

Bylaws of the Northwest Community Land Trust Coalition

ARTICLE I: Name and Purpose

1. Name
2. Purpose

ARTICLE II: Membership

1. Regular Membership
2. Membership Dues
3. Rights of Regular Members
4. Responsibilities of Regular Members
5. Requirements for Continuing Regular Membership
6. Supporting Membership
7. Membership Meetings

ARTICLE III: Board of Trustees

1. Number of Trustees
2. Composition of Board
3. Nomination of Trustees
4. Election of Trustees
5. Vacancies
6. Terms of Trustees
7. Resignation
8. Removal of Trustees
9. Meetings of the Board of Trustees
10. Procedures for Meetings of the Board of Trustees
11. Duties of the Board of Trustees
12. Powers of the Board of Trustees
13. Limitation on the Powers of the Board of Trustees
14. Conflict of Interest

ARTICLE IV: Officers

1. Designation
2. Election
3. Tenure
4. Removal from Office
5. Duties of the President
6. Duties of the Vice President
7. Duties of the Secretary
8. Duties of the Treasurer

ARTICLE V: Amendment of the Certificate of Incorporation

ARTICLE VI: Dissolution

ARTICLE VII: Miscellaneous Provisions

1. Fiscal Year
2. Deposit of Funds
3. Checks, etc.
4. Loans
5. Contracts
6. Indemnification

ARTICLE VIII: Initial Membership and Board, Adoption of Bylaws, First Annual Meeting

1. Initial Membership
2. Initial Board of Trustees
3. Adoption of Bylaws
4. Nomination of Trustees to be Elected at First Annual Meeting
5. First Annual Meeting

ARTICLE I: NAME AND PURPOSE

1. **Name.** The name of this organization shall be “Northwest Community Land Trust Coalition” hereinafter referred to as the "Corporation."
2. **Purpose.** The purpose of the Corporation shall be as stated in the Articles of Incorporation of the Corporation which includes but is not limited to:
 - 2.1. The Corporation is organized and operated exclusively for charitable, educational and scientific purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986 (hereinafter, the “Code”, to include any amendments of applicable successor provisions of the United States Revenue law), and its purposes shall be exclusively not-for-profit.
 - 2.2. More specifically, the general purposes of the organization shall be to coordinate, support, enhance and otherwise further the activities of community land trusts based in the Pacific Northwest so that, working together and independently, these community land trusts can provide affordable housing and enhanced economic opportunities to low- and moderate-income members of their communities, including but not limited to:
 - 2.2.1. Providing permanently affordable housing and homeownership opportunities;
 - 2.2.2. Acquiring and preserving land in an environmentally and socially responsible manner;
 - 2.2.3. Promoting the development of economic opportunities within their respective communities; and
 - 2.2.4. Providing permanently affordable access to land and capital for community purposes.
 - 2.3. The Corporation may work independently and with other housing organizations and community development organizations to provide housing and housing assistance to low- and moderate-income residents and other residents in need.
 - 2.4. The Corporation may also engage in any other lawful business activity whatsoever which may hereafter from time to time be authorized by the Board of Trustees; provided, however, that the purpose for which the Corporation is formed shall at all times comply with Section 501(c)(3) of the Code.

ARTICLE II: MEMBERSHIP

1. **Regular Membership.** Subsequent to the first Annual Meeting, the Regular Members of the Corporation, with full voting rights, shall be community land trusts granted membership by the Corporation, shall be organized in the Pacific Northwest as non-profit corporations, shall be

authorized by their respective governing boards, and shall have paid any membership dues assessed by the Corporation. Each member organization shall appoint one Representative to the Corporation.

2. **Membership Dues.** Subsequent to the initial year of the Corporation, annual membership dues shall be assessed for each calendar year by affirmative vote of a majority of the Representatives present and voting at the Annual Meeting preceding that year. If no such action is taken to assess dues in a given year, the dues for that year shall be as established for the previous year.

3. **Rights of Regular Members.**

- 3.1. Every Regular Member shall have the right to participate in meetings of the Membership, to cast one vote on all matters properly put before the Members for consideration, to nominate and participate in the election of the Board of Trustees as provided by these Bylaws, and to receive notices and the minutes of Membership Meetings and Annual Reports of the Corporation.
- 3.2. The assent of the Regular Membership, in accordance with these Bylaws, shall be required before action may be taken on the assessment of membership dues, the amendment of the Certificate of Incorporation or these Bylaws, and the dissolution of Corporation.

4. **Responsibilities of Regular Members.** Every Regular Member shall have the responsibility to:

- 4.1. Pay dues as established for the current calendar year
- 4.2. Appoint a representative to the Corporation
- 4.3. Freely share information with and cooperate with other Regular Members to strengthen the CLT efforts in the Northwest.

5. **Requirements for Continuing Regular Membership.** To maintain Regular Membership beyond a first year of Regular Membership, an organization must have paid dues established for the current calendar year and have appointed a Representative to the Corporation.

6. **Supporting Membership.**

- 6.1. Any organization which has paid the annual dues established for the current calendar year but which does not wish to become a Regular Member or has not met all of the requirements of Regular Membership shall be designated a Supporting Member of the Corporation.
- 6.2. Supporting Members shall have all of the rights of Regular Members except the right to select a

Representative and participate in the election of the Board of Trustees and the right to vote on matters put before the Regular Membership.

7. Membership Meetings.

- 7.1. **Notice of Meetings.** Written notice of every Membership Meeting shall be given to all Regular Members and shall include an agenda for the meeting. Except as otherwise provided in Article VIII of these Bylaws, notice shall be emailed and mailed at least seven days prior to a meeting.
- 7.2. **Annual Meetings.** Subsequent to the First Annual Meeting, the Annual Meeting of the Membership, for reports to the Membership by the Board of Trustees and Officers, the election of Trustees, the assessment of dues, and the transaction of other business, shall be held in a location and specific time that shall be determined by the Board of Trustees. Notice of the Annual Meeting shall include a list of those persons nominated for the Board of Trustees as provided in Article III of these Bylaws.
- 7.3. **Regular Meetings.** Regular Membership Meetings may be scheduled by the Board of Trustees at such times and places as they shall establish at the Annual Meeting or subsequent to the Annual Meeting.
- 7.4. **Special Meetings.** Special Meetings may be called by the Board of Trustees. At a Special Meeting, only those matters stated on the agenda, as included in the notice of the meeting, may be acted upon by the Membership.
- 7.5. **Open meetings.** All Meetings shall be open to any person.
- 7.6. **Minutes.** Minutes of all meetings shall be recorded by the Secretary of the Corporation or by another person designated by the Board of Trustees. Minutes for every meeting shall be approved by the Regular Membership at the next Membership Meeting.
- 7.7. **Quorum.** A quorum shall consist of one half of the total Regular Membership, as determined by the Secretary of the Corporation.
- 7.8. **Decision-Making.** Whenever possible, decisions shall be made at Membership Meetings by the unanimous consent of the Representatives of the Regular Members present, a quorum being assembled. In the event that unanimity is not attained, a decision shall be made by an affirmative vote of a majority of the Representatives of the Regular Members present and voting, a quorum being assembled, except as otherwise provided in these Bylaws. Before a vote is held on any motion, the exact language of the motion shall be recorded by the Secretary and read to the Membership, and all Members present shall have a reasonable opportunity to express their opinions on the proposition.

ARTICLE III: BOARD OF TRUSTEES

1. **Number of Trustees.** Except for the initial Board named in the Articles of Incorporation, the authorized number of Trustees shall not be less than three (3) nor more than seven (7). The exact number of Trustees shall be fixed from time to time by the membership.
2. **Composition of the Board.** The Board of Trustees shall consist of Representatives from the Regular Members. No Regular Member can have more than one (1) Representative on the Board of Trustees.
3. **Nomination of Trustees.** For all regular elections subsequent to the first Annual Meeting of the Membership, Trustees shall be nominated as follows:
 - 3.1. **Trustee Nominations.** The Board of Trustees will prepare a slate of nominees from Representatives of existing Regular Members.
 - 3.2. **Member Nominations.** Regular Members may nominate Representatives to the Board from among themselves. These nominations must either be submitted in writing to the Secretary of the Corporation at least thirty days prior to the Annual Meeting or be made from the floor at the Annual Meeting.
 - 3.3. **Notice of Nominations.** A list of all persons nominated shall be included with the notice of the Annual Meeting.
 - 3.4. **Election of Trustees.** Trustees shall be elected by a majority of the Representatives of the Regular Members present and voting at the Annual Meeting, a quorum being assembled. Each Regular Member may vote for one nominee for each vacant position. Positions shall be filled by those candidates receiving the largest numbers of votes, though such numbers may constitute less than a majority of the total votes cast.
4. **Vacancies.**
 - 4.1. **Election to Fill Vacancies.** If any Trustee vacates his or her term or is removed from the Board, the remaining Trustees (though they may constitute less than a quorum) may elect a person to fill the vacancy, or may, by unanimous agreement, decide to leave the position vacant until the next Annual Meeting of the Membership. Elections to fill vacancies shall be by a majority of the remaining Trustees.

4.2. **Term of Replacements.** Replacement Trustees elected by the Board shall serve until the next Annual Meeting of the Membership, at which time the position will be filled by a person elected, according to the procedures described in Section 3 and 4 of this Article, to serve out the remaining term of the person who has vacated the position, or, in the event such term has expired, to serve a full term.

5. **Terms of Trustees.**

5.1. **Terms of First Elected Trustees.** After the election of Trustees at the first Annual Meeting, each Trustee shall be assigned, by mutual agreement or by lot, to a one-year or two-year term.

5.2. **Terms of Successor Trustees.** Except as otherwise provided in these Bylaws, each Trustee shall serve a full term of two years.

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

6. **Resignation.**

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

6.2. A Trustee shall be considered to have given notice of resignation and his or her position shall be declared vacant by the Board of Trustees if he or she fails to attend three consecutive meetings of the Board with the exception of emergency meetings, unless good cause for absence and continuing interest in participation on the Board are recognized by the Board. When a Trustee has failed to attend three consecutive meetings, the President shall notify him or her in writing that at the next regular Board meeting, his or her position will be declared vacant unless the Board determines that there has been good cause for the Trustee's absences and that the Trustee continues to be interested in participating on the Board of Trustees. The notification by the President shall be mailed no later than seven days prior to the Board meeting at which the position may be declared vacant. At this meeting, the Trustee in question shall be given the opportunity to show good cause for absence from meetings and continuing interest in participating on the Board. The resignation of a Trustee who has missed three consecutive meetings shall not become effective until the Board has declared the position vacant as provided herein.

7. **Removal of Trustees.** A Trustee of the Corporation may be removed for good cause by the Representatives of Regular Members of the Corporation when such Trustee is judged to have acted in a manner seriously detrimental to the Corporation. However, before such removal can occur, the following procedure must be followed.
- 7.1. Written charges specifying the conduct considered to be detrimental must be signed by at least three Regular Members of the Corporation and submitted to the President (or, if the President is the Trustee charged, to the Vice President). Any Regular Members of the Corporation may submit such charges.
 - 7.2. The President (or Vice President) shall deliver or mail a copy of the charges to the Trustee charged.
 - 7.3. A Special Committee consisting of three Regular Members of the Corporation shall be created to consider the charges. One member of the Committee shall be selected by the Board of Trustees, but without the participation of the Trustee charged, within ten days following the delivery or mailing of the charges to the Trustee charged. In making its selection, the Board shall endeavor to select a person who will consider the charges without bias. No later than ten days following the Board's selection of the first member of the Committee, a second member may be selected by the Trustee charged. In the event that the Trustee charged fails to select a second member of the Committee within ten days, the Board may select a second member who, in the judgment of the Board, will consider the charges without bias. Within ten days following the selection of the second member of the Committee, the first and second members shall select a third member of the Committee. If the first and second members cannot agree upon a third member within this ten-day period, the Board shall select a third member.
 - 7.4. The Special Committee shall hold a hearing, at which both the Trustee charged and the Members who have filed charges may present evidence in the presence of the other. Following the hearing, the Committee shall prepare a written report of its findings and its recommendation for or against removal. The recommendation shall be based on a majority vote if consensus cannot be reached. The report shall contain a statement of how each member of the Committee has voted. The report shall be completed and submitted to the President of the Corporation no later than one month following the selection of the third member of the Committee.
 - 7.5. If the Committee recommends removal of the Trustee, the recommendation shall be presented to the Regular Membership, which shall then have sole authority to decide the question of removal. A Membership meeting for this purpose shall be called by the President for a time no later than

8. Meetings of the Board of Trustees.

- 8.1. **Notice of Meetings.** Except as provided below for emergency meetings, notice of a Board meeting shall be emailed and mailed to all Trustees at least seven days prior to the meeting or shall be delivered in person at least five days prior to the meeting. Notice of every meeting shall include an agenda for the meeting.
- 8.2. **Waiver of Notice.** Any Trustee may waive any notice required by these Bylaws. Any Trustee who has not received notice of a Board meeting but has attended that meeting shall be considered to have waived notice of that meeting, unless he or she requests that his or her protest be recorded in the minutes of the Meeting.
- 8.3. **Annual Meeting.** The Annual Meeting of the Board of Trustees may be held immediately following the Annual Membership Meeting and must be held no more than one month following the Annual Membership Meeting.
- 8.4. **Regular Meetings.** The Board of Trustees shall meet no less often than every six months, at such times and places as the Board may establish.
- 8.5. **Special Meetings and Emergency Meetings.** Special meetings may be called by the President, by any three Trustees, or by 30% of the Regular Members of the Corporation. Notice must be given as provided above, unless any three Trustees determine that the matter at hand constitutes an emergency. When so determined, an Emergency Meeting may be called on one-day notice. Notice of Emergency Meetings, including an announcement of the agenda, shall be given by telephone or in person to all Trustees. At any Special or Emergency Meeting of the Board, only those matters included in the announced agenda may be acted upon unless all of the Trustees are present at the meeting and unanimously agree to take action on other matters.

9. Procedures for Meetings of the Board of Trustees.

- 9.1. **Open Meetings.** All meetings of the Board of Trustees shall be open to any person except when the Board has voted, during an open meeting, to go into executive session.
- 9.2. **Executive Session.** A motion to go into executive session shall state the nature of the business of the executive session, and no other matter may be considered in the executive session. No binding action may be taken in executive session except actions regarding the securing of real

estate purchase options or contracts in accordance with this subsection 9.2. Attendance in executive session shall be limited to the Trustees and any persons whose presence is requested by the Board of Trustees. Minutes of an executive session need not be taken; however, if they are taken, they shall be recorded as a part of the minutes of the meeting in which the Board has voted to go into executive session. The Board shall not hold an executive session except to consider one or more of the following matters.

- 9.2.1. Contracts, labor relations agreements with employees, arbitration, grievances or litigation involving the Corporation when premature public knowledge would place the Corporation or persons involved at a substantial disadvantage.
- 9.2.2. 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).
- 9.2.3. The consideration of applications from persons seeking to lease land and/or housing, purchase housing, or arrange financing from the Corporation.
- 9.2.4. Relationships between the Corporation and any party who might be harmed by public discussion of matters relating to the relationship.

9.3. **Quorum.** At any meeting of the Board, a quorum shall consist of a majority of the Board of Trustees.

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

9.5. **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.

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

- 10.1. Approve a written Annual Report to the Membership and make this report available to all Members. This report shall include a summary of the Corporation's activities during the previous year and the Corporation's most recent financial reports.
- 10.2. Adopt an annual budget prior to the beginning of each fiscal year and approve all expenditures not included in the budget.

- 10.3. Select all officers of the Corporation.
- 10.4. 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.
- 10.5. Adopt and implement personnel policies providing for the hiring, supervision, and evaluation of employees.
- 10.6. Provide for the deposit of funds in accordance with Article IX of these Bylaws.
- 10.7. 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.
- 10.8. Develop the resources necessary for the operation of the Corporation.
- 10.9. Assure the sound management of the Corporation's finances.

11. Powers of the Board of Trustees. In addition to the power to carry out the duties enumerated above, the Board of Trustees shall have the power to:

- 11.1. Appoint and discharge advisors and consultants.
- 11.2. Create such committees as are necessary or desirable to further the purposes of the Corporation, appointing members to each committee from among Trustees and others who support the purposes of the corporation, charging each committee with its purpose(s) and assignment(s), and specifying the limits of authority of each committee.
- 11.3. Call special meetings of the Membership.
- 11.4. Approve the borrowing and lending of money as necessary to further the purposes of the Corporation and in accordance with Article IX Section 4 of these Bylaws.
- 11.5. 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.

12. Limitation on the Powers of the Board of Trustees. Action taken by the Board of Trustees on any motion for the assessment of membership dues, the removal of Trustees, the amendment of the Certificate of Incorporation or these Bylaws, or dissolution of the Corporation shall not become effective unless and until such action is approved by the Regular Membership in accordance with these Bylaws.

13. Conflict of Interest. No member of the Board of Trustees shall vote on any matter in which such Trustee 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.

ARTICLE IV: 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 Trustees, from among themselves, at the Annual Meeting of the Board. Any vacancies occurring in any of these offices shall be filled by the Board for the unexpired term.
3. **Tenure.** The officers shall hold office until the next Annual Meeting of the Board after their election unless, before such time, they resign or are removed from their offices, or unless they resign or are removed from the Board of Trustees. Any officer who ceases to be a member of the Board of Trustees shall thereby cease to be an officer.
4. **Removal from office.** The officers shall serve at the pleasure of the Board of Trustees and may be removed from office at any time by an affirmative vote of two-thirds of the entire Board of Trustees.
5. **Duties of the President.** The President shall:
 - 5.1. Preside at all meetings of the Board of Trustees and the Membership when able to do so.
 - 5.2. Consult with the other officers and the committees of the Corporation regarding the fulfillment of their duties.
 - 5.3. Assure that an agenda is prepared for every meeting of the Membership and the Board of Trustees.
 - 5.4. Give notice to any Trustee who has been absent from three consecutive regular meetings, as required by these Bylaws.
 - 5.5. Call special meetings of the Membership or Board of Trustees when petitioned to do so in accordance with these Bylaws.
 - 5.6. Carry out the duties assigned to the President regarding the removal of a Trustee.
 - 5.7. Perform such other duties as the Board of Trustees may assign.
6. **Duties of the Vice President.** The Vice President shall:
 - 6.1. Perform all duties of the President in the event that the President is absent or unable to perform these duties.

- 6.2. Perform those duties assigned to the President regarding the resignation or removal of a Trustee when the President is disqualified from performing these duties.
 - 6.3. Perform such other duties as the Board of Trustees may assign.
7. **Duties of the Secretary.** The Secretary shall:
- 7.1. Assure that a list of all Members and their mailing addresses is maintained by the Corporation.
 - 7.2. Assure that proper notice of all meetings of the Membership and the Board of Trustees is given.
 - 7.3. Assure that motions and votes in meetings of the Membership and Board are accurately represented to those present and are accurately recorded in the minutes.
 - 7.4. Assure that minutes of all meetings of the Membership and the Board of Trustees are recorded and kept on permanent record.
 - 7.5. Perform such other duties as the Board of Trustees may assign.
8. **Duties of the Treasurer.** The Treasurer shall oversee the finances of the Corporation. Specifically, the Treasurer shall:
- 8.1. Assure that the financial records of the Corporation are maintained in accordance with sound accounting practices.
 - 8.2. Assure that funds of the Corporation are deposited in the name of the Corporation in accordance with these Bylaws.
 - 8.3. Assure that all deeds, title papers, leases, and other documents establishing the Corporation's interest in property and rights in particular matters are maintained in such manner as the Board directs.
 - 8.4. Assure that all money owed to the Corporation is duly collected and that all gifts of money or property to the Corporation are duly received.
 - 8.5. Assure the proper disbursement of such funds as the Board of Trustees may order or authorize to be disbursed.
 - 8.6. Assure that accurate financial reports (including balance sheets and revenue and expense statements) are prepared and presented to the Board at the close of each quarter of each fiscal year.
 - 8.7. Assure that such reports and returns as may be required by various government agencies are prepared and filed in a timely manner.
 - 8.8. Assure that an annual budget is prepared and presented to the Board for its approval prior to the beginning of each fiscal year.

ARTICLE V: AMENDMENT OF CERTIFICATE OF INCORPORATION AND BYLAWS

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

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

ARTICLE VI: 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:

1. An affirmative vote by two thirds of the entire Board of Trustees at any regular or special Board meeting, provided that written notice of such meeting has included a full description of the plan of dissolution; and
2. An affirmative vote by two thirds of the Regular Members present at a regular or special Membership meeting, a quorum being assembled, provided that written notice of such meeting, including a full description of the proposed plan of dissolution, has been given to all Members of the Corporation no later than three weeks prior to the meeting.

ARTICLE VII: 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 Trustees 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 Trustees 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 Trustees 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 Trustees. Any such authorization shall relate to specific transactions.
5. **Contracts.** Any officer or agent of the Corporation specifically authorized by the Board of Trustees may, on behalf of the Corporation, enter into those contracts or execute and deliver those instruments that are specifically authorized by the of Trustees. Without the express and specific authorization of the Board of Trustees, no officer or other agent of the Corporation may enter into any contract nor execute or deliver any instrument in the name of the Corporation.
6. **Indemnification.** Any person (and the heirs, executors and administrators of such person) made or threatened to be made a party to any action, suit or proceeding by reason of the fact that he or she is or was a Trustee or Officer of the Corporation shall be indemnified by the Corporation against any and all liability and the reasonable expenses, including attorneys' fees and disbursements, actually and necessarily incurred by him or her (or his or her heirs, executors, or administrators) in connection with the defense or settlement of such action, suit, or proceeding, or in connection with any appearance therein, except in relation to matters as to which it shall be adjudged in such action, suit or proceeding that such Trustee or officer is liable for negligence or misconduct in the performance of his or her duties; but such indemnification shall not be deemed exclusive of any other rights to which such person may be entitled under any Bylaw, agreement, vote of Board of Trustees or Members or otherwise.

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

1. **Initial Membership.** The Initial Members empowered to vote at the first Annual meeting shall be Regular Members whose governing boards have authorized them to become Regular Members and who have paid dues for the current year.
2. **Initial Board of Trustees.** The Initial Board of Trustees shall be as stated in the Certificate of Incorporation. The Initial Board, after approving these Bylaws, shall call the first Annual Meeting of the Membership, shall establish membership dues for Regular Members, and shall serve until the first elected Board of Trustees has been seated upon the completion of the First Annual Meeting.
3. **Adoption of Bylaws.** Adoption of these Bylaws as the Bylaws of the Corporation shall require:
 - 3.1. Approval by a majority of the Initial Board of Trustees prior to the First Annual Meeting; and
 - 3.2. Ratification by two thirds of the Initial Members present and voting at the First Annual Meeting.
4. **Nomination of Trustees to Be Elected at First Annual Meeting.** In consultation with the Initial Members, the Initial Board of Trustees shall nominate a slate of Trustees. Additional nominations may be made by any Initial Member from the floor at the First Annual Meeting.
5. **First Annual Meeting.** The First Annual Meeting of the Membership, for the ratification of these Bylaws, the election of Trustees, the assessment of membership dues, and the transaction of other business, shall be held in the year 2004. The location and specific time of the First Annual Meeting shall be determined by the Initial Board of Trustees. Notice of the First Annual meeting shall be emailed and mailed to all Initial Members at least seven days prior to the Meeting and shall include a list of those persons nominated for the Board of Trustees in accordance with Paragraph 4 above. Except as otherwise provided in this Article, the election of Trustees and other business of the First Annual Meeting shall be conducted in accordance with Articles II and III of these Bylaws.