

**WATERVILLE COMMUNITY LAND TRUST INC.**

**BYLAWS**

Adopted by the Incorporators March 17, 2013

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## **ARTICLE I – GENERAL PROVISIONS**

### **SECTION 1 – Name**

The name of the Corporation is "Waterville Community Land Trust, Inc." (WCLT) hereinafter the "Corporation." Activities of the Corporation must be within the City boundaries of Waterville, Maine.

### **SECTION 2 – Purposes**

This non-profit Corporation is formed for the charitable purposes of the following:

- combating neighborhood deterioration;
- promoting neighborhood preservation and improvement through the responsible use and management of land;
- increasing perpetually affordable homeownership and housing opportunities for families of modest means and the relief of the poor and the distressed and the underprivileged,
- the promotion of social welfare;
- the lessening of the burdens of government by fostering the availability of decent, safe, sanitary and affordable housing for low and moderate-income households through the Corporation's participation, directly and indirectly, in creating, providing, operating and management of such housing while maintaining the historic and aesthetic qualities of the community.

For these purposes the Corporation may do the following

- acquire, construct, rehabilitate, and provide housing and related facilities without regard to race, color, creed, sex, age, disability, handicap, sexual preference, gender identity or expression, or national origin;
- (ii) acquire, improve and operate any real or personal property or interest or rights therein or appurtenant thereto;
- (iii) sell, convey, assign, mortgage, or lease any real or personal property;
- (iv) borrow money and execute such evidence of indebtedness and such contracts, agreements and instruments as may be necessary, and execute and deliver any mortgage, deed of trust, assignment of income, or other security instrument in connection therewith; and
- (v) do all things necessary and appropriate for carrying out and exercising the foregoing purposes and powers.

Said Corporation is organized exclusively for charitable, religious, educational and scientific purposes, including for such purposes, the making of distributions to organizations which qualify as exempt organizations under Section 501(c)(3) of the Internal Revenue Code of 1986 as amended (or the corresponding provision of any future United States Internal Revenue law).

Notwithstanding any other provision of these Bylaws, the Corporation shall not carry on any other activities not permitted to be carried on: (a) by a Corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1986 as amended, or (b) by a Corporation, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States Internal Revenue law.)

The Corporation shall also have the following purposes:

- A. To provide access to land and decent housing for low and moderate-income people;
- B. To preserve the affordability of housing for low and moderate-income people in perpetuity;
- C. 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;
- D. To combat community deterioration in economically disadvantaged neighborhoods by the following:
  - promoting the development, rehabilitation, and maintenance of decent housing in these neighborhoods;
  - promoting economic opportunities for low- and moderate-income residents of these neighborhoods;
  - making land available for projects and activities that improve the quality of life in these neighborhoods; and
  - assisting residents of these neighborhoods in improving the safety and well-being of their community;
- E. To provide education, community service, and support for cooperative development throughout the community;
- F. To acquire property to preserve open space land and provide free access to the public;
- G. To acquire property to protect historic community resources and to provide space for nonprofits that provide services to the community.

The enumeration above of a specific power shall not be construed as limiting or restricting in any manner either the meaning or the general terms used in any of these clauses or the scope of the general powers of the Corporation created by them; nor shall the expression of one thing in any of these clauses be deemed to exclude another not expressed, although it be of like nature.

### **SECTION 3 – Offices**

The principal office of the Corporation shall be located in Waterville, Maine unless another location is approved by an affirmative vote of a majority of the Corporation's voting Membership present at a duly called Membership meeting. The Board of Directors may establish other offices from time to time, within or outside the State of Maine, as the affairs of the Corporation require.

### **SECTION 4 – Seal**

The Seal of the Corporation shall be an adhesive wafer seal or a circular die bearing the name of the Corporation and the State and date of incorporation.

## **ARTICLE II – MEMBERSHIP**

## **SECTION 1 – Types of Membership**

1. Requirements. A person who meets the following requirements shall be a member of the Corporation.

- Resident Member: Any person 18 years of age or over who is a resident of the Corporation's housing, as defined under "Resident Member" below, and has paid annual Resident Member dues; or
- General Member: Any person 18 years of age or over who has paid annual membership dues, who resides in the Corporation's Region (defined as Waterville or adjoining counties) either full-time or part-time and supports the Corporation and its purposes.

2. Categories. The Membership shall be grouped into two categories:

a. Resident Members shall include all members of any household living in property owned, in whole or in part or otherwise in stewardship with the Corporation, as described in Article V, who are aged 18 years or older. This shall include single-family home owners who lease land owned by the Corporation, owners of housing units who have granted the Corporation a Housing Subsidy Covenant, tenants in rental units owned by the Corporation or by a limited partnership in which the Corporation, or any subsidiary of the Corporation has an ownership interest, and members of limited-equity housing cooperatives that have signed a Contract for Services with the Corporation.

b. General Members are those who not Resident Members.

## **SECTION 2 – Rights of Members**

Each Member shall have the rights to the following:

- one vote on all matters properly put before the Members for consideration, as provided in these Bylaws;
- to nominate and elect or ratify members of the Board of Directors;
- to serve on the Board or on committees if chosen, and
- to receive notices, minutes and reports as provided in these Bylaws.

The assent of the voting Membership shall be required before action may be taken on the following issues:

1. The removal of Members or Directors;
2. Except as provided in Article V, Section 4(A), the authorization of the sale of certain lands by the Board of Directors;
3. The amendment of the Articles of Incorporation or these Bylaws;
4. The alteration, amendment, or deletion of the Corporation's limited appreciation formula;
5. The dissolution or merger of the Corporation;
6. The disposition of all or substantially all of the assets of the Corporation other than in the regular course of activities of the Corporation;
7. The movement of the Corporation's principal office to a location outside of Waterville, Maine;

8. Any other matter which must be approved by the Members under the Maine Nonprofit Corporation Act (the "Act"); and,
9. Any other major issue concerning the Corporation, as determined by majority vote of the Board of Directors.

### **SECTION 3 - Membership Meetings**

#### **A. Annual Meeting**

The Annual Meeting of the Membership of the Corporation, for reports to the Membership by the Officers and the Board of Directors, the election of Directors, and the transaction of other business, shall be held within four months after the end of the fiscal year.

The location and time of the Annual Meeting shall be determined by a majority vote of the Board, and written notice shall be given to all Members at least one month but not more than 60 days before the meeting. The written notice shall include a description of matters which must be approved by the Members under Article II, Section 3(C) of these Bylaws. Only those persons who are Members on the date of the Annual Meeting may vote at the Annual Meeting. Any Member who has let his/her Membership lapse within the last year may renew his/her Membership on or before the day of the Annual Meeting and shall be eligible to vote at the meeting.

#### **B. Regular Meetings**

Regular Meetings may be scheduled by the Membership at such times and place as they shall establish at an Annual Meeting. Additional notice thereof shall not be required.

#### **C. Special Meetings**

Special Meetings of the Membership may be called by a majority vote of the Board of Directors, a quorum having been established, or by a written petition or petitions addressed and delivered to an officer of the Corporation, signed and dated by at least 5% of the voting Membership or 20 voting Members (whichever is less) and describing the purposes for which the special meeting is to be held. Notice must be given to all Members at least ten but not more than 60 days in advance of each Special Meeting. Notification must be a written announcement of when and where the meeting will be held and must include an agenda and a description of the matters for which the meeting was called. At a Special Meeting, only those matters, for which the meeting was called, as stated in the notice, may be acted upon by the Membership.

### **SECTION 4– Procedures for Membership Meetings and Actions**

A. All Membership Meetings shall be open to the public.

B. Record Date for Notice of Membership Meetings.

Not more than seven days prior to the notice of any Membership meeting, the Corporation shall determine the Members who are entitled to: a) receive notice of the meeting; and b) vote at the meeting. This date shall constitute the record date for the meeting. After fixing the record date for any Membership meeting, the Corporation shall prepare an alphabetical list of the names of all of its Members who are entitled to notice of the meeting. The list must show the address of each Member who is entitled to vote at the meeting and shall indicate whether the Member is a General or Resident Member. The list shall be available for inspection by any Member and shall be made available at the meeting.

#### C. Minutes

Minutes of all Membership Meetings shall be kept in the Corporation Minute Book. This record shall be reviewed by the Directors at the second Directors meeting following the Membership Meeting, and shall be approved by the Membership at the next Membership Meeting. A copy of the minutes of the Annual Meeting of the Membership shall be made available to all Members within one month following that meeting. The Corporation Minute Book shall be open for inspection by any interested person.

#### D. Quorum

A quorum shall be established when 15 voting Members, whichever is less, excluding proxies, are physically present at an annual, regular, or special meeting.

#### E. Decision-Making

Decisions shall be made at Membership Meetings by majority of the voting Members.

#### F. Proxy Voting by Special Populations

Members who have a physical or mental disability and are unable to attend Membership Meetings because of their condition may vote through a Member representative. Such representation must be authorized by a written statement by the absent Member, delivered to the Board of Directors in advance of the meeting at which it is to be utilized.

The statement need not endorse or reject a particular motion, but must specify clearly described and specific issues and must also show good cause for the Member's absence. This authorization shall permit the designated representative to vote for the absent Member on all matters relating to those issues, as prescribed by the written statement.

During any particular vote, no Member may represent more than one absent Member. Such representation shall be valid for one meeting only. No Member may vote by any other form of proxy, although any absent Member may send statements to be read at the meeting by other Members.

G. No person who has been a Member for less than 30 days may vote at a meeting other than the Annual Meeting.

### **SECTION 5 – Resignation**

Any Member of the Corporation may resign at any time by delivering or mailing a written resignation to the Corporation. Unless otherwise specified, such resignation shall be effective upon its receipt by the Corporation.

### **SECTION 6 – Removal**

Membership may also be suspended or terminated for good cause, should a Member act in a manner seriously detrimental to the Corporation.

Procedure for Removal.

Before a suspension or removal of a Member or Director can occur under this Section 6:

1. Written issues specifying the conduct must be filed with the Secretary of the Board. Any Member of the Corporation may file the charges and appear before the Board with respect to the issues. The Board shall review the issues and if it votes to proceed with the issues, the Board shall set a date for suspension or removal and follow the procedure described in this Section. If the Board determines that the issues are not



sufficient to support a suspension or removal, the Board shall dismiss the issues by a majority vote and that shall constitute the final action of the Corporation with respect to the particular issues.

2. If a majority of the Board votes to support the issues, it shall give a copy of the notice of the issues to the Member challenged along with a notice that the Board has voted to support the issues and the date set for suspension or removal (the "Notice"). The date for suspension or expulsion shall be after the date by which the Member may request a fair hearing. The Notice may state that a Member may avoid suspension or expulsion by taking specified action prior to the date of suspension or expulsion. The Notice shall be mailed or hand delivered to the Member. Notice by mail shall be by first class or certified mail sent to the last address of the Member shown on the Corporation's records. Notice by mail shall be deemed delivered within 5 days of mailing.

3. The Member challenged shall have had at least twenty-five days following the mailing of the Notice in which to request a fair hearing before a special committee of the Corporation consisting of three persons: one selected by the affected Member; one selected by the Board of Directors within ten days following the selection of the first, in consultation with the Member who brought the issues; and one selected by the first two. These persons may be, but need not be, Members of the Corporation. No suspension or expulsion shall take place pending the outcome of the fair hearing procedure described in this paragraph C of this Section. If a Member fails to request a fair hearing, or fails to take corrective action if corrective action is specified in the Notice, the suspension or removal shall take effect on the date set forth in the Notice.

4. If requested by the affected Member, the committee shall hold a hearing, allowing each of the accusing Member and the affected Member to present evidence in the presence of the other. The committee shall base its decision on all of the relevant facts and circumstances. After the hearing, this committee shall prepare a written report of its findings and its recommendation (by majority vote) whether the Member should be suspended or removed. This report must include the vote of each member of the committee and a personal statement explaining the basis for his/her decision. The report shall be completed within one month following the appointment of the committee, if that is reasonably possible.

5. If the committee recommends that the Member be suspended or removed, this recommendation must be approved by 2/3 of the voting Members present at the next Membership Meeting held after the completion of the committee's report. The affected Member shall be afforded a fair opportunity to appear before the Membership and present evidence in his/her defense before the decision is made. Until the Members vote, the accused Member shall remain a voting member in good standing.

## **ARTICLE III – BOARD OF DIRECTORS**

### **SECTION 1 – Incorporating Board of Directors**

The Incorporating Board of Directors of the Corporation shall serve until the first Annual Meeting of the Membership, at which time a successor Board shall be elected, as provided in Sections 2, 3, 4, and 5 of this Article.

## **SECTION 2 – Successor Boards of Directors**

The Board of Directors shall consist of not fewer than 9 nor more than 15 Members. The number of Directors may be increased or decreased at any time by a decision of the Board, but the number of Directors must never be less than 9 nor greater than 15. All Boards must contain the balance of representation hereinafter provided (Section 3 of this Article). Directors' terms shall be staggered to maintain the continuity of the Board. All members of the Board of Directors must be Members of the Corporation.

## **SECTION 3 - Composition of the Board**

The Board of Directors shall contain, to the extent achievable, three categories of representatives:

### **A. Resident Member Representatives**

One-third of the Directors shall be Resident Member Representatives or would qualify for housing;

### **B. General Member Representatives**

1. One-third of the Directors shall be General Member Representatives

2. General Member Representatives shall not be Resident Members.

3. Of the General Representatives, there shall be at least one representative from the private sector. Fifty percent of General Representatives shall be full time or part time residents of the City of Waterville.

### **C. Public Representatives**

1. One-third of the Directors shall be Public Representatives.

2. The Public Representatives shall be city councilors or state legislators, members of regional planning organizations or other professionals, or persons with regional or state-wide experience who are members of a charitable organization or another nonprofit organization providing housing or services for low-income and moderate-income households.

3. Public Member Representatives shall not be Resident Members.

4. Fifty percent of the Public Representatives shall be full time or part time Waterville residents.

## **SECTION 4 – Nomination and Election of Directors**

### **A. Nomination**

1. The names of persons to fill all vacancies on the Board of Directors shall be solicited, reviewed, and selected by the Corporation's Executive Committee, which shall serve as the Nominating Committee for the purpose of filling Board vacancies.

2. Nominations must be received by the Nominating Committee at least six weeks, but not earlier than ten weeks, before the Annual Meeting of the Membership.
3. The Nominating Committee shall mail the list of nominees to all Members at least four weeks, but not more than 60 days before the Annual Meeting.

4. Nominations shall be made in the following manner:

a. Resident Member Representatives

The Nominating Committee shall actively solicit nominations from Resident Members, confirm that nominated individuals are willing to serve on the Board, and submit a list of candidates to the Members for consideration and possible election to the Board.

b. General Member Representatives

The Nominating Committee shall actively solicit nominations from General Members, confirm that nominated individuals are willing to serve on the Board, and submit a list of candidates to the Members for consideration and possible election to the Board.

c. Public Representatives

The Nominating Committee shall actively solicit nominations from the Corporation's Region. Nominees shall be submitted to the entire Board for consideration.

B. Election

Board members shall be elected at the Annual Meeting of the Membership as follows:

a. Resident Member Representatives

Shall be elected from the nominees by a majority of the Resident Membership voting at the Annual Meeting, whether in person or by proxy.

b. General Member Representatives

Shall be elected from the nominees by a majority of the entire Membership voting at the Annual meeting, whether in person or by proxy.

c. Public Representative Nominees

Shall be elected from the nominees by a majority of the entire Membership voting at the Annual meeting, whether in person or by proxy.

## **SECTION 5 – Term of Office**

A. Term of First Elected Board

To ensure the continuity of the Board of Directors, after the Designated Board is chosen pursuant to Section 1 of this Article III, Directors elected at the first Annual Meeting shall draw lots among themselves so that one Director in each category shall begin a one-year term, two Directors in each category shall begin a two-year term, and two Directors in each category shall begin a three-year term. Directors elected for a one- or two-year term under this Subsection A shall be deemed to have served a full term for all purposes under these Bylaws, including without limitation Subsection D of this Section 5.

**B. Terms of All Successor Directors**

Except as otherwise provided for in Section 5(A) of this Article III of these Bylaws, each Member of the Board of Directors shall serve for a term of three years. A Director elected to fill a vacancy shall serve for the balance of the time remaining on that term.

**C. Commencement of Term**

The term of office of a regularly elected member of the Board of Directors shall commence at the adjournment of the Annual Meeting at which they were elected.

The term of office of a Director elected to fill a vacancy shall commence at the time of his/her acceptance of that position.

**D. Limitation on Consecutive Terms**

No Resident Member Representative or General Member Representative or Public Representative shall serve as a member of the Board of Directors for more than three consecutive full terms. After an absence from the Board of one year, a former Director may return to the Board, if reelected. He or she shall then be allowed to serve as a member of the Board for no more than two consecutive full terms.

**SECTION 6 – Duties of the Board**

The Board of Directors shall:

A. Carry out the purposes of the Corporation, implement decisions of the voting Membership, and be responsible for the general management of the affairs of the Corporation.

B. Prepare a written Annual Report for the Corporation:

a.outlining the nature and results of the Corporation's activities during the preceding year,

b.showing the financial condition of the Corporation, listing all land and/or interests in land acquired by the Corporation during the preceding year and the nature and purposes of all leases granted by the Corporation for use of the land,  
and

c.proposing a plan for Corporation activities during the coming year.

Copies of the Annual Report shall be made available to any Member of the Corporation upon request or posted on the Corporation's website.

C. Elect all Officers of the Corporation.

D. Supervise the activities of all Officers and committees and the Chief Executive Director of the Corporation in the performance of their delegated responsibilities.

E. Determine by whom and in what manner deeds, contracts, and other instruments shall be executed on behalf of the Corporation.

F. Acquire property through donation or purchase and develop resources for the acquisition, rehabilitation and use of land.

G. Convey the right to use land, which is owned by the Corporation in accordance with the purposes of the Corporation and the provisions of these Bylaws;

H. Provide notice of meetings, minutes and reports, as required by these Bylaws or otherwise required by the Membership.

## **SECTION 7 – Powers of the Board**

The Board of Directors may:

A. Appoint, employ and discharge advisors and consultants who have skills necessary or helpful to the Corporation; provided, however, that such power shall not prevent the Chief Executive Director, other management staff and their designees from appointing, employing and discharging advisors, employees and consultants consistent with the authority granted such executive and other staff by their respective job descriptions.

B. Create such committees as will be necessary or desirable to conduct the affairs and further the purposes of the Corporation. Committees other than the Executive Committee may include individuals who are not Board members, provided that a majority of the full Board consents to the appointment of these individuals and provided that the chair of every committee is a member of the Board.

C. Beyond any additional ad hoc or standing committees which the Board may decide to create, there shall be an Executive Committee, a Finance Committee, a Property Management Committee, a Home Ownership Committee, a Project Development Committee, and Community Relations and Fundraising and others as required by the operations of the Corporation:

### **1. Executive Committee.**

Chaired by the Corporation's President and composed of the officers of the Corporation plus one at large member to be appointed by the Executive Committee. The at-large member will be recruited from the chairs of the homeownership, property management or project development committees. The Committee's responsibilities include the following:

- Oversee an annual performance evaluation of the Corporation's chief Executive Director.
- Conduct an annual performance evaluation of the Corporation's Board of Directors, committee structure, and overall governance.
- Serve as the Nominating Committee in recruiting new Board members.
- Lead succession planning for officers of the Board and committee chairs.
- Serve as the personnel committee, as needed, reviewing the philosophy and structure of the Corporation's benefits and compensation.
- Take up for consideration and action other issues as directed by a two-thirds vote of the Board.
- Initiate strategic planning

### **2. Finance Committee.**

Chaired by the Corporation's Vice-President, the Finance Committee's responsibilities include the following:

- Oversee preparation and implementation of the Corporation's annual budget.
- Oversee the administration, collection and disbursement of the financial resources of the organization to lines of credit and the retirement of corporate debt.
- Monitor areas of financial concern affecting the Corporation's short-term solvency and long term sustainability.

- Function as the Audit Committee, which reviews the annual independent audit and other official financial statements and information as well as systems of internal control.
- Review the long-term viability of managing and maintaining projects that are proposed for addition to the Corporation's portfolio.

### 3. Property Board Committee.

Meeting Frequency: Quarterly (or more frequently, as needed)

Chaired by a member of the Board, the Property Board Committee's responsibilities include the following responsibilities:

- Oversee policies pertaining to the stewardship of the Corporation's portfolio.
- Explore new opportunities for maintaining the safety, soundness, and condition of the Corporation's portfolio.
- Review and vote on non-conforming loans.
- Oversee staff revisions to the Corporation's lending policies and underwriting criteria.
- Review and provide input on proposed changes to procedures or programs which affect service to customers.
- Review and provide advice on proposed delinquency policy for the Corporation's homeowners and loan customers, including forbearance requests and foreclosure initiation.
- Monitor the Corporation's property management policies to assure consistency with the Corporation's mission.
- Review the long-term viability of managing and maintaining projects that are proposed for addition to the Corporation's portfolio.

### 4. Project Development Committee.

Chaired by a member of the Board, the Project Development Committee reviews the financial feasibility, social need, community compatibility, and environmental impact of land acquisitions and major construction or rehabilitation projects proposed by the Corporation, including the redevelopment or recapitalization of projects already in the Corporation's portfolio. In providing direction and support for the Corporation's department of real estate development, the Project Development Committee's responsibilities include the following:

- Help to identify and review potential sites for the development of housing, and community development projects.
- Evaluate proposed projects and recommend their approval to the full Corporation Board.
- Review the Corporation's overall development pipeline to assure geographic, housing tenure and affordability mix.
- Develop and recommend policies regarding real estate development to the full Corporation Board.

### 5. Community Relations & Fundraising Committee.

Chaired by the Vice President of Community Relations and Fundraising, the committee on Community Relations and Fundraising will include current members of the Corporation Board as well as Members who do not serve on the Corporation Board. The Committee's responsibilities include the following:

- Develop and oversee the implementation of annual fundraising and community relations plans that are aimed at raising funds, building membership, informing and engaging existing members, advocating for public policy, and winning media coverage for the Corporation and its projects.
- Provide Board leadership for the annual fall and spring fundraising campaign, the WCLT Legacy Campaign, and other fundraising activities.
- Generate ideas and develop plans for fundraising events.
- Study, devise, and implement a member services program.
- Develop and implement a plan to engage the Corporation members and residents in the Corporation's Annual Meeting.
- Legislative initiatives, public policy, and advocacy at the state and local levels
- Review the Corporation policies and activities for recruiting, retaining, and involving members
- Review and recommend improvement in the services available to the residents of the Corporation housing with the goal of making them more successful as homeowners or renters and more engaged in the Corporation's programs and governance.

#### 6. Advisory Committee

The Board of Directors may appoint, by vote by majority of quorum, Members of the Corporation living within the Corporation's Service Area as members of the Advisory Committee. The Advisory Committee members may attend all meetings of the Corporation, receive all Notices of the Board, will not have the right to vote as a member of the Board, and do not have attendance requirements. They serve indefinitely, or until resigning, or as removed by the procedure under Section 14. They serve the Board as advisors in their area of expertise.

C. Call with a majority vote of the Board, special meetings of the Membership.

D. Exercise all other powers necessary to conduct the affairs and further the purposes of the Corporation in conformance with the Articles of Incorporation and these Bylaws, including, without limitation, the power to authorize the Corporation to purchase real property, enter into contracts and other legal instruments and authorize the staff of the Corporation to execute such contracts and other legal instruments on behalf of the Corporation.

### **SECTION 8 – Limitations on the Powers of the Board**

The Board of Directors shall not:

A. Give a blanket mortgage on all the land owned by the Corporation.

B. Take action on any motion for the removal of Directors, sale of land, amendment of the Articles of Incorporation or these Bylaws, amendment of the limited appreciation formula, disposition of assets in the event of dissolution or any other matter for which Membership approval is required by the Act or these Bylaws without the approval of the voting Membership, as provided in these Bylaws.

## **SECTION 9 – Conflict of Interest**

Prior to election (or after the acquisition of such interest, if later), each Director shall file with the Secretary of the Corporation a statement indicating the identity of each parcel of property other than their primary residence and each business within the City of Waterville, in which such Director has a direct and substantial interest. Such statement shall be preserved among the records of the Corporation and shall be open to inspection by any Member of the Corporation.

No matter in which a member of the Board of Directors or any parent, spouse, relationship by civil union, child, other family member, partner, employer or similarly related business entity has a direct or indirect interest may be approved by the Board unless, in advance of the vote by the Board or by any committee of the Board: (A) the material facts of the transaction and the Director's interest are disclosed or known to the Board or committee of the Board; and (B) the Directors approving the transaction in good faith believe that the transaction is fair to the Corporation; and (C) the Director who has an interest is not present during the discussion or the vote.

## **SECTION 10 – Meetings of the Board of Directors**

### **A. Annual Meeting**

The Annual Meeting of the Board of Directors shall be held no later than one week following the Annual Meeting of the Membership. Notice of this meeting shall be included in the notice of the Annual Meeting of the Membership and sent to all Members of the Corporation.

### **B. Regular Meetings**

The Board of Directors shall hold regular meetings at such times and places as the Board may establish. Notice must be given to each Director at least one week prior to each regular meeting. Notification may be by mail, telephone or in person. Directors are expected to RSVP to staff regarding their expected attendance.

### **C. Special Meetings**

Special Meetings of the Board may be called by the President, by any three Directors, or by 20% or 20 (whichever is less) Members of the Corporation. Notice must be given to each Director at least five days prior to the meeting, by mail, telephone or in person unless any four members of the Board determine that the matter at hand constitutes an emergency. In the event of such an emergency, a Special Meeting may be called on one day's notice provided that every reasonable effort is made to notify all Directors by telephone or in person.

At a Special Meeting of the Board, only those matters for which the meeting was called, as stated in the notice of the meeting, may be acted upon by the Board unless all of the Directors are present at the meeting and consent to take action on other matters.

### **D. Quorum**

1. A quorum shall consist of a majority of the number of seats on the Board, provided that at least one member from each of the Board's three categories of representatives is physically present.
2. A quorum may be a majority of the existing Board members for the sole purpose of filling vacancies.



#### E. Meetings by Telephonic Means

Any or all Directors may participate in a regular or special meeting by conference telephone call or other electronic communication by which all Directors participating may simultaneously hear each other during the meeting.

### **SECTION 11 – Procedures for Meetings**

All meetings of the Board of Directors shall be open to any Member, except when the Board votes to meet in executive session.

A. The Board may meet in executive session only upon the affirmative vote of two-thirds of its members present, a quorum having been established. A motion to go into executive session shall indicate the nature of the business of the executive session, and no other matter may be considered in the executive session. The vote shall be taken in the course of a public meeting and the result of the vote recorded in the minutes. No formal or binding action may be taken in executive session except actions relating to the securing of real estate options under Subdivision 2 of this Subsection. Minutes of an executive session are retained by the Secretary in a separate book and shall not be made public but available for Board inspection. The Board shall not hold an executive session except to consider one or more of the following:

1. Contracts, labor relations agreements with employees, arbitration, grievances, or litigation or potential litigation involving the Corporation where the Board has determined that premature general 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, employment or evaluation of an employee;
4. A disciplinary or dismissal action against an employee.
5. Relationships between the Corporation and any party who might be harmed by public discussion of matters relating to the relationship;
6. A clear and imminent peril to the public safety;
7. Discussion or consideration of records or documents excepted from the access to public records provisions of Article VI, Section 2 of these Bylaws. Discussion or consideration of the excepted record or document shall not itself permit an extension of the executive session to the general subject to which the record or document pertains.

B. Attendance in executive session shall be limited to members of the Board but may, as appropriate, include its staff, clerical assistants, its legal counsel, and persons who are subjects of the discussion or whose expert information is needed.

### **SECTION 12 – Compensation**

The members of the Board of Directors shall serve without compensation (except for reimbursement of actual authorized expenses) unless approved by the voting Membership.

## **SECTION 13 – Resignation**

Any member of the Board of Directors may resign at any time by giving written notice to the Board. Unless otherwise specified, such resignation shall be effective upon its receipt by the Board at a meeting of the Board.

## **SECTION 14 – Removal**

### **A. Removal For Failure to Attend a Sufficient Number of Meetings.**

A Director may be removed if he/she fails to attend 25% of the meetings of the Board or three consecutive meetings in any one year, unless good cause for absence and a continuing interest in participation on the Board are shown. A Director may be removed under this paragraph A only if a majority of the Directors then in office vote for the removal.

### **B. Removal for Cause**

A Director may also be removed, should the Director act in a manner seriously detrimental to the Corporation or to the Board in the fulfillment of its responsibilities. However, before such removal can occur:

1. Issues must be filed with the full Board of Directors and the Director affected offered a fair hearing (as provided in Article II, Section 8 (C) (1- 4) for Members, except that the Director challenged shall not participate with the remaining Directors in the selection of the second member of the special committee).

2. If the special committee recommends that the Director be removed from the Board, this recommendation must be approved by 75% of the participating voting Members voting at a meeting properly held within one month of the completion of the committee's report. The affected Director shall be afforded a fair opportunity to appear before the Board and the Membership and present evidence in his/her defense. The Membership meeting to vote on the removal of a Director must be called for the purpose of considering removing the Director and the meeting notice must state that the purpose or one of the purposes of the meeting is a vote on the removal of the Director.

3. Subject to the same procedures and protections described in Subdivision 2 above, a Resident Member Representative to the Board may only be removed by a vote of 75% of the participating Resident Members present at the special Membership meeting.

4. Subject to the same procedures and protections described in Subdivision 2 above, any General or Public Representative of the Board may only be removed by a vote of 75% of the entire Membership.

## **SECTION 15 – Procedure for Filling Board Vacancies**

Should vacancies occur on the Board of Directors as the result of resignation or removal, the remaining members of the Executive Committee may nominate, and the remaining members of the Board may (though they may constitute less than a quorum) elect by two-thirds majority the person(s) who, in their judgment, will best serve the Board category represented by the vacating member(s). Board members so elected shall serve until the next Annual Meeting, at which time the seat will be filled for the remainder of that term, pursuant to Article III, Section 4 of these Bylaws. During the period of time in which the Designated Board constitutes the Board of Directors, the remaining members of the Board of Directors shall fill any vacancy of a Director who holds his or her position as a result of being designated pursuant to Article III, Section 1.

## **ARTICLE IV – OFFICERS**

### **SECTION 1 – Designation**

The Officers of the Corporation shall include a President, Vice-President of Finances, Vice-President of Community Relations and Fundraising, and a Secretary.

### **SECTION 2 – Election**

The Officers of the Corporation shall be elected by the Board of Directors, from among themselves, at the first Board meeting following the Annual Meeting. They shall take office immediately. Any vacancies occurring in any of these offices shall be filled by the Board for the unexpired term.

### **SECTION 3 – Tenure**

The Officers shall hold office until their replacements are elected (unless removed as hereinafter provided). No Officer shall hold the same office for more than six successive one-year terms.

### **SECTION 4 – Duties of the Officers**

#### **A. Duties of the President**

The President shall:

1. Preside at all meetings of the Board of Directors and of the Corporation or properly delegate such duty.
2. Preside at all meetings of the Executive Committee of the Board.
3. Report on the affairs of the Corporation to the Membership at their Annual Meeting and at any other time they may require.
4. Consult with the Officers of the Corporation regarding the fulfillment of their responsibilities.
5. Perform such other duties as the Board of Directors may direct.
6. Be the primary contact with the Executive Director

#### **B. Duties of the Vice Presidents**

A Vice-President, as voted by majority of a quorum of the Board, shall fulfill the duties of the President when the President is absent, assist the President as needed, and oversee the Board's standing committees.

#### **C. Specific Duties of the Vice-President of Finances**

The Vice President of Finances shall perform or cause to be performed the following duties:

1. Collect all money owing to the Corporation and receive all gifts of money or property to the Corporation.
2. Hold all funds of the Corporation in such manner as the Board directs.

3. Maintain all deeds, title papers, and assets of the Corporation other than money in the name of the Corporation and in such manner as the Board directs.
4. Keep full and accurate account of all financial transactions, receipts, expenditures, debts owed by and to the Corporation, and the balance of corporate funds and other corporate holdings in books of the Corporation maintained for that purpose.
5. Be knowledgeable of all financial transactions of the Corporation.
6. Perform such other duties as the Board of Directors may direct.

The Board may require that the Treasurer be bonded, in any amount satisfactory to the Board.

#### D. Duties of the Vice-President of Community Relations and Fundraising

1. Shall report on fundraising activities and events as developed and completed by the committee.
2. Shall preside over meetings of the Committee of Community Relations and Fundraising

#### E. Duties of the Secretary

The Secretary shall perform or cause to be performed the following duties:

1. Give notice of all meetings of the Membership and the Board of Directors in accordance with these Bylaws.
2. Maintain a list of all Members of the Corporation and their mailing addresses.
3. Keep the minutes at all meetings of the Membership and the Board in such manner as the Board directs, and provides copies of the minutes as required by these Bylaws.
4. Confirm and record the status of motions and votes in meetings of the Membership or the Board.
5. Perform such other duties as the Board of Directors may direct.

### **SECTION 5 – Resignation**

Any Officer may resign from his/her office at any time by giving notice to the Board. Unless otherwise specified, such resignation shall be effective upon delivery of notice to the Board.

### **SECTION 6 – Removal**

The Board of Directors may remove any Officer from his/her office at any time by two-thirds decision of all members of the Board, excluding the affected Officer.

## **ARTICLE V – STEWARDSHIP OF LAND**

### **SECTION 1 – Lease of Land**

The Board of Directors shall convey the right to use land owned by the Corporation:

- A. To facilitate access to land by landless people and others in need of its use, with special concern for those whose need is greatest;
- B. To provide for the environmental health and preservation of the land and natural community on and around it; and
- C. To guarantee the common stewardship of the land for the common good, in the present and the future.

In making such conveyances, the Board shall consider the real personal needs of potential lessees, and shall attempt to effect a just distribution of land use rights.

The decision to grant leases (or other limited conveyances) of these lands entrusted to the Corporation shall require the agreement of at least two-thirds of the members of the Board, present at a meeting at which a quorum is present.

The Directors shall establish policies and procedures for the Corporation to a) supervise the use of the land and provide for periodic inspection of all leased lands; and b) terminate the leases if necessary for the protection of the land, the surrounding community, or the rights of future generations.

## **SECTION 2 – Use of Natural Resources**

The decision to convey or authorize the use of any minerals, timber or other natural resources, except for reasonable personal use by lessees, shall require the agreement of at least two-thirds of the members of the Board. Notice of the proposed conveyance of natural resources must be given to all Directors at least two weeks in advance of the meeting at which a decision is to be made.

## **SECTION 3 – Encumbrance of Land**

The decision to mortgage or otherwise encumber land owned by the Corporation shall require the approval of two-thirds of the Board of Directors and the consent of any Leaseholder whose house is located on the land being encumbered.

## **SECTION 4 – Sale of Land**

The sale of land does not conform with the philosophy or purposes of this Corporation. For this reason, land shall not be sold except in extraordinary circumstances, and then only in accordance with the following guidelines:

- A. A parcel of land may be sold pursuant to a resolution adopted by an affirmative vote by at least two thirds of the entire Board of Directors, a quorum having been established, at a regular or special Board meeting, provided that (i) the Corporation has owned the parcel for no more than ninety (90) 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 by the Board 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. A parcel of land may be sold pursuant to a resolution adopted by an affirmative vote by at least two thirds of the entire Board of Directors, a quorum having been established,

at a regular or special Board meeting, provided that (i) the Board resolution states that the Board has determined in connection with a particular transaction that it is essential to the transaction and in the best interest of the Corporation and its mission to include a sale of land as part of the transaction and the parcel has not been leased to any party at the time of the sale.

C. In all other circumstances a parcel of land may be sold only with the two-thirds (2/3) agreement of the entire Board of Directors, the approval of a majority of the voting Members at a Membership Meeting, and the consent of all Leaseholders of the land to be sold. Notice of the proposed sale must be given to all Members at least two weeks in advance of the meeting at which a decision is to be made.

## **ARTICLE VI – MISCELLANEOUS PROVISIONS**

### **SECTION 1 – Equality and Personal Freedom**

The rights of all Members of the Corporation to absolute freedom of religion, political commitment, personal conviction, association, expression and action shall not be abridged or impaired by the Corporation, or any body or agent of the Corporation, except insofar as freedom of an individual Member seriously conflicts with the rights of other Members or persons, or with the public welfare. In all of its dealing with Members, prospective Members, prospective Leaseholders, and all other persons, the Corporation and/or its duly authorized agents and bodies shall not discriminate against any individual or group for reasons of race, color, creed, sex, age, culture, national origin, sexual preference, handicap, family size, or marital status.

### **SECTION 2 – Openness and Public Accountability**

The records and minutes of all Membership and Board meetings of the Corporation shall be open to, or available for, inspection by any person upon reasonable request, except as follows:

1. Records of executive sessions of the Board of Directors and the minutes thereof, as specified in Article III, Section 11 (A);
2. Records which by law or ethical standards are designated confidential or by a similar term; including, but not limited to any communication in any form to or from the Corporation's attorneys;
3. Records which by law may only be disclosed to specifically designated persons;
4. Records which, if made public pursuant to this Section, would cause the custodian to violate duly adopted standards of ethics or conduct for any profession regulated by the state;
5. Records which, if made public pursuant to this Section, would cause the custodian to violate any statutory or common law privilege;
6. Personal documents relating to an individual, including information in any files maintained to hire, evaluate, promote or discipline any employee of the Corporation, information in any files relating to personal finances, medical or psychological facts concerning any individual to whom the Corporation leases land, is considering for the lease of land, or has entered or is considering entering into a covenant with; provided, however, that all information in personnel files of an individual employee of the

Corporation shall be made available to that individual employee or his/her designated representative.

7. Records concerning formulation of policy where such would constitute a clearly unwarranted invasion of personal privacy if disclosed;

8. Information pertaining to the location of real or personal property before public announcement of the project, and information pertaining to appraisals or purchase price of real or personal property before the formal award of contracts for sale or purchase thereof;

9. Records relating specifically to negotiation of contracts including, but not limited to, collective bargaining agreements with employees.

### **SECTION 3 – Notice**

#### **A. Determination of Notice Given**

Whenever, pursuant to the provisions of these Bylaws, notice is required to be given to any Member or Director, such notice shall, unless otherwise provided, be given in writing, in person or by mail. If mailed, the notice shall be deposited in a post office or mailbox, postage paid and sealed, addressed to the Member or Director at such address as appears on the records of the Corporation or to an address at which the Member or Director usually receives mail; and such notice shall be deemed to be given at the time when mailed. Email is not sufficient for notice.

#### **B. Waiver of Notice**

1. Any Member or Director may waive any notice required to be given pursuant to the provisions of these Bylaws.

2. Any Member or Director who did not receive notice of a meeting, but who attends such meeting in person or by proxy shall be deemed to have waived notice thereof unless he/she causes his/her protest to be entered in the record of the meeting.

### **SECTION 4 – Indemnification**

Any person (and the heirs, executors and administrators of such person) made or threatened to be made a party to any demand, claim 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, actually incurred by him or her (or his or her heirs, executors, or administrators) in connection with the defense or settlement of such demand, claim action, suit, or proceeding, or in connection with any appearance therein, provided such Officer or Director has acted in good faith for a purpose which such Officer or Director believed to be in the best interest of the Corporation.

### **ARTICLE VII – AMENDMENTS**

The Articles of Incorporation and these Bylaws may be altered or amended, in whole or in part, by 2/3 of the entire Board of Directors and the affirmative vote of 75% of the voting Members present or duly represented at a Membership Meeting, provided that written notice setting forth the nature of the proposed change(s) shall have been given to all Members no later than two weeks prior to the meeting. The notice must state that the purpose, or one of the purposes, of the meeting is to consider the proposed amendment and contain or be accompanied by a copy or summary of the amendment.

## **ARTICLE VIII – DISSOLUTION**

In the event that the Corporation must be dissolved, the assets of the Corporation shall be distributed in accordance with the Corporation's Articles of Incorporation to one of the following organizations organized and operated as an exempt organization under Section 501(c)(3) of the Internal Revenue Code (or the corresponding provision of any future United States Internal Revenue law) as follows:

- A. To the local non-profit "Community Land Trust" Corporation(s) serving the area(s) closest to the area(s) in which the Corporation owns land and/or interest in land; or
- B. To any other local Community Land Trust, or regional or national Community Land Trust federation or organization; or
- C. to any other 501(c)(3) tax-exempt non-profit organization which agrees to administer the assets of this Corporation in accordance with its goals and purposes, if no other Community Land Trust organization is willing to assume responsibility for the assets of this Corporation, or if no other Community Land Trust organization meets the approval of the Board and the voting Membership of this Corporation..

The types of organizations listed above do not constitute a list of priorities, and the determination of which non-profit, tax-exempt organization or organizations shall receive the Corporation's assets on dissolution shall be in the discretion of the Board of Directors and the Membership of the Corporation. The motion for disposition of the assets of the Corporation must be approved by 2/3 of the Board of Directors and the affirmative vote of 75% of the voting Members present or duly represented at a Membership Meeting. Notice of the motion for disposition of the assets of the Corporation shall be given to all Members no later than one month prior to the meeting at which a decision is to be made. The notice must state that the purpose, or one of the purposes, of the meeting is to consider dissolving the Corporation and contain or be accompanied by a copy of the plan of dissolution.

## **ARTICLE IX-EXECUTIVE DIRECTOR**

The Executive Director of the WCLT shall be hired by and report to the Board of Directors. His/her direct supervisor shall be the President. The Executive Director shall be responsible for the day-to-day operation of the Corporation, including hiring, supervision and firing of staff, and shall have such duties as delegated by the Board of Directors and/or the Executive Committee. The Executive Director shall be a non-voting ex-officio member of all committees. The Executive Director may sign checks up to limits as voted by the Board and for checks above those limits, must receive the co-signature of the V.P. of Finance or designee.

## **ARTICLE X-FRIENDS OF WATERVILLE COMMUNITY LAND TRUST**

Friends of Waterville Community Land Trust shall be non-voting Friends of the Corporation and may not serve on the Board or nominate members of the Board of Directors. Friends may serve on all committees with the exception of the Executive Committee. Friends may live outside of the Corporation Region and may receive notices, minutes, and reports, if requested. Friends are



required to pay annual Membership Dues and may be removed as a Friend by a majority vote of the Board of Directors without cause.

Secretary\_\_\_\_\_

Date:\_\_\_\_\_

### **Amendment to the Bylaws:**

#### **Article IX - Limited Appreciation Formula**

Section 1 - **Introduction**

Section 2 - **Procedure for Amendment of the Limited Appreciation Formula**

#### **Policy: Limited Appreciation Formula**

##### **Section 1: Introduction**

The Waterville Community Land Trust conveys residential property as a "leasehold" purchase. The grantee purchases the improvements (the house, garage, and outbuildings) on the land, but not the land itself. The ownership of the land remains with the Waterville Community Land Trust as a ground lease, and the land trust leases the land to the grantee or lease holder. By retaining an interest in the property the Waterville Community Land Trusts is able to protect the home for future generations of homebuyers.

The ground lease lays out the rights that the homeowner receives and the rights that the land trust keeps. The most significant of these are:

- The homeowner receives exclusive rights to use the land beneath their home and the accompanying yard/lot. The land trust cannot access the land without your permission except for a few exceptions laid out in the ground lease.
- The homeowner agrees to share the appreciation in value of the property with the land trust. The homeowner receives 25% of the appreciation in value over time. The remaining 75% of the appreciation remains with the property to keep it affordable for the next homebuyer.

The appreciation formula has been approved by the Board of Directors as of May 19, 2013.

##### **Section 2 Procedure for Amendment of the Limited Appreciation Formula**

A. Any discussion by the Board of Directors relative to amending the limited appreciation formula shall be noted as an agenda item and each Director shall receive ten (10) days' notice of the Board meeting at which this item is scheduled for discussion.

B. Any motion by a Director to amend the limited appreciation formula shall be made only after two-thirds of the Board of Directors, a quorum having been established, find that the current formula may be detrimental to the mutually-held purposes of the Corporation, its Members, lessees, and Covenantors as established by the WCLT Bylaws.

C. If two-thirds of the Board of Directors finds that the current limited appreciation formula may be detrimental to the mutually-held purposes of the Corporation, its Members, lessees, and Covenantors, the Board may propose and vote on a specific amendment to the current limited appreciation formula which addresses the Board's concerns. Any such amendment must be adopted by a vote of two-thirds of the Board of Directors.

D. If the amendment is adopted by the Board, the Board shall then call a Special Meeting of the Membership for the sole purpose of voting on the Board's action to amend the limited appreciation formula. An affirmative vote of at least two-thirds of the voting Members present at the Special Membership meeting, a quorum having been established, is required to amend the limited appreciation formula. Any such amendment shall not affect or impair any agreement involving a limited appreciation formula which is in effect on the date of the Amendment.