not less than nine and not more than fifteen Trustees, as determined by the Board pursuant to Section 4(b) and 4(c) of this Article III.

2. Intended Composition of the Board. It is the Corporation's intention that one-third of the Trustees should be Lessee Trustees, one-third of the Trustees shall be General Members (the "General Trustees") and one-third of the Board shall be shall represent the interests of the general public (the "Public Trustees").

3. Board Composition Requirements. At least one-third of the Trustees should be residents of low-income neighborhoods, other low-income community residents, or representatives of low-income organizations (the "Public Trustees"), and at least one-third of the Trustees should be Lessee Members (the "Lessee Trustees"). Notwithstanding the foregoing, if such Board composition requirements are not satisfied at any time, or the number of Trustees is not between nine and fifteen in accordance with Section 1 of this Article III, as a result of the resignation or removal of one or more Trustees or otherwise, the Board should have the limited authority to take actions reasonably necessary for the continuation of the Corporation and responsible management of its ongoing business, including the authority to fill vacancies on the Board in accordance with Section 6 of this Article III. Until such time as the Land Trust has Lessee members, the Members shall appoint persons to serve on the Board of Trustees to represent the interests of future Lessees.

4. Nomination of Trustees. Candidates for election as Trustees shall be nominated as follows:

(a) Any Trustee or Member may propose any person to be nominated for election as a Trustee by submitting such proposal in writing to the Secretary of the Corporation at least thirty days prior to an Annual Meeting. The Board shall review the qualifications and willingness to serve of potential nominees for Public Trustees and shall make nominations for Public Trustees. The Board may adopt a list of recommendations for Public Trustees. Additional nominations for Lessee Trustees and General Trustees may also be made from the floor at the Annual Meeting.

(b) The Board shall determine the Board size and the list of nominees and include such list in the notice to Members in respect of any Annual Meeting at which Board elections will take place, which will specify each nominee's status as a nominee for Lessee Trustee, General Trustee or Public Trustee, in accordance with policies determined by the Board. In making such determination, the Board shall include all nominations made in accordance with Subsection 4(a) of this Article III. The Board shall promote an election of a Board of Trustees that will result in the Intended Composition, and will determine into which categories of trustee each nominee belongs. Prior to vote on election of Trustees at an Annual Meeting, the list of nominees will be updated with any nominations properly made at such Annual Meeting in accordance with Subsection 4(a) of this Article III.

5. Election of Trustees. Trustees shall be elected by the Members present and voting at each Annual Meeting, a quorum being assembled, in accordance with the following procedures.

(a) All Members present may vote upon the election of each Trustee, provided, however, that only Lessee Members may vote upon the election of Lessee Trustees, and provided further, that if no Lessee Members are present, the General Members present may vote upon the election of Lessee Trustees.

(b) Subject to the Lessee Members' exclusive right to elect Lessee Trustees pursuant to Subsection 5(a) of this Article III, each Member may vote, within each category of Trustees, for nominees up to the number of vacancies as identified by the Board in accordance with Subsection 4(b) of this Article III.

(c) Subject to the requirements of Section 3 of this Article III, the Trustees shall be elected as follows: In each category of Trustees (Lessee Trustees, General Trustees and Public Trustees), the nominees receiving the most votes are elected, even if by plurality rather than majority.

6. Vacancies.

(a) If any Trustee vacates his or her term or is removed from the Board, the remaining Trustees (though they may constitute less than a quorum) may elect a person to fill the vacancy, or may, decide to leave the position vacant until the next Annual Meeting, provided the Board composition satisfies the requirements of Section 3 of this Article III. Elections to fill vacancies shall be by a majority of the remaining Trustees.

(b) Any person elected to fill a vacancy as a Lessee Trustee or General Trustee must be one who can be reasonably expected to represent the interests of the Lessee Members or the General Members, respectively.

(c) Replacement Trustees elected by the Board shall serve out the remaining term of the person who has vacated the position.

7. Terms of Trustees.

(a) Terms of Trustees. Except as otherwise provided in these Bylaws, each Trustee shall serve a term of three years. Terms shall be staggered within each category of Trustees, with initial Trustees selected for terms of one, two or three years so that the same or similar numbers of Trustees have terms that expire each year. The principles for the election of Trustees set forth in Section 5 of this Article III shall apply only to the subset of Trustees to be elected at an Annual Meeting for the election of Trustees, as modified to the extent necessary to maintain the Intended Composition.

(b) Commencement of Terms. The term of office of a regularly elected Trustee shall commence at the adjournment of the Annual Meeting in which he or she is elected. The term of office of a Trustee elected by the Board to fill a vacancy shall begin at the time of his or her acceptance of the position.

(c) Re-election. No person shall serve as a Trustee for more than two consecutive elected terms. After a year's absence from the Board, however, a person who has served two consecutive elected terms may return to the Board, if re-elected, and may serve up to two consecutive elected terms.

8. Resignation.

(a) Any Trustee 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 Trustee shall be considered to have given notice of resignation and his or her position shall be declared vacant by the Board of Trustees 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 Trustee 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 Trustee's absences and that the Trustee continues to be interested in participating on the Board of Trustees. The notification by the President shall be mailed or electronically communicated no later than seven days prior to the Board meeting at which the position may be declared vacant. At this meeting, the Trustee 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 Trustee who has missed three consecutive meetings shall not become effective until the Board has declared the position vacant as provided herein.

9. Removal of Trustees.

A Trustee of the Corporation may be removed by either two thirds vote of all currently serving Trustees or a majority vote of the membership at a meeting called for that purpose. Each trustee considered for removal will be given their own vote. At any meeting where a Trustee is up for removal they will be given the opportunity to speak.

10. Meetings of the Board of Trustees.

(a) Regular Meetings. The Board of Trustees shall meet no less often than once every two months, at such times and places, and in such manner, as the Board may establish.

b) Notice of Meetings. Except as provided below for emergency meetings, written notice of a Board meeting shall be mailed or communicated electronically to all Trustees at least seven days prior to the meeting. Notice of every meeting shall include an agenda for the meeting.

(c) Waiver of Notice. Any Trustee may waive any notice required by these Bylaws. Any Trustee who has not received notice of a Board meeting but has attended that meeting shall be considered to have waived notice of that meeting, unless he or she requests that his or her protest be recorded in the minutes of the meeting.

(d) Annual Meeting. The Annual Meeting of the Board of Trustees may be held immediately following the Annual Membership Meeting and must be held no later than six weeks following the Annual Membership Meeting.

(e) Special Meetings and Emergency Meetings. Special meetings of the Board may be called by the President, by any three Trustees, or by 10% of the Membership. Notice must be given as provided above, unless any three Trustees determine that the matter at hand constitutes an emergency. When so determined, an emergency meeting may be called on one-day notice. Notice of Emergency Meetings, including an announcement of the agenda, shall be given by telephone, verified electronic communication, or in person to all Trustees. At any special or emergency meeting of the Board, only those matters included in the announced agenda may be acted upon unless all of the Trustees are present at the meeting and unanimously agree to take action on other matters.

11. Procedures for Meetings of the Board of Trustees.

(a) Open Meetings. All meetings of the Board of Trustees shall be open to any member except when the Board has voted, during an open meeting, to go into executive session.

(b) Executive Session. A motion to go into executive session shall state the nature of the business of the executive session, and no other matter may be considered in the executive session. No binding action may be taken in executive session except actions regarding the securing of real estate purchase options or contracts in accordance with paragraph (b)(2) below. Attendance in executive session shall be limited to the Trustees and any persons whose presence is requested by the Board of Trustees. Minutes of an executive session need not be taken; however, if they are taken, they shall be recorded as a part of the minutes of the meeting in which the Board has voted to go into executive session. The Board shall not hold an executive session except to consider one or more of the following matters.

- (1) Contracts, labor relations agreements with employees, arbitration, grievances, or litigation involving the Land Trust when premature public knowledge would place the Land Trust or a person involved at a substantial disadvantage.
- (2) Real estate purchase offers and the negotiating or securing of real estate purchase options or contracts.
- (3) The appointment 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 written notice of any discipline or dismissal and a meaningful opportunity to respond.)
- (4) The consideration of applications from persons seeking to lease land and/or housing, purchase housing or other improvements, or arrange financing from the Land Trust.
- (5) Relationships between the Land Trust and any party who might be harmed by public discussion of matters relating to the relationship including personnel matters involving the disclosure of personal information.

(c) Quorum. At any meeting of the Board, a quorum shall consist of a majority of the Board of Trustees then in office, provided that at least one representative from each of the three categories of representatives is present.

(d) **Decision-Making.** The Board shall attempt to reach unanimous agreement on all decisions. In the event that unanimous agreement cannot be achieved, a decision may be made by a majority of the Trustees present and voting, except as otherwise provided in these Bylaws.

(e) **Minutes.** Minutes of all Board meetings shall be recorded by the Secretary or by such other person as the Board may designate, and shall be corrected as necessary and approved by the Board at the next Board meeting. All duly approved minutes of Board meetings shall be kept on permanent record by the Land Trust and, with the exception of any Executive Committee Minutes, shall be open for inspection by any Member.

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

(a) Approve a written Annual Report to the Membership, and make this report available to all Members. This report shall include a summary of the Corporation's activities during the previous year, and the Corporation's most recent financial reports.

(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.

(d) Hire and supervise the Executive Director of the organization, or others, as applicable, including contracts for services.

(e) 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.

(f) Adopt and implement personnel policies providing for the hiring, supervision, and evaluation of employees.

(g) Provide for the deposit of funds in accordance with Article IX of these Bylaws.

(h) 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.

(i) 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.

(j) 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.

(k) Convey ownership of housing and other improvements on the Corporation's land to qualified lessees, as possible, in accordance with the provisions of Articles VI and VII of these Bylaws.

(l) Exercise, as appropriate, the Land Trust'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.

(m) Develop the resources necessary for the operation of the Land Trust and for the acquisition and development of land and housing.

(n) Assure the sound management of the Corporation's finances.

13. Powers of the Board of Trustees. In addition to the power to carry out the duties enumerated above, the Board of Trustees 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 Member may be appointed to any committee. No committee may take action on behalf of the Corporation except as authorized by the Board of Trustees.

(c) Call special meetings of the Membership.

(d) Approve the borrowing and lending of money as necessary to further the purposes of the Land Trust and in accordance with Article X, section 4 of these Bylaws.

(e) Exercise all other powers necessary to conduct the affairs and further the purposes of the Corporation in accordance with the Articles and these Bylaws.

14. Limitation on the Powers of the Board of Trustees. Action taken by the Board of Trustees on any motion for the assessment of membership dues, the removal of Trustees, the sale of land except as permitted in Article VI, section 3 of these bylaws, the establishment or alteration of the "resale formula," the amendment of the Articles or these Bylaws, or dissolution of the Land Trust shall not become effective unless and until such action is approved by the Membership in accordance with these Bylaws.

ARTICLE IV - **OFFICERS**

1. Designation. The officers of the Land Trust 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 Trustees, 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 Trustees. Any officer who ceases to be a member of the Board of Trustees shall thereby cease to be an officer.

4. Removal from Office. The officers shall serve at the pleasure of the Board of Trustees and may be removed from office at any time by an affirmative vote of two-thirds of all Trustees serving on the Board

5. Duties of the President. The President shall:

(a) Preside at all meetings of the Board of Trustees and the Membership when able to do so.

(b) Consult with the other officers and the committees of the Land Trust regarding the fulfillment of their duties.

(c) Assure that an agenda is prepared for every meeting of the Membership and the Board of Trustees.

(d) Give notice to any Trustee who has been absent from three consecutive regular meetings, as required by these Bylaws.

(e) Call special meetings of the Membership or Board of Trustees when petitioned to do so in accordance with these Bylaws.

(f) Carry out the duties assigned to the President regarding the removal of a Trustee.

(g) Perform such other duties as the Board of Trustees may assign.

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 Trustee 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 Land Trust; answer all questions from the Board regarding these Bylaws; and assure that all actions of the Membership and Board of Trustees comply with these Bylaws.

(d) Assure that any and all committees established by the board of Trustees are constituted as the board has directed and meet as necessary and appropriate.

(e) Perform such other duties as the Board of Trustees may assign.

7. Duties of the Secretary. The Secretary shall:

(a) Assure that a list of all Members and their mailing addresses is maintained by the Corporation.

(b) Assure that proper notice of all meetings of the Membership and the Board of Trustees is given.

(c) Assure that motions and votes in meetings of the Membership and Board are accurately represented to those present and are accurately recorded in the minutes.

(d) Assure that minutes of all meetings of the Membership and the Board of Trustees are recorded and kept on permanent record.

(e) Perform such other duties as the Board of Trustees may assign.

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

(a) Assure that the financial records of the Land Trust are maintained in accordance with sound accounting practices.

(b) Assure that funds of the Corporation are deposited in the name of the Corporation in accordance with these Bylaws.

(c) Assure that all deeds, title papers, leases, and other documents establishing the Corporation's interest in property and rights in particular matters are systematically and securely maintained.

(d) Assure that all money owed to the Land Trust is duly collected and that all gifts of money or property to the Corporation are duly received.

(e) Assure the proper disbursement of such funds as the Board of Trustees may order or authorize to be disbursed.

(f) Assure that accurate financial reports (including balance sheets and revenue and expense statements) are prepared and presented to the Board at the close of each quarter of each fiscal year.

(g) Assure that such reports and returns as may be required by various government agencies are prepared and filed in a timely manner.

(h) Assure that an annual operating budget is prepared and presented to the Board for its approval prior to the beginning of each fiscal year.

ARTICLE V -
CONFLICT OF INTEREST POLICY

1. Duty to Land Trust. Every Board and committee member shall make decisions and carry out his or her oversight responsibilities in the best interests of the Land Trust.

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 Land Trust or in an entity with which the Land Trust 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 person's judgment might be significantly influenced by outside interests, even though the person is not an Interested Person.

4. Disclosure. Any member of the Board of Trustees or a committee with powers delegated to it by the Board of Trustees 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 person 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 person does not voluntarily recuse herself or himself, any Board member or committee member may request that the Board or committee determine whether such person should be recused. Such person 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 person shall be immediately recused. The results of the vote shall be recorded in the minutes of the meeting.

7. Recused Members. A recused Board member or committee member shall not be present during the discussion of the matter in regard to which he or she has been recused and shall not participate in the vote on such matter.

8. Agreement to Comply. Upon joining the Board of Trustees or of a committee with powers delegated by the Board of Trustees, each new member 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 Trustees shall oversee the use of land owned by the Land Trust 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 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 Land Trust shall require the approval of the Board of Trustees. 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 accordance with the following guidelines:

- (a) Any sale of property requires an affirmative vote by at least two-thirds of all Trustees serving on the Board, at a regular or special Board meeting, or by resolution adopted by electronic communication,

provided that written notice of such meeting or resolution has described the proposed sale and the reasons for the proposal; and

(b) Additionally, no parcel of land may be sold at any time that a low-income or moderate-income person or family, or any organization whose mission is to serve such persons or families, is leasing such parcel unless the sale is also approved by a two-thirds vote of the membership present at a properly noticed meeting of the membership.

(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 Corporation, any ground lessees on that land shall have the opportunity to exercise a right of first refusal to purchase the land that they have been leasing from the Corporation.

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 Land Trust's Land. In accordance with the purposes of the Land Trust, the Board of Trustees shall take appropriate measures to promote and facilitate the ownership of housing and other improvements on the Land Trust'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 Land Trust; direct loans to the Land Trust; 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 Land Trust 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 Trustees shall assure that, as a condition of the lease, housing on the land may be resold only to the Land Trust or to another low or 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 Trustees may choose, for reasons consistent with the charitable purposes of the Land Trust, to lease certain parcels of land for uses that do not require continued affordability for low or 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 Land Trust 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 Land Trust. The same policy shall be applied in the case of cooperatives or condominiums stewarded by the Land Trust regardless of whether the land is owned by the Land Trust. A policy establishing such restrictions in the form of a "resale formula" shall be adopted by the Board of Trustees and the Members, 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 initial adoption of the resale formula shall require an affirmative vote by at least two-thirds of all Trustees serving on the Board, 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 Land Trust. Accordingly, the resale formula shall not be altered, or differentiated for different types of properties, unless the Board of Trustees and Members determine that the current formula presents an obstacle to the achievement of the purposes of the Land Trust. In such event, the resale formula may be altered only by a two-thirds vote of all Trustees serving on the Board, and a two-thirds vote of the Members present at a Membership meeting, as described above for the adoption of the formula.

ARTICLE VIII - **AMENDMENT OF ARTICLES OF INCORPORATION AND BYLAWS**

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

1. An affirmative vote by two-thirds of all Trustees serving on the Board, at any regular or special Board meeting, provided that written notice of such meeting has set forth the proposed amendment or replacement, with appropriate explanations thereof; and
2. An affirmative vote by two-thirds of the Members present at any regular or special Membership meeting, a quorum being assembled, provided that written notice of such meeting has set forth the proposed amendment or replacement, with appropriate explanations thereof.

ARTICLE IX - **DISSOLUTION**

A decision to dissolve the Corporation and to distribute the Corporation's assets in a particular manner in accordance with the Articles shall require:

1. An affirmative vote by two-thirds of all Trustees serving on the Board, at any regular or special Board meeting, provided that written notice of such meeting has included a full description of a proposed plan of dissolution; and
2. An affirmative vote by two thirds of the Members present at a regular or special Membership meeting, 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 later than three weeks prior to the meeting.
3. Distribution of assets will go to another similar nonprofit organization.

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 Land Trust not otherwise employed shall be deposited in such banks, trust companies, or other reliable depositories as the Board of Trustees from time to time may determine.

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

4. Loans. No loans or advances shall be contracted on behalf of the Land Trust, and no note or other evidence of indebtedness shall be issued in its name, except as authorized by the Board of Trustees.

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

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 Trustee or Officer of the Corporation shall be indemnified by the Land Trust 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 Trustee or Officer has not acted in good faith, with the care an ordinarily prudent person in a like position would exercise under similar circumstances, and in a manner such Trustee or Officer reasonably believed to be in the best interests of the Land Trust of the purposes.

Adopted by the Membership this 9th day of June, 2018..



Gail O'Sullivan, Secretary, Thurston Housing Land Trust

JUNE 13, 2018

Date: