



BYLAWS

ARTICLE I: NAME, PURPOSE, SERVICE AREA, AND SHORT TITLE

- A. **Name.** The name of this organization shall be St. Joseph Community Land Trust, Incorporated, hereinafter referred to as the "Corporation."
- B. **Purpose.** Inspired by the social teachings of the Roman Catholic Church, the purpose of the Corporation shall be to develop strategies and programs for the service area that address poverty and foster social justice for the dignity of the human person who is created in the image and likeness of God, by:
1. Creating, retaining, and promoting quality affordable and sustainable housing for residents of the service area with emphasis on housing for low and moderate income families (up to 120 percent of median income level by family size) and persons with special needs;
 2. Building community and creating, retaining, promoting and enhancing safe high-quality neighborhoods in the service area;
 3. Providing basic life skills for families and individuals through education and counseling;
 4. Providing stewardship of God's good earth through suitable resource management in cooperation with existing public or private conservation, enhancement, or restoration programs; and
 5. Promoting fair housing and programs that are available to eligible residents in the Service Area regardless of age, race, color, religion, sex, national origin or disability.

The Corporation shall adopt a "Housing and Land Trust Programs Plan" to realize the purpose of the corporation. This plan may be amended from time to time by the Board of Directors to address changing needs of the service area. The Corporation may enter into joint ventures with other non-profit or profitable organizations if the participation furthers the purpose of the Corporation.

C. **Service Area.** The Service Area is the Lake Tahoe Region in California and Nevada as defined by the Tahoe Regional Planning Compact (Public Law 96-551). The boundaries of the Service Area may be amended by the Board of Directors in accordance with Article VII of these Bylaws.

D. **Short Title.** The Bylaws of the Saint Joseph Community Land Trust, Inc. may be cited and referred to as the "Bylaws."

E. **Principal Office of the Corporation.** The principal office for the transaction of the activities and affairs of this corporation is located at 1041 Lyons Avenue, South Lake Tahoe, California 96150, in El Dorado County, California. The Board of Directors may change the location of the principal office and amend this section for that purpose.

ARTICLE II: MEMBERSHIP

A. Regular Membership. Subsequent to the First Annual Meeting, the Regular Members of the Corporation, with full voting rights (except as limited below for Supporting Members), shall be:

1. The Lessee Members, who shall be all persons who lease land or housing from the Corporation or who lease or own housing that is located on land leased by another entity from the Corporation. In the case of co-lessees each individual named on a lease as a co-lessee shall have a vote.

2. The General Members, shall be all persons, eighteen years of age or older, who have complied with the following requirements.

a. Qualification as an Initial Member, as defined in the California or Nevada Articles of Incorporation or as provided in Article XI of these Bylaws; or all or the following

b. Submission of a complete membership application including a signed statement of support for the purpose of the Corporation as defined in these Bylaws and as described in the Corporate Mission Statement, on a form to be determined by the Board of Directors; and

c. A minimum of ten continuous months of primary residency in the Service Area preceding submission of a complete membership application, except for clergy of the Roman Catholic Church who may have a shorter primary residency requirement; and

d. Full payment of dues as established by the Membership for the current calendar year.

3. The Supporting Members, shall be all persons (eighteen years of age or older), businesses, or organizations who have paid the annual dues established for the current calendar year but who do not wish to become a General Member or have not met all of the requirements of General Membership. Supporting Members shall submit a complete membership application including a signed statement of support for the purpose of the Corporation as defined in these Bylaws and as described in the Corporate Mission Statement, on a form to be determined by the Board of Directors. Supporting Members shall have all of the rights of General Members except the right to nominate and participate in the election of the Board of Directors and the right to vote on matters put before the Regular Membership. Supporting Board Members shall have full rights granted to Lessee and General Board Members.

B. Requirements for Continuing Regular Membership. To maintain Regular Membership beyond a person's first year of Regular Membership a person must be either a Lessee Member, or shall satisfy the following requirements.

1. Have paid dues for the current calendar year; and

2. Attendance at one or more meetings of the Membership or Board of Directors during a calendar year. One of the following alternatives may substitute for meeting attendance, but for no more than one consecutive calendar year.

a. Submittal of a letter to the President of the Corporation demonstrating good cause for missing meetings of either the Membership or Board of Directors during the calendar year, and including a statement of continuing interest in Regular Membership, or

b. Submittal of a letter or an oral statement to the Board of Directors prior to a one-year planned absence that will prevent attendance of a meeting of the Membership or Board of Directors.

C. Membership Dues.

1. Annual membership dues shall be assessed for each calendar year by an affirmative vote of a majority of the Regular Members voting at the Annual Meeting 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. Membership dues shall not be less than twenty-five dollars per year. Lessee lease fees shall substitute for an annual due.

2. Annual dues may be paid in cash or 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.

3. Late dues shall not be pro-rated by the date they are paid.

D. Rights of Regular Members.

1. Every Regular Member shall have the right to participate in meetings of the Membership, 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. All Lessees and General Members have the right to cast one vote on all matters properly put before the Membership for consideration and to nominate and participate in the election of the Board of Directors.

2. 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 Community Land Trust "Resale Formula," the removal of Regular Members, the removal of members of the Board of Directors, or the dissolution of the Corporation.

E. Membership Meetings.

1. Notice of Meetings. Written notice of every Membership Meeting shall be given to all Regular Members and shall include an agenda for the meeting approved by the President of the Board of Directors. Except as provided for in Article VIII of these Bylaws, notice shall be mailed at least ten calendar days prior to a meeting.

2. Annual Meetings. Subsequent to First Annual Meeting, the Annual Meeting of the Membership, for reports to the Membership by the Board of Directors and Officers, the election of Directors, the assignment of dues, and the transaction of other business, shall be held on the Friday following (or falling on) the Feast of Saint Joseph (March 19). The Board of Directors shall determine the location and specific time of the Annual Meeting. Notice of the Annual Meeting shall include a list of those persons nominated for the Board of Directors as provided in Article III of these Bylaws.

3. Regular Meetings. Regular Meetings may be scheduled by the Regular Membership at such times and places, as they shall establish at the Annual Meeting. At least one Regular Meeting shall be held between five and seven months from the date of the Annual Meeting if no other Regular Meetings are scheduled at the Annual Meeting.

4. Special Meetings. Special Membership Meetings may be called by the Board of Directors or by written request, addressed to the President of the Corporation and signed by at least one-fifth (20 percent) of the Regular Membership. At a Special Meeting, only those matters stated on the agenda, as included in the notice of the meeting, may be acted upon by the Membership.

5. Minutes. Minutes of all Membership Meetings shall be recorded by the Secretary of the Corporation or the Executive Director's designee in consent with the Secretary of the Corporation. Minutes for every meeting shall be approved by a majority of the Board of Directors at the next Membership meeting. Approved minutes shall be distributed to Board members free of charge and others upon request for a nominal fee to cover the cost of reproduction. If feasible, minutes may be posted on the World Wide Web for free distribution.

6. Quorum. For regular business, a quorum shall consist of one-quarter (25 percent) of the total Regular Membership, as determined by the Secretary of the Corporation. For business that results in the dissolution of the Corporation, the removal of a Regular Member, the removal of a Member of the Board of Directors, or the sale of land, a quorum shall consist of one-third (33.33 percent) of the total Regular Membership, as determined by the Secretary of the Corporation.

7. Decision-Making. Whenever possible, decisions shall be made at the Membership Meetings by the unanimous consent of the Regular Members present, a quorum being assembled. In the event that unanimity is not attained, a decision shall be made by an affirmative vote of a majority of the Regular Members present and voting, a quorum being assembled, except as otherwise provided in these Bylaws. Before a vote is held on any motion, the exact language of the motion shall be recorded by the Secretary of the Corporation or by other such person as the Executive Director may designate, and read to the Membership, and all Members present shall have a reasonable opportunity to express their opinions on the proposition. The President of the Board may set reasonable time limits on testimony for any matter to limit meeting length to a reasonable time period. The President may also limit testimony on matters for which new speakers consent in whole with testimony already in the record. The Corporate Chaplain shall be consulted prior to a vote on any matter if requested by any Regular Member.

8. Waiver of Notice or Consent. The transactions of any meeting of members, however called or noticed and wherever held, shall be as valid as though taken at a meeting duly held after standard call and notice, if (a) a quorum is present, and (b) either before or after the meeting, each member entitled to vote, not present in person, signs a written waiver of notice, a consent to the holding of the

meeting, or an approval of the minutes of the meeting. The waiver of notice, consent, or approval need not specify either the business to be transacted or the purpose of the meeting except that, if action is taken or proposed to be taken for approval of any matter specified, the waiver of notice, consent, or approval shall state the general nature of the proposal. All such waivers, consents, or approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

A member's attendance at a meeting shall constitute a waiver of notice of and presence at that meeting unless the member objects at the beginning of the meeting to the transaction of any business because the meeting was not lawfully called or convened. Also, attendance at a meeting is not a waiver of any right to object to the consideration of matters required to be included in the notice of the meeting but not so included, if that objection is expressly made at the meeting.

9. Adjournment and Notice of Adjourned Meetings. Any committee established by the Board, whether or not a quorum is present, may be adjourned from time to time by the vote of the majority of the members represented at the meeting. No meeting may be adjourned for more than 45 days. When a members' 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. If after adjournment a new record date is fixed for notice or voting, a notice of the adjourned meeting shall be given to each member who, on the record date for notice of the meeting, is entitled to vote at the meeting. At the adjourned meeting, the corporation may transact any business that might have been transacted at the original meeting.

10. Proxy Voting. The following rules shall govern proxy voting by members of the corporation.

Members' proxy rights – Each member entitled to vote shall have the right to do so either in person or by one or more agents authorized by a written proxy, signed by the person and filed with the secretary of the corporation. A proxy shall be deemed signed if the member's name is placed on the proxy by the member or the member's attorney-in-fact, whether by manual signature, typewriting, facsimile transmission, or otherwise.

Solicited proxies – If the corporation has 100 or more members, any form of proxy distributed to 10 or more members shall give the member an opportunity to specify a choice between approval and disapproval of each matter or group of related matters and, subject to reasonable specified conditions, shall provide that, when the person solicited specifies a choice in any such matter, the vote shall be cast according to that specification. In an election of directors, any form of proxy that a member

marks "withhold," or otherwise marks in a manner indicating that authority to vote for the election of directors is withheld, shall not be voted either for or against the election of a director.

Subject matter of proxy to be stated – Any proxy covering matters for which a vote of the members is required shall not be valid unless the proxy sets forth the general nature of the matter to be voted on or, in an election of directors, the proxy lists the persons who have been nominated at the time the notice of the vote is given to the members. Such matters include amendments of the articles of incorporation or bylaws changing proxy rights; certain other amendments of the articles of incorporation; removal of directors without cause; filling vacancies on the board of directors; the sale, lease, exchange, conveyance, transfer, or other disposition of all or substantially all corporate assets, unless the transaction is in the usual and regular course of the corporation's activities; the principal terms of a merger or the amendment of a merger agreement; or the election to dissolve the corporation.

Revocability of proxies – No proxy shall be valid after the expiration of 11 months from the date of the proxy, unless provided otherwise in the proxy, except that the maximum term of a proxy shall be three years after the date of execution. A validly executed proxy shall continue in full force and effect until either:

(a) it is revoked by the member executing it, before the vote is cast under that proxy (i) by a writing delivered to the corporation stating that the proxy is revoked, or (ii) by a subsequent proxy executed by that member and presented to the meeting, or (iii) as to any meeting, by that member's personal attendance and voting at the meeting; or

(b) written notice of the death or incapacity of the maker of the proxy is received by the corporation before the vote under that proxy is counted. A proxy may not be irrevocable.

F. Suspension or Termination of Membership. A membership shall terminate on occurrence of any of the following events:

(a) Resignation of a member;

(b) Expiration of the period of membership, unless membership is renewed on the renewal terms fixed by the Board;

(c) The member's failure to pay dues, fees, or assessments as set by the Board within 90 days after they are due and payable;

(d) Any event that renders the member ineligible for membership, or failure to satisfy membership qualifications:

(e) Termination or suspension of membership based on the 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 rules of conduct of the corporation, or has engaged in conduct materially and seriously prejudicial to the corporation's purposes and interests.

G. Removal or Suspension of Members. In cases where a Regular Member has acted in a manner seriously detrimental to the Corporation, such Regular Member may be permanently removed from Membership or suspended for a period up to twelve months in accordance with these Bylaws and California or Nevada law by a majority vote of the Regular Members, a quorum being assembled. In cases where there is removal or suspension, a refund of membership dues pro-rated by the date of the removal or suspension, shall be refunded to the removed or suspended member.

If grounds appear to exist for suspending or terminating a member, the following procedures shall be followed:

(a) The Board shall give the member notice at least 15 days prior to the proposed suspension or termination and the reasons for the proposed suspension or termination. Notice shall be given by any method reasonably calculated to provide actual notice. Notice given by mail shall be sent by first-class or registered mail to the member's last address as shown on the corporate records.

(b) The member shall be given an opportunity to be heard, either orally or in writing, at least five days before the effective date of the proposed suspension or termination. The hearing shall be held, or the written statement considered, by the Board or by a committee or person authorized by the Board to determine whether the suspension or termination should occur.

(c) The Board, committee, or person shall decide whether the member should be removed, suspended, or sanctioned in any other way. The decision of the Board, committee, or person shall be final.

(d) 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 expulsion, suspension, or termination.

ARTICLE III: BOARD OF DIRECTORS

- A. **Number of Directors.** Except for the initial Board in the Certificates of Incorporation, the Board of Directors shall consist of six Directors.
- B. **Composition of the Board of Directors.** There shall be three categories of Directors, each consisting of two Directors (one from California and one from Nevada) as follows:
1. *Lessee Representatives.* These representatives shall represent Lessee Members and shall represent low-income Regular Members. In addition, all the Lessee Representatives must meet one or more of the following criteria so that at least one-third of the Directors meet one or more of the following criteria:
 - a. The Director is a resident of a low-income neighborhood;
 - b. The Director is a low-income resident of the Service Area; or
 - c. The Director is an elective representative of a low-income neighborhood organization.
 2. *General Representatives.* These representatives shall represent General Members and Regular Members who have special needs.
 3. *Supporting Representatives.* These representatives shall represent the Regular Membership. No more than one-third of the entire Board of Directors may be representatives of the public sector.
- C. **Nomination of Directors.** For all regular elections subsequent to the First Annual Meeting of the Membership, Directors shall be nominated as follows:
1. *Lessee Representatives.*
 - a. Lessee Members may nominate Lessee Representatives to the Board from among themselves. These nominations must either be submitted in writing to the Secretary of the Corporation at least ten calendar days prior to the Annual Meeting or be made from the floor at the Annual Meeting.
 - b. nominations for "Lessee Representatives" from among themselves in the manner described for Lessee Members, provided the nominees meet the low-income criteria of Article III.B.1.
 - c. If, at the Annual Meeting, after the President has called for nominations for Lessee Representatives by Lessee Members, there are an insufficient number of nominees for the Lessee Representative positions to be filled, then General Members may nominate candidates from among themselves or from among the Lessee Members to fill such position(s). Except as provided in this

paragraph and in paragraph 1.b above, General Members may not nominate candidates for Lessee Members.

d. All Lessee Representatives nominated as provided in this section must meet one or more of the criteria set forth in Article III.B.1 so that at least one-third of the Directors meet one or more of the criteria.

2. *General Representatives.*

a. General Members may nominate General Representatives to the Board from among themselves. These nominations must either be submitted in writing to the Secretary of the Corporation at least ten calendar days prior to the Annual Meeting or be made from the floor at the Annual Meeting.

b. If, at the Annual Meeting, after the President has called for nominations for General Representatives by General Members, there are an insufficient number of nominees for the General Representative positions to be filled, the Lessee Members may nominate candidates from among themselves or from the General Members to fill such position(s). Except as provided in this paragraph, Lessee Members may not nominate candidates for General Representative.

3. *Supporting Representatives.*

a. Individual members of the seated Board of Directors shall make nominations for Supporting Representatives to the Board. These nominations must either be submitted in writing by the Secretary of the Corporation at least ten calendar days prior to the Annual Meeting or be made from the floor at the Annual Meeting.

b. If, at the Annual Meeting, after the President has called for nominations for Supporting Representatives by the Board, there are an insignificant number of nominees for the Supporting Representative positions to be filled, the Lessee Members may nominate candidates from among themselves or from the General Members to fill such position(s).

D. **Election of Directors.** Directors shall be elected by a majority of the Regular Members present and voting at the Annual Meeting, a quorum being assembled, in accordance with the following procedures.

1. The Board shall formulate procedures that allow a reasonable opportunity for a nominee to communicate to members the nominee's qualifications and the reasons for the nominee's candidacy, a

reasonable opportunity for the nominee to solicit votes, and a reasonable opportunity for all members to choose among the nominees.

2. A separate vote shall be taken for each category of representative (Lessee, General and Supporting Representatives). If a person has been nominated in more than one category and is then elected in one category, his or her name shall be removed from the list of nominees in the remaining categories.

3. Each Regular member may vote for one nominee for each vacant position in each of the categories of Representatives.

4. Positions shall be filled by candidates receiving the largest numbers of votes, though such numbers may constitute less than a majority of the total votes cast.

5. The order of election shall be: Lessees Representatives first, followed by General Representatives, followed by Supporting Representatives.

E. Vacancies.

1. *Events Causing Vacancies on the Board.* A vacancy or vacancies on the board of directors shall occur in the event of (a) the death, removal, or resignation of a director; (b) the declaration by resolution of the Board of a vacancy in the office of a director who has been convicted of a felony, declared of unsound mind by a court order, or found by final order or judgment of any court to have breached a duty under California Nonprofit Public Benefit Corporation Law, Chapter 2, Article 3; (c) the vote of the members or, if the corporation has fewer than 50 members, the vote of a majority of all members, to remove the director(s); the increase of the authorized number of directors; or (e) the failure of the members, at any meeting of members at which any director or directors are to be elected, to elect the number of directors required to be elected at such meeting.

2. *Election to Fill Vacancies.* If any Director vacates his or her term or is removed from the Board, the remaining Directors (though they may constitute less than a Board quorum) may elect a person to fill the vacancy. As an alternative, the remaining Directors may, by unanimous agreement, decide to leave the position vacant until the next Annual Meeting of the Membership, provided the Board still includes at least one representative in each of the three categories of Directors with at least four Board Members in total.

3. *Qualifications of Replacements.* Any person elected to fill a vacancy on the Board must be one who can be reasonably expected to represent the interests of the constituents in the category in

which the vacancy occurs. If the vacancy results in less than one-third of the Board of Directors meeting the criteria established in Article III.B.1, above, any person elected to fill the vacancy must meet one or more of those criteria.

4. *Term of replacements.* Replacement Directors elected by the Board shall serve until the next Annual Meeting of the Membership, at which time the position shall be filled by a person elected, according to the procedures described in Sections C and D of this Article, to serve out the remaining term of the person who has vacated the position, or, in the event such term has expired, to serve a full term.

F. Terms of Directors.

1. *Terms of Directors.* After the election of Directors at the First Annual Meeting, 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, one Director shall be assigned a one-year term and one Director shall be assigned a two-year term.

2. *Terms of Successor Directors.* Except as otherwise provided in these Bylaws, each Director shall serve a full term of two years.

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

4. *Re-Election Term Limits.* There shall be no term limits on the number of consecutive elected terms for any Director.

G. Resignation.

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

2. A Director shall be considered to have given notice of resignation and his or her position shall be declared vacant by the Board of Directors if he or she fails to attend three consecutive meetings of the Board with the exception of emergency meetings, unless good cause for absence and continuing interest in participating on the Board are recognized by the Board. When a Director has failed to attend three consecutive meetings, the President shall notify him or her in writing that, at the next regular Board meeting, his or her position will be declared vacant unless the Board determined that there has been good cause for the Director's absences and that the Director continues to be interested in participating on the Board of Directors. The notification by the President shall be mailed no later than seven days prior to the Board meeting at which the position may be declared vacant. At this

meeting, the Director in question shall be given the opportunity to show good cause for absence from the meetings and continuing interest in participating on the Board. The resignation of a Director who has missed three consecutive meetings shall not become effective until the Board has declared the position vacant as provided herein.

H. **Removal of Directors.** A Director of the Corporation may be removed with or without cause by a vote of a majority of the members of the entire Board of Directors of the Corporation. However, before such removal can occur, the Director proposed to be removed must be provided notice of the meeting in accordance with the procedures set forth in these bylaws and a reasonable opportunity to be heard on the question of the removal.

I. **Meetings of the Board of Directors.**

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

2. *Waiver of Notice.* Any Director may waive any notice required by Article III.I.1 these Bylaws. Any Director who has not received notice of a Board meeting but has attended that meeting shall be considered to have waived notice of that meeting, unless he or she requests that his or her protest be recorded in the minutes of the meeting.

3. *Annual Meeting of the Board.* The Annual Meeting of the Board of Directors may be held immediately following the Annual Membership Meeting and must be held no later than one month following the Annual Meeting.

4. *Regular Meetings.* The Board of Directors shall meet no less than once per year and as required from time to time, at such other times and places as the Board may establish.

5. *Special Meetings and Emergency Meetings.* Special Meetings may be called by the President, by any three Directors, or by ten percent 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 one-day notice. Notice of Emergency Meetings, including an announcement of the agenda, shall be given by telephone or in person to all Directors. At any Special or Emergency Meeting of the Board, only those matters included in the announced agenda may be acted upon unless all of the Directors are present at the meeting and unanimously agree to take action on other matters.

6. *Meetings by Telephone or Other Telecommunications Equipment.* Any Board meeting may be held by conference telephone, video screen communication, or other communications

equipment. Participation in a meeting under this section shall constitute a presence in person at the meeting if all of the following apply:

(a) Each member participating in the meeting can communicate concurrently with all other members.

(b) Each member is provided the means of participating in all matters before the Board, including capacity to propose, or to interpose an objection to, a specific action to be taken by the corporation.

(c) The Board has adopted and implemented a means of verifying both of the following:

(1) A person participating in the meeting is a director or other person entitled to participate in the Board meeting.

(2) All actions of or votes by the Board are taken or can only be taken by the directors and not by persons who are not directors.

7. *Annual and Other Meetings.* Immediately after each Annual Meeting of Members, the Board shall hold a general meeting for purposes of organization, election of officers, and transaction of other business. Notice of this meeting is not required.

J. **Procedures for Meetings of the Board of Directors.**

1. *Open Meetings.* All meetings of the Board of Directors shall be open to any member and guests of members of the Board, except where the Board has voted to convene in executive session.

2. *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 concerning the securing of real estate purchase options or contracts in accordance with Article III.J.2 (b), below. Attendance in executive session shall be limited to the Directors and any persons whose presence is requested by the Board of Directors. Minutes of an executive session need not be taken; however, if they are taken, they shall be recorded as a part of the minutes of the meeting in which the Board as voted to go into executive session. The Board shall not hold an executive session except to consider one or more of the following matters.

(a) 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.

(b) Approval of real estate purchase offers and the negotiating or securing of real estate purchase options or contracts. The Executive Director may enter into or negotiate purchase options for acquisition of real property in accordance to guidelines approved by the Board of Directors.

(c) The appointment or evaluation of the Executive Director, and any disciplinary or dismissal action against any employee (however, nothing in this section shall be construed to impair the right of an employee to a public hearing if action is taken to discipline or dismiss).

(d) The consideration of applications from persons seeking to lease land and/or housing, purchase housing, or arrange financing from the Corporation.

(e) Relationships between the Corporation and any party who might be harmed by public discussion of matters relating to the relationship.

3. *Quorum.* A majority of the authorized number of directors, provided that at least one representative from each of the three representatives is present, shall constitute a quorum for the transaction of any business except adjournment. Every action taken or decision made by a majority of the directors present at a duly held meeting at which a quorum is present shall be an act of the Board, subject to the more stringent provisions of the California Nonprofit Public Benefit Corporation Law, including, without limitation, those provisions relating to (a) approval of contracts or transactions in which a director has a direct or indirect material financial interest, (b) approval of certain transactions between corporations having common directorships, (c) creation of and appointment to committees of the Board, and (d) indemnification of directors. A meeting at which a quorum is initially present may continue to transact business, despite the withdrawal of some directors from that meeting, if any action taken or decision made is approved by at least a majority of the required quorum for that meeting.

4. *Decision Making.* Whenever possible, the Board shall attempt to reach unanimous agreement on all decisions. In the event that unanimity is not attained, a decision shall be made by an affirmative vote of a majority of the Board Directors present and voting, a quorum being assembled, except as otherwise provided in these Bylaws. Before a vote is held on any motion, the exact language of the motion shall be recorded by the Secretary of the Corporation, or by other such person as the Board may designate, and read into the record, and all Regular Members present shall have a reasonable opportunity to express their opinions on the proposition. The President may set reasonable time limits on testimony for any matter to limit meeting length to a reasonable time period. The President may also limit testimony on matters for which new speakers consent in whole

with testimony already in the record. The Corporate Chaplain shall be consulted prior to a vote on any matter if requested by any Regular Member.

5. *Minutes.* Minutes of all Board meetings shall be recorded by the Secretary of the Corporation or by other such person as the Board may designate, and shall be approved by the Board at the next Board meeting. All minutes of Board meetings shall be kept on permanent record of the Corporation and shall be open for inspection by any Member of the Corporation.

6. *Affidavit of Mailing Notice.* An affidavit of the mailing of any notice of any members' meeting, or of the giving of such notice by other means, may be executed by the secretary, assistant secretary, or any designated agent of the corporation, and if so executed, shall be filed and maintained in the corporation's minute book.

7. *Adjournment.* A majority of the directors present, whether or not a quorum is present, may adjourn any meeting to another time and place.

8. *Notice of Adjourned Meeting.* Notice of the time and place of holding an adjourned meeting need not be given unless the original meeting is adjourned for more than 24 hours. If the original meeting is adjourned for more than 24 hours, notice of any adjournment to another time and place shall be given, before the time of the adjourned meeting, to the directors who were not present at the time of the adjournment.

9. *Action Without a Meeting.* Any action that the Board is required or permitted to take may be taken without a meeting if all Board members consent in writing to the action; provided, however, that the consent of any director who has a material financial interest in a transaction to which the corporation is a party and who is an "interested director" as defined in California Corporations Code section 5233 shall not be required for approval of that transaction. Such action by written consent shall have the same force and effect as any other validly approved action of the Board. All such consents shall be filed with the minutes of the proceedings of the Board.

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

1. Approve a written Annual Report to the Membership, and send this report to the members and directors within 120 days after the end of the corporation's fiscal year. This report shall include a summary of the corporation's activities including:

(a) The assets and liabilities, including the trust funds, of the corporation as of the end of the fiscal year;

- (b) The principal changes in assets and liabilities, including trust funds;
- (c) The corporation's revenue or receipts, both unrestricted and restricted to particular purposes;
- (d) The corporation's expenses or disbursements for both general and restricted purposes;
- (e) Any information required by these bylaws; and
- (f) An independent accountant's report or, if none, the certificate of an authorized officer of the corporation that such statements were prepared without audit from the corporation's books and records.

This requirement of an annual report shall not apply if the corporation receives less than \$25,000 in gross receipts during the fiscal year; provided, however, that the information specified above for inclusion in an annual report must be furnished annually to all directors and to any member who requests it in writing.

2. As part of the annual report to all members, or as a separate document if no annual report is issued, the corporation shall, within 120 days after the end of the corporation's fiscal year, annually prepare and mail or deliver to each member and furnish to each director a statement of any transaction or indemnification of the following kind:

(a) Any transaction (i) in which the corporation was a party, (ii) in which an "interested person" had a direct or indirect material financial interest, and (iii) which involved more than \$50,000 or was one of several transactions with the same interested person involving, in the aggregate, more than \$50,000. For this purpose, an "interested person" is either:

(1) Any director or officer of the corporation, its parent, or subsidiary (but mere common directorship shall not be considered such an interest); or

(2) Any holder of more than 10 percent of the voting power of the corporation, its parent, or its subsidiary. The statement shall include a brief description of the transaction, the names of the interested persons involved, either relationship to the corporation, the nature of their interest in the transaction and, if practicable, the amount of that interest, provided that if the transaction was with a partnership in which the interested person is a partner, only the interest of the partnership need be stated.

(b) Any indemnification or advances aggregating more than \$10,000 paid during the fiscal year to any officer or director of the corporation under these bylaws, unless that indemnification has already been approved by the members under Corporations Code section 5238(e)(2).

3. Adopt an annual budget prior to the beginning of each fiscal year, and approve any expenditure not included in the budget.

4. Select all officers of the Corporation.

5. 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.

6. Adopt and implement an employee personnel policies manual providing for the hiring, supervision, and evaluation of employees. The Employee Personnel Policy Manual shall include employee benefits and employee regulations.

7. Provide for the deposit of funds in accordance with Article X of these Bylaws.

8. 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.

9. Acquire such parcels of land (with or without buildings and other improvements) and development rights, 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.

10. Convey the right to use land and/or development rights, through leases or other limited conveyances, in accordance with the provisions of Articles VI and VII of these Bylaws.

11. 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.

12. Provide for the purchase of housing and other improvements on the Corporation's land from lessees who wish to sell or whose leases are terminated, at prices based on the "Resale Formula," in accordance with Article VII of these Bylaws.

13. Develop the resources necessary for the operation of the Corporation and for the acquisition and development of land and housing.

14. Assume the sound management of the Corporation's finances.

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

1. Hire and fire the Executive Director and appoint and discharge advisors and consultants.
2. Create such committees as are necessary or desirable to further the purposes of the Corporation. (Any member of the Corporation may be appointed to any committee. No committee may take action on behalf of the Corporation except as authorized by the Board of Directors.)
3. Call special meetings of the membership.
4. Approve the borrowing and lending of money as necessary to further the purposes of the Corporation and in accordance with Article X.D of these Bylaws.
5. Exercise all other powers necessary to conduct the affairs and further the purposes of the Corporation in accordance with the Certificate(s) of Incorporation and these Bylaws.

M. **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 sale of land, the establishment or alteration of the "Resale Formula," or the dissolution of the Corporation shall not become effective unless such action is approved by the Regular Membership in accordance with these Bylaws by a majority vote of the Regular Members, a quorum being assembled. The Board of Directors shall not adopt or implement any policy or action that violates Roman Catholic social teaching.

N. **Conflict of Interest.** No member of the Board of Directors shall vote on any matter in which such Director or any parent, spouse, child, partner, employer or similar related business entity has a substantial interest in any property or business that would be substantially affected by such action.

O. **Restriction on Interested Persons as Directors.** No more than 49 percent of the persons serving on the Board of Directors may be "interested persons." An interested person is (a) any person compensated by the corporation for services rendered to it within the previous 12 months, whether as a full-time or part-time employee, independent contractor, or otherwise, excluding any reasonable compensation paid to a director; and (b) any brother, sister, son-in-law, daughter-in-law, mother-in-law, father-in-law or such person. However, any violation of this paragraph shall not affect the validity or enforceability of transactions entered into by the corporation.

P. **Compensation and Reimbursement.** Directors may receive compensation, if any, for their services as directors or officers, and such reimbursement of expenses, as the Board may establish by resolution to be just and reasonable as to the corporation at the time that the resolution is adopted.

ARTICLE IV: OFFICERS AND DIRECTORS

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

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

C. **Tenure.** The officers shall hold office until the next Annual Meeting of the Board after their election, unless, before such time, they resign or are removed from their offices, or unless they resign or are removed from the Board of Directors. Any officer who ceases to be a member of the Board of Directors shall thereby cease to be an officer.

D. **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 a majority of the entire Board of Directors.

E. **Contracts With Directors and Officers.** No director of this corporation or any other corporation, firm association, or other entity in which one or more of this corporation's directors have a material financial interest, shall be interested, directly or indirectly, in any contract or transaction with this corporation, unless (a) the material facts regarding that director's financial interest in such contract or transaction or regarding such common directorship, officership, or financial interest are fully disclosed in good faith and noted in the minutes, or are known to all members of the Board prior to the Board's consideration of such contract or transaction; (b) such contract or transaction is authorized by good faith by a majority of the Board by a vote sufficient for that purpose without counting the votes of the interested directors; (c) before authorizing or approving the transaction, the Board considers and in good faith decides after reasonable investigation that the corporation could not obtain a more advantageous arrangement with reasonable effort under the circumstances; and (d) the corporation for its own benefit enters into the transaction, which is fair and reasonable to the corporation at the time the transaction is entered into.

This section does not apply to a transaction that is part of an educational or charitable program of this corporation if it (a) is approved or authorized by the corporation in good faith and without unjustified

favoritism and (b) results in a benefit to one or more directors or their families because they are in the class of persons intended to be benefited by the educational or charitable program of this corporation.

F. **Loans to Directors and Officers.** This corporation shall not lend any money or property to or guarantee the obligation of any director or officer without the approval of the California Attorney General; provided, however, that the corporation may advance money to a director or officer of the corporation for expenses reasonably anticipated to be incurred in the performance of his or her duties if that director or officer would be entitled to reimbursement for such expenses by the corporation.

G. **Duties of the President.** The President shall:

1. Preside at all meetings of the Board of Directors and the Membership when able to do so.
2. Consult with the other officers and the committees of the Corporation regarding the fulfillment of their duties.
3. Assure that an agenda is prepared for every meeting of the Membership and the Board of Directors.
4. Give notice to any Director who has been absent from three consecutive regular meetings, as required by these Bylaws.
5. Call special meetings of the Membership or Board of Directors when petitioned to do so in accordance with these Bylaws.
6. Carry out the duties assigned to the President regarding the removal of a Director.
7. Perform such other duties as the Board of Directors may assign.

H. **Duties of the Vice President.** The Vice President shall:

1. Perform all duties of the President in the event that the President is absent or unable to perform these duties.
2. Perform those duties of the President regarding the resignation or removal of a Director when the President is disqualified from performing these duties.
3. Perform other duties as the Board of Directors may assign.

I. **Duties of the Secretary.** The Secretary shall:

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

2. Assure that proper notice of all meetings of the Membership and the Board of Directors is given.

3. 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.

4. Assure that minutes of all meetings of the Membership and the Board of Directors are recorded and kept on permanent record.

5. Perform such other duties as the Board of Directors may assign.

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

1. Assure that the financial records of the Corporation are maintained in accordance with sound accounting practices.

2. Assure that funds of the Corporation are deposited in the name of the Corporation in accordance with these Bylaws.

3. Assure that all deeds, title papers, leases, and other documents establishing the Corporation's interest in property, property rights, and rights in particular matters are maintained in such manner as the Board directs.

4. Assure that money owed to the Corporation is duly collected and that all gifts of money or property to the Corporation are duly received.

5. Assure the proper disbursement of such funds as the Board of Directors may order or authorize.

6. 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.

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

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

9. Perform such other duties as the Board of Directors may assign.

ARTICLE V: CORPORATE CHAPLAIN

- A. **Corporate Chaplain.** A. Corporate Chaplain shall be appointed by the Board to serve, support, and advise the Board on matters of Roman Catholic social teaching. The Chaplain shall not be a Board member and does not have any Board voting rights, only voting rights reserved to Regular Members. The Chaplain shall be a member of the Roman Catholic Church clergy from a parish in the Service Area. The Chaplain shall serve a one-year term.
- B. **Duties of the Chaplain.** The Chaplain shall review all corporate policies and actions pursuant to Roman Catholic social teachings when requested by any Board Member. Although not binding, the Board shall consider all comments and suggestions by the Chaplain before making a final decision on corporate policies and actions.

ARTICLE VI: STEWARDSHIP OF LAND

- A. **Principals 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 doing so, the Board shall be guided by the following principles:
 1. Roman Catholic social teachings, environmental stewardship principals, doctrine and traditions.
 2. The Board shall consider the needs of potential lessees and shall attempt to effect a just distribution of land use rights.
 3. 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.
 4. 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 human communities and the environment.
- B. **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.
- C. **Sale of Land.** The sale of land, except environmentally sensitive land and development rights to conservation agencies or organizations for environmental protection or enhancement, does not conform to the philosophy and purposes of the Corporation. In addition, this Corporation does not

encourage or support the return of lands purchased by various government agencies for protection of the environment. Accordingly, land shall not be sold except in extraordinary circumstances when the sale is considered a necessary means of achieving the purposes of the Corporation. In such extraordinary circumstances, land may be sold only with:

1. An affirmative vote by at least two-thirds of the entire Board of Directors at a regular or special Board meeting, provided that written notice of such meeting has described the proposed sale and the reasons for the proposal;
2. The written consent of any persons to whom the land in question is leased; and
3. The approval of two thirds of the regular Members present at a regular or special Membership Meeting, a quorum being assembled, provided that written notice of such meeting has described the proposed sale and the reasons for the proposal.

D. **Dedication of Assets.** The corporation's assets are irrevocably dedicated to public benefit purposes. No part of the net earnings, properties, or assets of the corporation, on dissolution or otherwise, shall inure to the benefit of any private person or individual, or to any director or officer of the corporation. On liquidation or dissolution, all properties and assets remaining after payment, or provision for payment, of all debts and liabilities of the corporation shall be distributed to a nonprofit fund, foundation, or corporation that is organized and operated exclusively for charitable purposes and that has established its exempt status under Internal Revenue Code section 501(c)(3).

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

A. **Ownership of Housing and Improvements on the Corporation's Land.** In accordance with the purposes of the Corporation, the Board of Directors shall take appropriate measures to promote and facilitate the ownership of housing and other improvements on the Corporation's land by low and moderate income people as defined in these Bylaws. These measures may include, but are not limited to, provisions for the sale of housing to such people; provisions for financing the acquisition of housing by such people, including direct loans by the Corporation; and provision for grants or other subsidies that will lower the cost of such housing for such people.

B. **Purchase by the Corporation of Property Located on the Corporation's Land.** It is the purpose of the Corporation to preserve the affordability and livability of housing, neighborhoods and communities, and other improvements for low and moderate income people in the

future. Accordingly, when land-use rights are leased, the Board of Directors shall assure that, as a condition of the lease, the Corporation is granted the right to purchase any lessee-owned housing or other improvements on the land, for a price determined by the "resale formula," at such time as the lessees wish to sell or the lease is terminated.

C. **The Resale Formula.** For the purpose of preserving affordability, the Corporation shall restrict the price that lessees may receive when they sell housing and other improvements located on the land leased to them by the Corporation. A policy establishing such restrictions in the form of a "resale formula" shall be adopted by the Board of Directors and the regular Members of the Corporation, in accordance with the following principles:

1. 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.
2. 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.

D. **Procedures for Adoption of the Resale Formula.** The adoption of the resale formula shall require:

1. An affirmative vote of two-thirds of the entire Board of Directors at any regular or special Board meeting, provided that written notice of such meeting has set forth the proposed formula with an explanation thereof; and
2. An affirmative vote by at least two-thirds of the regular Members present at any regular and/or special Membership meeting, a quorum being assembled, provided that written notice of such meeting has set forth the proposed formula with an explanation thereof.

E. **Procedures for Altering the Resale Formula.** The consistent long-term application of a resale formula is essential to the purposes of the Corporation. Accordingly, the resale formula shall not be altered unless the Board of Directors and Regular Members of the Corporation determine that the current formula presents an obstacle to the achievement of the purposes of the Corporation. In such an event, the resale formula may be altered only by a two-thirds vote of the entire Board of Directors and two-thirds of the Regular members present at a Membership meeting, as described above for the adoption of the formula.

ARTICLE VIII: AMENDMENT OF THE CERTIFICATE OF INCORPORATION AND BYLAWS

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

- A. An affirmative vote by two-thirds of the entire Board of Directors at any Regular or Special Board meeting, provided that written notice of such meetings has set forth the proposed amendment or replacement with appropriate explanations thereof; and
- B. An affirmative vote by two-thirds of the Regular Members according to these Bylaws present at any Regular, Special, or 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 Certificate of Incorporation shall require:

- A. An affirmative vote by five-sixths of the entire Board of Directors at any regular or special meeting, provided that written notice of such meeting has included a full description of the plan of dissolution consistent with the Articles of Incorporation and all Lessee Board Members vote for dissolution; and
- B. An affirmative vote by two-thirds of the regular 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.

ARTICLE X: MISCELLANEOUS PROVISIONS

- A. **Fiscal Year.** The fiscal year of the Corporation shall begin on July 1 of each year and shall end on June 30 of each year.
- B. **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.
- C. **Checks, Etc.** All checks, drafts, endorsements, notes and evidence 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.

D. **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.

E. **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.

F. **Indemnification.** To the fullest extent permitted by law, the Corporation shall indemnify its Directors, and Officers, employees, and other persons described in Corporations Code, including persons formerly occupying any such positions, against all expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred by them in connection with any "proceeding" as that term is used in that section and including an action by or in the right of the Corporation, by reason of the fact that such person is or was a Director or Officer. "Expenses" as used in this bylaw shall have the same meaning as in that section of the California Corporations Code.

On written request to the Board by any person seeking indemnification hereunder, the Board shall promptly determine in accordance with Corporations Code whether the applicable standard of conduct set forth in Corporations Code section has been met, and if it has, the Board shall authorize indemnification. If the Board cannot authorize indemnification because the number of Directors who are parties to the proceeding with respect to which indemnification is sought prevents the formation of a quorum of Directors who are not parties to the proceeding, the Board shall promptly call a meeting of Members. At that meeting, the Members shall determine under the applicable provisions of the Corporations Code whether the applicable standard of conduct set forth in Corporations Code has been met, and if it has, the Members present at the meeting shall authorize indemnification.

To the fullest extent permitted by law and except as otherwise determined by the Board in a specific instance, expenses incurred by a person seeking indemnification under the bylaws in defending any proceeding covered by those sections shall be advanced by the corporation before final disposition of the proceeding, on receipt by the corporation of an undertaking by or on behalf of that person that the advance will be repaid unless it is ultimately found that the person is entitled to be indemnified by the corporation for those expenses.

G. **Construction and Definitions.** Unless the context requires otherwise or a term is specifically defined herein, the general provisions, rules of construction, and definitions in the

California Nonprofit Corporation law shall govern the construction of these Bylaws. Without limiting the generality of the above, the masculine gender includes the feminine and neuter, and singular number includes the plural and the plural number includes the singular. All captions and titles used in these Bylaws are intended solely for the reader's convenience of reference and shall not affect the interpretation or application of any of the terms or provisions contained herein.

H. **Insurance.** This corporation shall have the right, and shall use its best efforts, to purchase and maintain insurance to the full extent permitted by law on behalf of its officers, directors, employees, and other agents, to cover any liability asserted against or incurred by any officer, director, employee, or agent in such capacity or arising from the officer's, director's, employee's, or agent's status as such.

I. **Maintenance of Corporate Records.** This corporation shall keep

- (a) Adequate and correct books and records of account;
- (b) Meeting Notices, written minutes of the proceedings of its members, board, and committees of the board; and
- (c) A record of each member's name, address, and class of membership.

J. **Members' Right to Inspect.**

1. *Membership Records.* Unless the corporation provides a reasonable alternative as provided below, any member may do either or both of the following for a purpose reasonably related to the member's interest as a member:

- (a) Inspect and copy the records containing members' names, addresses, and voting rights during usual business hours on five days' prior written demand on the corporation, which must state the purpose for which the inspection rights are requested; or
- (b) Obtain from the secretary of the corporation, on written demand and tender of a reasonable charge, a list of names, addresses, and voting rights of members who are entitled to vote for directors as of the most recent record date for which that list has been compiled, or as of the date, after the date of demand, specified by the member. The demand shall state the purpose for which the list is requested. The secretary shall make this list available to the member on or before the later of ten days after the demand is received or the date specified in the demand as the date of which the list is compiled.

The corporation may, within ten business days after receiving a demand

under this section, make a written offer of an alternative method of reasonable and timely achievement of the proper purpose specified in the demand without providing access to or a copy of the membership list. Any rejection of this offer must be in writing and must state the reasons the proposed alternative does not meet the proper demand.

If the corporation reasonably believes that the information will be used for a purpose other than one reasonably related to a person's interest as a member, or if it provides a reasonable alternative under this section, it may deny the member access to the membership list.

Any inspection and copying under this section may be made in person or by the member's agent or attorney. The right of inspection includes the right to copy and make extracts. This right of inspection extends to the records of any subsidiary of the corporation.

2. *Accounting Record and Minutes.* On written demand on the corporation, any member may inspect, copy, and make extracts of the accounting books and records and the minutes of the proceedings of the members, the board of directors, and committees of the board at any reasonable time for a purpose reasonably related to the member's interest as a member. Any such inspection and copying may be made in person or by the member's agent or attorney. This right of inspection extends to the records of any subsidiary of the corporation.

3. *Maintenance and Inspection of Articles and Bylaws.* This corporation shall keep at its principal office the original or a copy of the articles of incorporation and bylaws, as amended to the current date, which shall be open to inspection by the members at all reasonable times during office hours.

K. **Directors' Right to Inspect.** Every Director shall have an absolute right at any reasonable time to inspect all books, records, documents, and minutes of the corporation and the physical properties owned by the corporation. The right of inspection by a Director includes the right to make extracts and copies of documents.

L. **Private Foundation Restrictions.** It is the intention of the corporation that at no time or for any purpose shall this corporation be considered a private foundation within the meaning of any state or federal law. To carry out that intent, this corporation shall distribute its income for each taxable year at such time and in such manner as not to become subject to the tax on undistributed income imposed by Internal Revenue Code section 4942, shall not engage in any act of self-dealing as defined in Internal Revenue Code section 4941(d), shall not retain any excess business holdings as defined in Internal Revenue Code section 4943(c) , shall not make any investments in a manner as to subject it

to tax under Internal Revenue Code section 4944, and shall not make any taxable expenditures as defined in Internal Revenue Code section 4945(d).

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

- A. **Initial Membership.** The Initial Members empowered to vote at the First Annual Meeting shall be those persons 18 years of age or older who have attended at least one of the organizational steering committee meetings commencing on December 14, 2001, or thereafter until the date of the First Annual Meeting, as recorded in the minutes of those meetings.
- B. **Initial Board of Directors.** The Initial Board of Directors shall be stated in the Certificates of Incorporation. The Initial Board, 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.
- C. **Adoption of Bylaws.** Adoption of these Bylaws as the Bylaws of the Corporation shall require approval by a majority of the Initial Board of Directors prior to the First Annual Meeting; and
- D. **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 candidates, and shall designate three of these candidates for "Lessee Representatives," three as candidates for "General Representatives," and three candidates for "Supporting 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.
- E. **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 the Friday following (or falling on) the Feast of Saint Joseph (March 19). The location and specific time of the First Annual Meeting shall be determined by the Initial Members at least seven days prior to the Meeting and shall include a list of those persons nominated for the Board of Directors in accordance with Article XI.D, above. Except as otherwise provided in this Article, the election of Directors and other business of the First Annual Meeting shall be conducted in accordance with Articles II and III of these Bylaws.
- F. **Founding Members of the Corporation.** The honorary title of "Founding Member" shall be conferred upon those members listed as the Initial Board of Directors in the Certificate of Incorporation and other Initial Members that the Initial Board of Directors may recognize after

incorporation. No special authority or office shall be held by Founding Members who may hold office or serve the Corporation in accordance with these Bylaws.