

ARTICLE I: Name and Purpose

1. **Name.** The name of this organization shall be the Whitefish Area Land Trust, hereinafter referred to as the “Corporation.”
2. **Purpose.** The purpose of the Corporation shall be:
 - a. To provide opportunities for low- and moderate-income people to secure housing that is decent and affordable and that is controlled by the residents on a long-term basis.
 - b. To preserve the quality and affordability of housing for future low- and moderate-income residents of the community.
 - d. To protect the natural environment and to promote the ecologically sound use of land and natural resources and the long-term health and safety of the community.

ARTICLE II: Board of Directors

1. **Number of Directors.** The Board of Directors shall consist of twelve (12) Directors.
2. **Composition of the Board.** There shall be three categories of Directors, each consisting of one-third of the total Board of Directors:
 - a. “Lessee Directors” – persons who lease land from the Corporation, who lease housing located on land that is leased by another entity from or owned by the Corporation, or person who represent the interests of Lessees.
 - b. “Community Directors” – persons who reside in the Whitefish area and represent the interests of the community.
 - c. “Public Directors” – persons who reside in the Whitefish area and represent the interests of the general public. The Board of Commissioners of the Whitefish Housing Authority shall appoint persons filling these three Director seats.
3. **Low-Income Representation.** In their actions regarding the nomination and election of people to fill vacancies on the Board of Directors, the Board of Directors shall at all times ensure that at least one-third of the board is maintained for residents of low-income neighborhoods, other low-income community residents, or elected representatives of low-income neighborhood organizations.
4. **Nomination of Directors.** The Board of Directors of the Corporation shall be nominated and elected as follows:
 - a. Lessee Directors. Prior to the Corporation’s Annual Meeting, lessees may nominate a slate of candidates to fill vacant or to-be-filled Lessee Director board seats. If the number of nominations is more than the number of Lessee Director seats to be filled, the Corporation’s board will select candidates from these nominations, so that the number of candidates is sufficient to fill the number of seats to be filled. If all Lessee Director seats cannot be filled with lessees, the Corporation board shall nominate persons who can reasonably be expected to

represent the interests and concerns of lessees. For all regular elections subsequent to the first Annual Meeting following the Corporation having at least ten (10) Lessees, Lessee Director seats, whenever possible, shall be filled by Lessees.

- b. Community Directors. Prior to the Corporation's Annual Meeting, the Corporation's Board of Directors shall nominate a sufficient number of candidates to fill vacant or to-be-filled seats in the Community Director category.
 - c. Public Directors. Prior to the Corporation's Annual Meeting, the Whitefish Housing Authority shall inform the Corporation's Board of Directors of the persons who will fill vacant or to-be-filled seats in the Public Director category.
5. **Election of Directors.** Directors shall be elected from the designated nominees by the Corporation's Board of Directors, by a simple majority vote at the Annual Meeting, a quorum being assembled.

6. **Vacancies.**

- a. Election To Fill Vacancies. If any Director in the Lessee or Community category vacates his or her term or is removed from the Board, the remaining Directors (though they may constitute less than a quorum) may elect a person to fill the vacancy or may, by unanimous agreement, decide to leave the position vacant until the next Annual Meeting, provided that the Board still includes at least three Directors in each category. Elections to fill vacancies in the Lessee or Community category shall be by a majority of the remaining Directors. Vacancies in the Public Director category shall be filled by appointment by the Board of Commissioners of the Whitefish Housing Authority.
- b. Qualifications of Replacements. Any person elected to fill a vacancy on the Board of Directors must be one who can be reasonably expected to represent the interests of the constituents in the category (Lessee, Community, or Public) in which the vacancy occurs.
- c. Term of Replacements. Replacement Directors elected by the Board shall serve out the remaining term of the person who has vacated the position.

7. **Terms of Directors.**

- a. Terms of First Elected Directors. After the election of Directors at the first Annual Meeting, each Director shall be assigned, by mutual agreement or by lot, to a one-year or two-year term. In each of the three categories of Directors, two Directors shall be assigned a one-year term and two shall be assigned a two-year term.
- b. Terms of Successor Directors. Except as otherwise provided in these Bylaws, each Director shall serve a full term of two years.
- c. Commencement of Terms. The term of office of a regularly elected Director shall commence at the adjournment of the Annual Meeting in which he or she is elected. The term of office of a Director elected by the Board to fill a vacancy

shall begin at the time of his or her acceptance of the position.

- d. Reelection. No person shall serve as a Director for more than three consecutive elected terms. After a year's absence from the Board, however, a person who has served three consecutive elected terms may return to the Board, if reelected, and may serve up to three consecutive elected terms.

8. Resignation.

- a. Any Director may resign at any time by giving written notice to the President. Unless otherwise specified, such resignation shall be effective upon the receipt of notice by the President
- b. A Director shall be considered to have given notice of resignation and his or her position shall be declared vacant by the Board of Directors if he or she fails to attend three consecutive meetings of the Board with the exception of emergency meetings, unless good cause for absence and continuing interest in participation on the Board are recognized by the Board.

9. **Removal of Directors.** A Director of the Corporation may be removed for good cause by a two-thirds (2/3) majority vote of the Board of Directors of the Corporation when such Director is judged to have acted in a manner seriously detrimental to the Corporation.

10. Meetings of the Board of Directors.

- a. 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 can be given by U.S. Mail, personal delivery or electronic transmittal. Notice of every meeting shall include an agenda for the meeting.
- b. Waiver of Notice. Any Director may waive any notice required by 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.
- c. Annual Meeting. Except for the meeting at which these bylaws are adopted, the Board of Directors shall hold an Annual Meeting in the fourth (4th) quarter of each year.
- d. Regular Meetings. The Board of Directors shall meet no less often than once every two months, at such times and places as the Board may establish.
- e. Special Meetings and Emergency Meetings. Special meetings may be held at the call of the President, or upon written request submitted by any three Directors. All Directors shall be given seven (7) days notice as provided above of special Board meetings, unless a bona fide emergency exists, in which case reasonable notice shall be given. Notice of an Emergency Meeting, 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.

11. Procedures for Meetings of the Board of Directors.

- a. **Open Meetings.** All meetings of the Board of Directors shall be open to any person except when the Board has voted, during an open meeting, to go into executive session.
- b. **Executive Session.** A motion to go into executive session shall state the nature of the business of the executive session, and no other matter may be considered in the executive session. No binding action may be taken in executive session except actions regarding the securing of real estate purchase options or contracts in accordance with paragraph (2) 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 has voted to go into executive session. The Board shall not hold an executive session except to consider one or more of the following matters.
 - (1) Contracts, labor relations agreements with employees, arbitration, grievances, or litigation involving the Corporation when premature public knowledge would place the Corporation or person involved at a substantial disadvantage.
 - (2) Real estate purchase offers and the negotiating or securing of real estate purchase options or contracts.
 - (3) The appointment or evaluation of an employee, and any disciplinary or dismissal action against an employee (however, nothing in this section shall be construed to impair the right of the employee to a public hearing if action is taken to discipline or dismiss).
 - (4) The consideration of applications from persons seeking to lease land and/or housing, purchase housing, or arrange financing from the Corporation.
 - (5) Relationships between the Corporation and any party who might be harmed by public discussion of matters relating to the relationship.
- c. **Quorum.** At any meeting of the Board, a quorum shall consist of a majority of the Board of Directors, provided that at least one representative from each of the three categories of Directors is present.
- d. **Decision-making.** The Board shall attempt to reach unanimous agreement on all decisions. In the event that unanimous agreement cannot be achieved, a decision may be made by a majority of the Directors present and voting, except as otherwise provided in these Bylaws.
- e. **Minutes.** Minutes of all Board meetings shall be recorded by the Secretary or by such other person as the Board may designate, and shall be approved by the Board at the next Board meeting. All minutes of Board meetings shall be kept

on permanent record by the Corporation and shall be open for inspection by any Member of the Corporation.

12. **Duties of the Board of Directors.** The Board of Directors shall carry out the purposes of the Corporation, implement the decisions of the Board of Directors, and be responsible for the general management of the affairs of the Corporation in accordance with these Bylaws. Specifically, the Board shall:
- a. Approve a written Annual Report. This report shall include a summary of the Corporation's activities during the previous year, the Corporation's most recent financial reports, and a list of all real estate held by the Corporation.
 - b. Adopt an annual operating budget prior to the beginning of each fiscal year and approve any expenditures not included in the budget.
 - c. Select all officers of the Corporation.
 - d. 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.
 - e. Adopt and implement personnel policies providing for the hiring, supervision, and evaluation of employees.
 - f. Provide for the deposit of funds in accordance with Article IX of these Bylaws.
 - g. 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.
 - h. Acquire such parcels of land, with or without buildings and other improvements, through donation, purchase, or otherwise, as the Board shall determine that it is useful and prudent to acquire in furtherance of the purposes of the Corporation.
 - i. Convey the right to use land, through leases or other limited conveyances, in accordance with the provisions of Articles IV and V of these Bylaws.
 - j. Convey ownership of housing and other improvements on the Corporation's land to qualified lessees, as possible, in accordance with the provisions of Articles IV and V of these Bylaws.
 - k. Exercise, as appropriate, the Corporation's option to repurchase (or arrange for the resale of) housing and other improvements belonging to ground lessees in accordance with the terms of the ground lease and Article V of these Bylaws.
 - l. Develop the resources necessary for the operation of the Corporation and for the acquisition and development of land and housing.
 - m. Ensure the sound management of the Corporation's finances.
13. **Powers of the Board of Directors.** In addition to the power to carry out the duties enumerated above, the Board of Directors shall have the power to:

- a. Appoint and discharge advisors and consultants.
 - b. Create such committees as are necessary or desirable to further the purposes of the Corporation. (Any 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.)
 - c. Call special meetings of the Board of Directors.
 - d. Approve the borrowing and lending of money as necessary to further the purposes of the Corporation and in accordance with paragraph VIII,4 of these Bylaws.
 - e. Exercise all other powers necessary to conduct the affairs and further the purposes of the Corporation in accordance with the Certificate of Incorporation and these Bylaws.
14. **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. With a commitment to assuring independence and accountability, the Directors, officers, and employees of the Corporation shall certify annually that they are in compliance with the Corporation's Conflict of Interest Policy and operate in a way consistent with the professional standards laid out therein.
15. **Membership.** At the first Annual Meeting following the Corporation having 20 Lessees, the Board of Directors shall evaluate the potential of the Corporation to develop a membership structure and shall, if deemed feasible, move to amend the bylaws to accommodate this change in organizational structure.

ARTICLE III: Officers

1. **Designation.** The officers of the Corporation shall be: President, Vice President, Secretary, and Treasurer.
2. **Election.** The officers of the Corporation shall be elected by a majority vote of the Board of Directors, from among themselves, at the Annual Meeting of the Board. Any vacancies occurring in any of these offices shall be filled by the Board for the unexpired term.
3. **Tenure.** The officers shall hold office until the next Annual Meeting of the Board after their election, unless, before such time, they resign or are removed from their offices, or unless they resign or are removed from the Board of Directors. Any officer who ceases to be a member of the Board of Directors shall thereby cease to be an officer.
4. **Removal from Office.** The officers shall serve at the pleasure of the Board of Directors and may be removed from office at any time by an affirmative vote of two-thirds (2/3) of the entire Board of Directors.
5. **Duties of the President.** The President shall:

Whitefish Area Land Trust By-Laws

- a. Preside at all meetings of the Board of Directors when able to do so.
- b. Consult with the other officers and the committees of the Corporation regarding the fulfillment of their duties.
- c. Ensure that an agenda is prepared for every meeting of the Board of Directors.
- d. Give notice to any Director who has been absent from three consecutive regular meetings, as required by these Bylaws.
- e. Call special meetings of the Board of Directors when petitioned to do so in accordance with these Bylaws.
- f. Carry out the duties assigned to the President regarding the removal of a Director.
- g. Perform such other duties as the Board of Directors may assign.

The President has no authority to make decisions for the Corporation without the assent of a majority of the Board of Directors.

6. Duties of the Vice President. The Vice President shall:

- a. Perform all duties of the President in the event that the President is absent or unable to perform these duties.
- b. Perform those duties assigned to the President regarding the resignation or removal of a Director when the President is disqualified from performing these duties.
- c. Ensure that up-to-date copies of these Bylaws (incorporating any duly approved amendments) are maintained by the Corporation; answer all questions from the Board regarding these Bylaws; and ensure that all actions of the Board of Directors comply with these Bylaws.
- d. Ensure that any and all committees established by the Board of Directors are constituted as the Board has directed and meet as necessary and appropriate.
- e. Perform such other duties as the Board of Directors may assign.

7. Duties of the Secretary. The Secretary shall:

- a. Be the custodian of the records of the Corporation.
- b. Ensure that proper notice of all meetings of the Board of Directors is given.
- c. Ensure that motions and votes in meetings of the Board of Directors are accurately represented to those present and are accurately recorded in the minutes.
- d. Ensure that minutes of all meetings of the Board of Directors are recorded and kept on permanent record.
- e. Perform such other duties as the Board of Directors may assign.

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

Whitefish Area Land Trust By-Laws

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

ARTICLE IV: Stewardship of Land

1. **Principles of Land Use.** The Board of Directors shall oversee the use of land owned by the Corporation and shall convey the right to use such land so as to facilitate access to land and affordable housing by low- and moderate-income people. In so doing, the Board shall be guided by the following principles:
 - a. The Board shall consider the needs of potential lessees and shall attempt to effect a just distribution of land use rights.
 - b. The Board shall convey land use rights on terms that will preserve affordable access to land and housing for future low- and moderate-income residents of the community.
 - c. The Board shall convey land use rights in a manner that will promote the long-term well-being of the community and the long-term health of the environment.
2. **Encumbrance of Land.** The decision to mortgage or otherwise encumber land owned by the Corporation shall require an affirmative vote by at least two-thirds (2/3) of the entire Board of Directors at a regular or special Board meeting and the consent of any parties to whom such land is leased.
3. **Sale of Land.** The sale of land does not conform with the philosophy and purposes of the Corporation. Accordingly, land shall not be sold except in extraordinary circumstances, and then only in accordance with the following guidelines.
 - a. A parcel of land may be sold pursuant to a resolution adopted by an affirmative

vote by at least two-thirds (2/3) of the entire Board of Directors at a regular or special Board meeting, provided that (i) the Corporation has owned the parcel for no more than sixty (60) days at the time the vote is taken, (ii) the parcel is not leased to any party, and (iii) the resolution states that the location or character of the parcel is determined to be such that the charitable purposes of the Corporation are best served by selling the land and applying the proceeds to the support of other activities serving those purposes.

b. In all other circumstances a parcel of land may be sold only with:

- (1) An affirmative vote by at least two-thirds (2/3) 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; and
- (2) The written consent of any persons to whom the land in question is leased.

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

1. **Ownership of Housing and Improvements on the Corporation's Land.** In accordance with the purposes of the Corporation, the Board of Directors shall take appropriate measures to promote and facilitate the ownership of housing and other improvements on the Corporation's land by low- and moderate-income people. These measures may include, but are not limited to, provisions for the sale of housing to such people; provisions for financing the acquisition of housing by such people, including direct loans by the Corporation; and provision for grants or other subsidies that will lower the cost of housing for such people.
2. **Preservation of Affordability.** It is a purpose of the Corporation to preserve the affordability of housing and other improvements for low- and moderate-income people in the future. Accordingly, when land is leased for such purpose, the Board of Directors shall ensure that as a condition of the lease, housing on the land may be resold only to the Corporation or to another low- or moderate-income person and only for a price limited by a "resale formula" as described in section 3 below. However, notwithstanding the foregoing, the Board of Directors may choose, for reasons consistent with the charitable purposes of the Corporation, to lease certain parcels of land for uses that do not require continued affordability for low- or moderate-income people, and in such cases the resale restrictions described above shall not be required as a condition of the lease.
3. **The Resale Formula.** Whenever its purpose is to preserve affordability, the Corporation shall restrict the price that ground lessees may receive when they sell housing and other improvements located on the land that is leased to them by the Corporation. A policy establishing such restrictions in the form of a "resale formula" shall be adopted by the Board of Directors of the Corporation, in accordance with the following principles:

- a. To the extent possible, the formula shall allow the seller to receive a price based on the value that the seller has actually invested in the property being sold.
 - b. To the extent possible, the formula shall limit the price of the property to an amount that will be affordable for other low- and moderate-income people at the time of the transfer of ownership.
4. **Procedures for Altering the Resale Formula.** The consistent long-term application of a resale formula is essential to the purposes of the Corporation. Accordingly, the resale formula shall not be altered unless the Board of Directors of the Corporation determines 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 (2/3) vote of the entire Board of Directors, as described above for the adoption of the formula. With a commitment to assuring independence and accountability, the Directors, officers, and employees of the Corporation shall certify annually that they are in compliance with the Corporation's Conflict of Interest Policy and operate in a way consistent with the professional standards laid out therein.

ARTICLE VI: Amendment of Article of Incorporation and Bylaws

The Articles of Incorporation may be amended and these Bylaws may be amended or may be repealed and new Bylaws adopted only by an affirmative vote by two-thirds (2/3) 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 amendment or replacement, with appropriate explanations thereof.

ARTICLE VII: 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 an affirmative vote by two-thirds (2/3) of the entire Board of Directors at any regular or special Board meeting, provided that written notice of such meeting has included a full description of the plan of dissolution.

Upon the dissolution of the Corporation, the Board of Directors shall, after paying or making provisions for the payment of all the liabilities of the Corporation, dispose of all the assets of the Corporation exclusively for the purposes of the Corporation in such manner, or to such organization or organizations organized and operated exclusively for charitable, educational, religious or scientific purposes and shall at the time qualify as an exempt organization or organizations under Section 501(c) of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States internal revenue law), as the Board of Directors shall determine. Any such assets not so disposed of shall be disposed of by the Court of Common Pleas of the county in which the principal office of the Corporation is then located, exclusively for such purposes or to such organization or organizations, as the said court shall determine, which are organized and operated exclusively for such purposes.

ARTICLE VIII – Prohibited Transactions

The Corporation shall not engage in activities prohibited by a corporation exempt from Federal Income Tax under Section 501(c)(3) of the Internal Revenue Code of 1986 and its regulations or any corresponding future provision of the Revenue Code or by a corporation, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code of 1986 and its regulations or any corresponding future provision of the Revenue Code, and the Corporation shall not attempt to influence legislation by propaganda or otherwise, nor shall it intervene in, or participate in, any political campaign on behalf of any candidate for public office. No part of the net earnings of this Corporation shall inure to the benefit of any member or private individual and no member, director, or officer of the Corporation shall receive any pecuniary benefit from the Corporation, except such reasonable compensation as may be allowed for services actually rendered to the Corporation.

ARTICLE IX: Miscellaneous Provisions

1. **Fiscal Year.** The fiscal year of the Corporation shall begin on January 1 of each year, and shall end on December 31 of each year.
2. **Deposit of Funds.** All funds of the Corporation not otherwise employed shall be deposited in such banks, trust companies, or other reliable depositories as the Board of Directors from time to time may determine.
3. **Checks, etc.** All checks, drafts, endorsements, notes and evidences of indebtedness of the Corporation shall be signed by such officers or agents of the Corporation and in such manner as the Board of Directors from time to time may determine. Endorsements for deposits to the credit of the Corporation shall be made in such manner as the Board of Directors from time to time may determine.
4. **Loans.** No loans or advances shall be contracted on behalf of the Corporation, and no note or other evidence of indebtedness shall be issued in its name, except as authorized by the Board of Directors. Any such authorization shall relate to specific transactions.
5. **Contracts.** Any officer or agent of the Corporation specifically authorized by the Board of Directors may, on behalf of the Corporation, enter into those contracts or execute and deliver those instruments that are specifically authorized by the Board of Directors. Without the express and specific authorization of the Board of Directors, no officer or other agent of the Corporation may enter into any contract or execute and deliver any instrument in the name of the Corporation.
6. **Seal.** The Corporation shall have no seal and no act or document of the Corporation shall require a seal.

Whitefish Area Land Trust By-Laws

- 7. Indemnification.** Any person (and the heirs, executors and administrators of such person) made or threatened to be made a party to any action, suit or proceeding by reason of the fact that he or she is or was a Director or Officer of the Corporation shall be indemnified by the Corporation against any and all liability and the reasonable expenses, including attorneys' fees and disbursements, incurred by him or her (or his or her heirs, executors, or administrators) in connection with the defense or settlement of such action, suit, or proceeding, or in connection with any appearance therein, except in relation to matters as to which it shall be adjudged in such action, suit or proceeding that such Director or Officer is liable for negligence or misconduct in the performance of his or her duties.

ADOPTED BY A MAJORITY VOTE OF THE BOARD THIS _____ DAY
OF _____, 2008.
