

# DRAFT

## Trust Montana By-Laws

### ARTICLE I – General

#### SECTION 1 - Name

The name of the corporation is **Trust Montana**.

#### SECTION 2 - Purposes

The purposes of the corporation are the following:

- A. Acquire land or other properties and interests in land or other properties;
- B. Retain and convey interests in land or other properties so as to steward them, in perpetuity, for vital community needs, such as affordable housing, commercial entrepreneurship, agricultural and open space conservation, and historic preservation;
- C. Retain for the community any unearned increment in the market value of the land or properties; and,
- D. Support and promote the responsible land stewardship efforts of the Corporation's membership.
- E. Provide decent housing that is affordable and to provide for the basic needs of low- and moderate-income people. Trust Montana, while fostering self-respect and human dignity, will encourage Montana residents' efforts to find employment, economic opportunity and housing.

#### SECTION - 3 Offices

The principal office of the corporation shall be in Great Falls, Montana

### ARTICLE II – Members

#### SECTION 1 - Initial Membership

The incorporators of the corporation shall constitute the initial membership of the corporation.

#### SECTION 2 - General Membership

Trust Montana shall have **four** classes of members: Nonprofit Organizational Members; Individual Members; Governmental Members; and, Stakeholder Members, as described hereafter.

- A. Nonprofit organizational members may include the following:
  - 1. Montana nonprofit organizations that operate Community Land Trust (CLT) style programs and meet the standards of, the National Community Land Trust Network;
  - 2. Other Montana nonprofit organizations that are guided by missions of permanent land or property stewardship for community benefit.
- B. Individual members may include the following:
  - 1. Montanans who are other-than-housing advocates of permanent land stewardship;
  - 2. Montanans who are advocates of permanently affordable housing;
- C. Governmental Members that may include State, County, or Municipal entities; and.
- D. Stakeholder members who are leaseholder owners or renters occupying Trust Montana owned land or properties.

**SECTION 3 - Dues**

The founding Board of Directors shall establish initial annual membership fees for the separate classes of members, which shall be in effect for three-years following the date of adoption of the initial by-laws and may be changed thereafter at any General Membership meeting by a majority vote of those present. However, it is the intention of Trust Montana never to exclude an Individual or Stakeholder Member for lack of funds.

**SECTION 4 Voting Rights**

Each member as described above is entitled to one vote in accordance with the decision-making procedure outlined in Article V, Section 1.

**SECTION 5 Meetings**

A. Annual Meeting

1. Time and Place:

The annual meeting of the membership shall be held not later than sixty days prior to the annual meeting of the Board of Directors and at such place as the Board of Directors may select and notice thereof shall be afforded each of the members of the corporation not later than 30 days prior thereto.

In default of such selection, the annual meeting of the membership shall be held on the second Sunday of March of each year at the office of the corporation.

2. Business

At the annual meeting of the membership:

- a. The President shall report on the affairs of the corporation;

- b. The Treasurer shall report on the financial condition of the corporation.
- c. The members shall conduct such business as may properly come before them; and
- d. At the first annual meeting of the membership following incorporation, the members shall select sixteen (16) Directors of the Board: four (4) persons to serve as members of the Board of Directors for a term of one year, four (4) persons to serve as members of the Board of Directors for a term of two years, four (4) persons to serve as members of the Board of Directors for a term of three years, and four (4) persons to serve as members of the Board of Directors for a term of four years. At each subsequent annual meeting of the membership, the members shall select four persons to serve as members of the Board of Directors for terms of four years. If, for any reason, the annual meeting shall not be so held, or being so held, shall be adjourned without completing the election of Directors, as the case may be, the election of Directors may be held at a special meeting.

**B. Regular Meetings**

Regular meetings of the membership may be held as such times and places as the membership may establish at the annual meeting or at any regular meeting and notice thereof shall not be required.

**C. Special Meetings**

Any officer of the corporation may and, at the direction of any 15 members of the corporation, any officer shall call a special meeting of the membership and notice thereof shall be afforded each of the members of the corporation not later than fifteen days prior thereto. At a special meeting of the membership, only that matter for which the meeting was called, as stated in the notice of the meeting may be acted upon by the membership.

**SECTION 6 - Quorum**

After the corporations first three years of operation, a quorum for member votes needed for Board of Directors elections shall consist of at least 75 percent of the average number of members in attendance for the previous three general membership meetings.

**SECTION 7 - Veto**

The membership may nullify any action by the Board of Directors by calling a special meeting for the purpose of doing so within ten days of the taking of such action by the Board of Directors. Any decision by the membership to nullify any action by the Board of Directors shall be expressed by a **two-thirds, super-majority**, of members who vote on the issue.

## **SECTION 8 - Benefits to members**

All members can work actively with other members to promote the purposes of the corporation. Members have the right to attend all Board of Directors and General Membership meetings.

## **ARTICLE III – Directors**

### **SECTION 1 - Initial Board of Directors**

The incorporators of the corporation shall constitute its initial Board of Directors.

### **SECTION 2 - Successor Board of Directors**

#### **A. Size:**

No later than 18 months after initial incorporation, the Board of Directors shall consist of sixteen (16) members (see Sec.5.2.d, above)

#### **B. Composition. Directors of the Board shall have equal rights and obligations and be elected in equal proportion from the several categories of membership:**

1. Organizational member representatives: The organizational members of the corporation shall have four (4) of its class of membership serving on the Board of Directors.
2. Individual member representatives: The individual members of the corporation shall have four (4) of its class of members serving on the Board of Directors; and
3. Governmental member representatives: The governmental membership of the corporation shall have four (4) of its class members serving on the Board of Directors.
4. Stakeholder representatives: The leasing member representatives shall have four (4) of its class of membership serving on the Board of Directors. Until such a time that there is a sufficient pool of leaseholder members willing to assume this function, the Board of Directors of NeighborWorks MT shall select these positions.

#### **C. Vacancy:**

If any elected representative on the Board of Directors should vacate that office, for any reason, before the expiration of his or her term, the then remaining members of the Board of Directors shall, within thirty days from the date on which he or she shall have vacated that office, select a person from the same class of members to succeed him or her until the next general membership meeting at which Directors are normally elected. At that meeting a replacement Director shall be elected by the membership to complete the vacated term.

D. Term of Office:

1. The term of office of a regularly selected member of the Board of Directors shall commence at the adjournment of the annual meeting of the Board of Directors prior to which he or she was so selected.
2. The term of office of a member of the Board of Directors selected to fill a vacancy shall commence at the time of his or her acceptance of that office.
3. Except as otherwise specifically provided for pursuant to the provision of these by-laws, each member of the Board of Directors shall serve for a term of four years unless he or she shall be removed from office as hereinafter provided for.

**SECTION 3 - Duties of the Board of Directors**

The Board of Directors shall have the following duties:

- A. Be responsible for the general management of the affairs of the corporation;
- B. Determine the compensation and duties (in addition to those imposed by law and these by-laws) of the officers, employees and agents of the corporation;
- C. Select all officers of the corporation; and
- D. Determine by whom and in what manner deeds, contracts and other instruments shall be executed on behalf of the corporation.

**SECTION 4 - Powers of the Board of Directors**

The Board of Directors has authority to do the following:

- A. Create such offices in addition to those created pursuant to the provisions of Article IV of these by-laws as it may determine to be necessary and desirable for the conduct of the affairs of the corporation.
- B. Appoint the officers to fill such offices, establish the term of service, duties and compensation, if any, of such officers and discharge such officers;
- C. Create such committees as it may determine to be necessary and desirable for the conduct of the affairs of the corporation and delegate authority to such committees;
- D. Appoint the chairperson(s) and member(s) of any committee(s) so created, which may include members in good standing of the organization;
- E. Borrow assets and issue promissory notes or other evidences of indebtedness and, except as limited pursuant to the provisions of Section 5 of this Article III below, to mortgage assets of the corporation as collateral security for the payment or satisfaction thereof; and
- F. Convey the right to use land or properties on such terms and conditions as will conserve the resources of the land or properties and protect the environment of the community, but the decision to make such a conveyance shall require a **three-quarter (3/4) super majority** assent of the members of the Board of Directors.

## **SECTION 5 - Limitation on Power of the Board of Directors**

Except as otherwise provided for pursuant to the provisions of subparagraph F of Section 4 of this Article III and except to give a purchase money mortgage, the Board of Directors may **not** sell or otherwise alienate or encumber any land or properties or interest(s) in land or properties except in accordance with a **three-quarter (3/4) super majority** assent of the members of the Board of Directors expressed at **two consecutive** meetings of the Board of Directors.

## **SECTION 6 – Meetings**

### A. Annual Meeting

1. Time and place: The annual meeting of the Board of Directors shall be held at such time and place as the Board of Directors may select and notice thereof shall be afforded each of the members of the Board of Directors not later than 30 days prior thereto. In default of such selection, the annual meeting of the Board of Directors shall be held on the 2nd Sunday of May of each year at the office of the Secretary.
2. Business: At the annual meeting of the Board of Directors:
  - a. The President shall report on the affairs of the corporation;
  - b. The Treasurer shall report on the financial condition of the corporation; and
  - c. The Board of Directors shall conduct such business as may properly come before it.

### B. Regular meetings

1. Regular meetings of the Board of Directors may be held at such times and places as the Board of Directors may establish at the annual meeting and notice thereof shall not be required.

### C. Special Meetings

1. The President, Treasurer or Secretary may call a special meeting of the Board of Directors and notice thereof shall be afforded each of the members of the Board of Directors not later than ten (10) days prior thereto.
2. At a special meeting of the Board of Directors, only that matter or those matters for which the meeting was called, as stated in the notice of the meeting, may be called upon by the Board of Directors unless all of the Directors shall be present at the meeting and shall consent to taking action on other matters.

## **SECTION 7 – Quorum**

A majority of the members of the Board of Directors then in office shall constitute a quorum for any meeting.

## **SECTION 8 - Action in Lieu of Meeting**

The Board of Directors may take any action which it might lawfully take at any meeting of the Board of Directors in the absence of such a meeting but with the same effect as if adopted or taken at such a meeting by causing a written statement of the action to be entered into the records of the corporation over the signatures of each and every one of the members of the Board of Directors then in office and the Board of Directors may specify the effective date of such action.

## **SECTION 9 – Removal**

The Board of Directors may remove a Director at any time by consensus of all members of the Board of Directors but, for the purpose of determining whether or not consensus has been reached, the position of the member the removal of whom is being decided upon shall not be considered. The removal of such person as a Director by the Board of Directors shall not affect the status of that person as a member of the corporation.

## **ARTICLE IV – OFFICERS**

### **SECTION 1 – Designation**

The Officers and Executive Committee of the corporation shall include a President, Vice-President, a Treasurer, a Secretary and, if available, an Immediate Past President.

### **SECTION 2 - Duties of the President**

The President shall:

- A. Call to order all of the meetings of the Board of Directors and of the membership;
- B. Supervise the activities of the Secretary of the corporation in the conduct of that office; and
- C. Perform such other duties as the Board of Directors may impose.

### **SECTION 3 – Duties of the Vice-President**

- A. Duties of the Vice-President shall be to assume the duties of the President in the President's absence.

### **SECTION 4 - Duties of the Treasurer**

The Treasurer shall:

- A. Have custody of the funds of the corporation;
- B. Deposit all money of the corporation to the credit of the corporation in such depositories as the Board of Directors may designate;
- C. Maintain all assets of the corporation other than money in the name of the corporation;

- D. Disburse such funds of the corporation as the Board of Directors may order and/or authorize and, if required, take proper vouchers for such disbursements;
- E. Keep full and accurate accounts of receipts and disbursements in books of the corporation maintained for that purpose;
- F. Render an accounting of his or her transactions as Treasurer and of the financial condition of the corporation to the Board of Directors at the annual meeting of the Board of Directors, at the regular meetings of the Board of Directors, and, whenever in addition thereto, the Board of Directors may require;
- G. If required by the Board of Directors, give the corporation a bond in a sum and with one or more sureties satisfactory to the Board of Directors for the faithful performance of duties of the office of Treasurer and for the restoration to the corporation, in the event he or she shall vacate the office of Treasurer, for any reason, of all books, papers, vouchers, money and other property of whatever kind in his or her possession or under his or her control that may belong to the corporation; and
- H. Perform such other duties as the Board of Directors may impose.

#### **SECTION 5 - Duties of the Secretary**

The Secretary shall:

- A. Maintain custody of the records of the discussion of and of the action taken on all issues coming before meetings of the Board of Directors;
- B. Give notice or cause notice to be given of all meetings of the Board of Directors; and
- C. Perform such other duties as the Board of Directors or the President may impose.

#### **SECTION 6 – Duties of the Immediate Past President**

The Immediate Past President, if available, shall advise the President and serve on the Executive Committee until the subsequent President completes term of office. The Past President may be asked to chair various committees

#### **SECTION 7– Tenure**

The officers of the corporation, unless removed as hereinafter provided for, shall hold office for one year and thereafter until their successors are chosen and qualified in their stead.

#### **SECTION 8 – Removal**

The Board of Directors may remove any officer at any time by the consensus of the Board of Directors.

## **ARTICLE V – MISCELLANEOUS PROVISIONS**

### **SECTION 1 - Decision Making**

Majority rule will be the method of decision making at meetings of the Board of Directors and the General Membership.

### **SECTION 2 - Inspection of Records**

Any Director of the corporation, either in person or by his or her agent or attorney, may inspect the books and records of the corporation for any purpose at any reasonable time.

### **SECTION 3 – Arbitration**

Questions and disputes regarding these By-Laws may be resolved in accordance with rules established by the American Arbitration Association.

### **SECTION 4 - Disposition of Corporate Assets in the Event of Dissolution.**

In the event the corporation is dissolved, the housing-related assets of the corporation shall be distributed to NeighborWorks Montana, or its successor(s) or assign(s). Any land-conservation-related assets shall be distributed to an appropriately designated 501(c)3 conservation or preservation nonprofit corporation incorporated in the State of Montana.

### **SECTION 5 – Amendments**

Except as hereinafter otherwise specifically provided for, these By-Laws may be altered or amended, in whole or in part, by the consensus vote of the members of the Board of Directors, but notice of a proposal to alter or amend the By-Laws at any regular or special meeting of the Board of Directors shall be afforded each of the members of the Board of Directors not later than fifteen (15) days prior to the meeting at which it is proposed to take such action.

#### **Nevertheless, the following restrictions apply:**

- A. The provisions of Section 2 of Article III of these By-Laws relating to the size, composition, and selection of successor Boards of Directors may not be amended except in accordance with a **three-quarter (3/4) super majority** assent of the members of the Board of Directors expressed at two consecutive annual meetings of the Board of Directors; and,
- B. The provisions of: Section 5 of Article III of these By-Laws relating to limitations on the power of the Board of Directors to sell or otherwise alienate or encumber any land or interests in land; and Section 5 of Article III of these By-Laws relating to the disposition of the assets of the corporation in the event of the dissolution of the corporation may not be amended.