

STATE COLLEGE COMMUNITY LAND TRUST BYLAWS

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Table of Contents

ARTICLE I - Name and Purpose	1
Name.....	1
Purpose	1
ARTICLE II - Membership	1
Regular Membership	1
Requirements for Continuing Membership	1
Rights of Regular Members	2
Organizational Membership.....	2
Membership Dues	2
Membership Meetings	2
Resignation	3
Removal of Members	3
ARTICLE III - Board of Directors	4
Number of Directors	4
Composition of the Board	4
Special Provisions for Board	4
Nomination/Appointment of Directors	4
Election of Lessee and General Representatives to the Board of Directors.....	5
Vacancies.....	5
Terms of Directors.....	5
Resignation	5
Removal of Directors	6
Meetings of the Board of Directors	7
Procedures for Meetings of the Board of Directors.....	7
Duties of the Board of Directors	8
Powers of the Board of Directors	8
Limitation on the Powers of the Board of Directors	9
Conflict of Interest	9
ARTICLE IV - Officers	9
Designation	9
Election	9
Tenure	9
Removal from Office	9
Duties of the President	9
Duties of the Vice President	10
Duties of the Secretary	10
Duties of the Treasurer	10

ARTICLE V - Stewardship of Land 10

 Principles of Land Use 10

 Encumbrance of Land 11

 Sale of Land 11

ARTICLE VI - Ownership of Housing and Other Improvements Located on the SCCLT’s Land and

 Limitations on Resale 11

 Ownership of Housing and Improvements on the SCCLT’s Land 11

 Purchase by the Land Trust of Property Located on the SCCLT’s Land 11

 The Resale Formula 11

 Procedures for Adopting a Resale Formula 12

 Procedures for Altering the Resale Formula 12

ARTICLE VII - Amendment of Certificate of Incorporation and Bylaws 12

ARTICLE VIII - Dissolution 12

ARTICLE IX - Miscellaneous Provisions 13

 Fiscal Year 13

 Deposit of Funds 13

 Checks, etc..... 13

 Loans 13

 Contracts 13

 Indemnification 13

Article I: Name and Purpose

1. **Name.** The name of this organization shall be the State College Community Land Trust, Inc., hereinafter referred to as the “SCCLT.”
2. **Purpose.** This non-profit corporation shall be organized for charitable purposes and shall fulfill the purposes stated below without regard to race, color, religion, age, ancestry, national origin, place of birth, sex, sexual orientation, source of income, mental or physical handicap, presence of trained guide or support animals, pregnancy, birth of child, or marital or familial status. The affairs of the SCCLT shall be conducted in such a manner and at all times as to maintain its charitable character and status, and to qualify for tax-exempt status pursuant to Section 501(c) of the Internal Revenue Code, or the corresponding section of any future federal tax code. The charitable purposes of the SCCLT shall be:
 - a. To increase the ability of low- and moderate-income (those families earning up to 115% of the median family income for the Metropolitan Statistical Area of State College) families to secure decent and affordable housing located within the Borough of State College.
 - b. To preserve the quality and affordability of housing for future low- and moderate-income residents of the community.
 - c. To combat community deterioration in residential neighborhoods by promoting the development, rehabilitation and maintenance of quality housing in these neighborhoods.
 - d. To protect the natural environment and to promote the ecologically sound use of land and natural resources, as well as the long-term health and well-being of the community.
 - e. To promote the general social welfare of the community and to maintain the historic and aesthetic qualities of the community.

Article II: Membership

1. **Regular Membership.** The Regular Members of the Corporation, with full voting rights, shall be:
 - a. *The Lessee Members.* All persons who lease land or housing from the SCCLT and are 18 years of age or over.
 - b. *The General Members.* All other persons, eighteen years of age or older, who have complied with the following requirements:
 - (1) Pay annual membership dues as established by the Board for the current calendar year and support the general principals of the SCCLT.
 - (2) Dues shall be waived for General Members who are participants in other home ownership programs administered by the State College Borough.
 - c. *Public Members.* The three members of the Municipal Council of the Borough of State College, or their appointees, who are serving on the Board of Directors of the SCCLT as Public Representatives. Public Members are subject to the same requirements as General Members, listed in 1(b) above and in 2(a) and (b) below.
2. **Requirements for Continuing Membership.** To maintain Regular Membership a person must either be a Lessee Member or:
 - a. Show a continuing interest in the SCCLT and its purposes; and
 - b. Have paid dues established for the current calendar year, provided that dues are paid in accordance with Section 5 below.

- 3. Rights of Regular Members.** Every member shall have the right to participate in meetings of the Membership, cast one vote on all matters properly put forth before the Membership for consideration and nominate and participate in the election of six members of the Board of Directors as provided by these Bylaws. Every member shall have the right to attend meetings of the Board of Directors. Every member shall have the right to serve on the Board of Directors or on committees if chosen, receive notices and minutes of Membership and Board meetings and have access to Annual Reports of the SCCLT.
- 4. Organizational Membership.**

 - a. An organization which makes a contribution equal to or greater than annual dues shall be designated an Organizational Member of the SCCLT for that calendar year.
 - b. Organizational Members shall have all of the rights of Regular Members except the right to nominate and participate in the election of the Board of Directors, serve on the Board of Directors, and vote on matters put before the Regular Membership.
- 5. Membership Dues.** Payment of the lease fee and/or administrative charge shall be considered as payment of membership dues for Lessee Members of the SCCLT. Annual membership dues shall be assessed for each calendar year (January to December) by an affirmative vote of a majority of the Board of Directors present and voting at a Board Meeting preceding the year of the change. If no such action is taken to assess dues for a given year, the dues for that year shall be as established for the previous year. These dues may be waived at the discretion of the Board of Directors.
- 6. Membership Meetings.**

 - a. *Notice of Meetings.* Notice of every membership meeting shall be provided to every member and will include an agenda for the meeting. Such notice must be sent in writing to members at least seven (7) days prior to the meeting. Members may add items to the agenda up to four days prior to the date of the meeting.
 - b. *Annual Meetings.* The Annual Meeting for the Membership shall be held in the fourth quarter of every year. The meeting shall be held for the purpose of transmitting reports to the Membership from the Board of Directors and Officers and the transacting of any other business. The location and time of the Annual Meeting shall be determined by the Board of Directors. Notice of the Annual Meeting shall include an Agenda and a list of those persons nominated for the Board of Directors as provided in Article III of these Bylaws. Only those matters stated on the Agenda, included in the notice of the meeting, may be acted upon by the Membership.
 - c. *Regular Meetings.* Regular Meetings may be scheduled by the Membership at such times and places as they shall establish at the Annual Meeting.
 - d. *Special Meetings.* Special Membership Meetings may be called by the Board of Directors or by written petition, addressed to the President of the SCCLT and signed by at least 30% of the Membership. At a Special Meeting only those matters stated on the Agenda, as included in the notice of the meeting, may be acted upon by the Membership.
 - e. *Open Meetings.* All Membership Meetings shall be open to the public. Public input shall be permitted at the discretion of the presiding Officer at the meetings.
 - f. *Minutes.* Minutes of Membership Meetings shall be recorded by the Secretary of the SCCLT or by another person designated by the Board of Directors. Minutes of every meeting shall be approved by the Membership at the next Membership Meeting. The public shall have access to all minutes of Membership Meetings.

- g. *Quorum.* A quorum shall consist of a minimum of fifteen (15) SCCLT members in good standing as determined by the Secretary of the SCCLT, provided the meeting has been properly called as stated in Article II, Section 6 a-d.
- h. *Decision-Making.* Whenever possible, decisions shall be made at Membership Meetings by unanimous consent of the Members present, a quorum being assembled. In the event that unanimity is not achieved, a decision shall be made by affirmative vote of the majority of the Members present and voting, a quorum being assembled. Before a vote is held on any motion, the exact language of the motion shall be recorded and read to the Members by the Secretary of the SCCLT, and all Members present shall have the opportunity to express their opinions on the proposition.

7. Resignation.

Any member of the SCCLT may resign at any time by submitting a written resignation to the SCCLT. Unless otherwise specified, such resignation shall take effect as of the date received by the SCCLT.

8. Removal of Members.

A Member of the SCCLT may be removed for good cause by the members of the SCCLT when such a Member is judged to have acted in a manner seriously detrimental to the SCCLT. Before such a removal can occur, the following procedure must be followed:

- a. Written charges specifying the conduct considered to be detrimental must be signed by at least three members of the SCCLT and submitted to the President or Vice President of the SCCLT. Any Regular members of the SCCLT may submit such charges.
- b. The President or Vice President shall mail or deliver a copy of the charges to the Member charged.
- c. A special Committee consisting of three members of the SCCLT shall be created to consider the charges. One member of this Committee shall be selected by the Board of Directors, but without the participation of the Member charged, within ten days following the delivery of the charges to the Member under scrutiny. In making its selection, the Board shall endeavor to select a person who will consider the charges without bias. Not later than ten days following the Board's selection of the first member of the Committee, a second member may be selected by the Member charged. In the event that the Member charged fails to select a second member of the Committee within ten days, the Board may select a second member who will consider the charges without bias. Within ten days of the selection of the second Committee member, the first and second members shall select the third member of the Committee. In the event that the first two Committee members cannot agree on a third within ten days, the Board may select the third member of the Committee.
- d. The special Committee shall hold a hearing at which both the Member charged and those members bringing the 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 recommendations 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 Committee member voted. The report shall be completed and submitted to the President or Vice President of the SCCLT no later than one month after the third member of the Committee has been selected.
- e. If the Committee recommends removal of the Member, the recommendation shall be forwarded to the Membership, which shall have sole authority to decide the question of removal. A membership meeting for this purpose shall be called by the Board of Directors for a time no later than one month following the President's or Vice President's receipt of the recommendation for

removal. Notice of this meeting shall include a complete copy of the Committee's report. The decision of removal shall require at least a two-third vote of the Regular Members present and voting, a quorum being assembled.

- f. Removal of a Lessee Member will result in a loss of all membership rights as identified in Section 3 of this Article. Home Ownership rights shall not be lost as a result of removal from the membership.

Article III: Board of Directors

1. **Number of Directors.** The Board of Directors shall consist of nine (9) Directors and shall contain three categories of representatives.
2. **Composition of the Board.** There shall be three categories of the Directors, each consisting of three (3) Directors, or one-third of the total Board. The three categories shall be:
 - a. Lessee Representatives, representing Lessee Members.
 - b. General Representatives, representing General Members who are not lessees.
 - c. Public Representatives, representing the interests of the general public, who shall be members of the Municipal Council of the Borough of State College, or their appointees.
3. **Special Provisions for Board.**

The Board of Directors shall ensure that at least one-third of the Board is composed of residents of low-income neighborhoods, other low-income community residents, or elected representatives of low-income neighborhood organizations.
4. **Nomination/Appointment of Directors.** For all regular elections , Directors shall be nominated as follows:
 - a. *Lessee Representatives.*
 - (1) Lessee Members may nominate Lessee Representatives to the Board from among themselves. Nominations must be submitted to the secretary of the SCCLT at least ten (10) days prior to the Annual Meeting of the Membership or be made from the floor at the Annual Meeting.
 - (2) If, at the time of the Annual Meeting, after the chair has called for nominations for Lessee Representatives by Lessee Members, there are an insufficient number of nominees for the Lessee Representative positions to be filled, then General Members may nominate a candidate from among themselves or from among the Lessee members to fill such a position. Except as provided in this paragraph and in paragraph (1) above, General Members may not nominate candidates for Lessee Representatives.
 - b. *General Representatives.*
 - (1) General Members may nominate General Representatives to the Board from among themselves. Nominations must be submitted to the secretary of the SCCLT at least ten (10) days prior to the Annual Meeting of the Membership or be made from the floor at the Annual Meeting, with the consent of the nominee.
 - (2) If, at the time of the Annual Meeting, after the chair has called for nominations for General Representative by General Members, there are an insufficient number of nominees for the General Representative positions to be filled, then Lessee Members may nominate a candidate from among themselves or from among the General Members to fill such a position. Except as provided in this paragraph and in paragraph (2) above, Lessee Members may not nominate candidates for General Representatives.

c. *Public Representatives.*

(1) Public Representatives shall be members of the Municipal Council of the Borough of State College, or their appointees.

5. Election of Lessee and General Representatives to the Board of Directors. Directors shall be elected by a majority vote of the Members present and voting at the Annual Meeting, a quorum being assembled. The following provisions apply:

- a. Each Member may cast one vote for such position to be filled.
- b. Positions shall be filled by those candidates receiving the largest number of votes, though such numbers may constitute less than a majority of the total votes cast.

6. Vacancies.

- a. *Filling Vacancies of Elected Representatives.* If any Lessee or General Representative vacates his or her term, or is removed from the Board, the remaining Directors shall elect a person to fill this vacancy, or may, by unanimous consent 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 Directors.
- b. *Terms of Replacements of Elected Representatives.* Replacement Lessee or General Representatives elected by the Board shall serve until the next Annual Meeting of the Membership, at which time the position shall be filled by the person elected, according to the terms set forth in sections 5 and 6 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.
- c. *Filling Vacancies of Appointed Representatives.* If any Public Representative vacates his or her term, or is removed from the Board, the Municipal Council of the Borough of State College shall appoint a person to fill this vacancy.
- d. *Terms of Replacements of Appointed Representatives.* Replacement Public Representatives appointed by Council shall serve the remaining term of the person who has vacated the position.

7. Terms of Directors.

- a. Except as otherwise provided in these Bylaws, each Director shall serve a full term of three years.
- b. *Commencement of Terms.* The term of office of a regularly elected Director shall commence January 1 of the following year when he or she accepts a position on the Board of Directors. The term of Office of a Director appointed to fill a vacancy shall begin at the time of his or her acceptance of the position.
- c. *Re-election and Re-appointment.* No person may serve as a Director for more than three (3) terms in succession. However, a Director may be reappointed after a one-year hiatus.

8. Resignation.

- a. Any Director may resign at any time by giving written notice to the President of the Board. Unless otherwise specified, such resignation shall be effective upon receipt of the notice by the President.
- b. A Director shall be considered to have given notice of resignation and his or her position shall be declared vacant by the Board of Directors if he or she fails to attend three consecutive meetings of the Board, with the exception of emergency meetings, unless good cause for absence and demonstrated continuing interest in the SCCLT are recognized by the Board. When a Director has failed to attend three consecutive meetings, the President shall notify him or her in writing that, at the next regular Board meeting, his or her position will be declared vacant unless the Board determines there has been good cause for the Director's absences and that the Director

continues to be interested in participating on the Board of Directors. This notification shall be sent in writing no later than seven days prior to the Board meeting at which the position will be declared vacant. At this meeting, the Director in question shall be given the opportunity to show good cause for absence. The resignation of a Director who has missed three consecutive meetings shall not become effective until the Board has declared the position vacant as provided herein.

- 9. Removal of Directors.** A Director of the SCCLT may be removed for good cause by the members of the Land Trust when such a Director is judged to have acted in a manner seriously detrimental to the SCCLT, except as provided in part (f) of this section. Before such a removal can occur, the following procedure must be followed:
- a. Written charges specifying the conduct considered to be detrimental must be signed by at least three members of the SCCLT and submitted to the President or Vice President of the SCCLT. Any member of the SCCLT may submit such charges.
 - b. The President or Vice President shall send in writing a copy of the charges to the Director charged.
 - c. A special Committee consisting of three members of the SCCLT shall be created to consider the charges. One member of this committee shall be selected by the Board of Directors, but without the participation of the Director charged, within ten days following the delivery of the charges to the Director under scrutiny. Not later than ten days following the Board's selection of the first member of the Committee, a second member may be selected by the Director charged. In the event that the Director charged fails to select a second member of the Committee within ten days, the Board will select a second member. Within ten days of the selection of the second committee member, the first and second members shall select a third member of the Committee. Should the first two Committee members be unable to agree on a third within ten days, the Board shall select the third member of the Committee.
 - d. The special Committee shall hold a hearing at which both the Director charged and those members bringing the 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 recommendations. The recommendations shall be based on majority vote if consensus cannot be reached. The report shall contain a statement of how each Committee member voted. The report shall be completed and submitted to the President or Vice President of the SCCLT no later than one month after the third member of the Committee has been selected.
 - e. If the Committee recommends removal of the Director, the recommendation shall be forwarded to the Membership, which shall have sole authority to decide the question of removal, except as provided in part (f), below. A membership meeting for this purpose shall be called by the Board of Directors for a time no later than ten days following the President's or Vice President's receipt of the recommendation for removal. Notice of this meeting shall include a complete copy of the Committee's report. The decision of removal shall require at least a two-third vote of the Regular Members present and voting, a quorum being assembled.
 - f. Public Representatives may not be removed under the provisions of this Section. Instead, the Municipal Council shall have the sole authority to act against such Board Members. Charges of misconduct or other detrimental activity should be brought to the attention of the Council President.

10. Meetings of the Board of Directors.

- a. *Notice of Meetings.* Except in the case of emergency meetings, written notice of Board meetings shall be sent in writing to all Directors at least five (5) days prior to the meeting. Notice of the meeting shall include an agenda for the meeting.
- b. *Waiver of Notice.* Any Director may waive any notice required by these Bylaws. Any Director who has not received notice of a Board meeting but has attended that meeting shall be considered to have waived notice of the meeting unless he or she requests a protest to be registered in the minutes of that meeting.
- c. *Annual Meeting.* The Annual Meeting of the Board of Directors shall be held prior to the Annual Meeting of the Membership.
- d. *Regular Meetings.* The Board shall meet no less often than once every two months, at such times and places as the Board may designate.
- e. *Special and Emergency Meetings.* Special Meetings may be called by the President, any three Board Members, or by 30-percent of the members of the SCCLT. Notice must be given as provided above, unless the matter at hand is determined to be an emergency by any three Board Members, in which case the meeting may be declared an Emergency meeting and held with only one-day notice. Notice shall be given verbally to all Directors, either by telephone or in person. Said notice shall include an announcement of the agenda. At any Special or Emergency Meeting of the Board, only those matters included in the announced agenda may be acted upon, unless all the Directors are present and unanimously agree to treat other matters.

11. Procedures for Meetings of the Board of Directors.

- a. *Open Meetings.* All meetings of the Board of Directors shall be open to any person, except when the Board has voted, during an open meeting, to go into executive session.
- b. *Executive Session.* A motion to go into executive session shall state the nature of the business of the executive session, and no other matter may be considered in the executive session. No binding actions may be taken during the executive session except actions regarding the securing of real estate purchases or contracts in accordance with paragraph (2) below. Attendance at an executive session shall be limited to the Directors and any person whose presence is required by the Board of Directors. Minutes of an executive session need not be taken, but if they are they shall be recorded as part of the open meeting in which the Board had decided to go into executive session. The Board shall not hold an executive session except to consider one or more of the following matters:
 - (1) Contracts, labor relations, agreements with employees, arbitrations, grievances, or litigation involving the SCCLT when premature public knowledge would place the SCCLT or persons involved at a substantial disadvantage.
 - (2) Real estate purchase offers and the negotiating or securing of real estate purchase options or contracts.
 - (3) The appointment or evaluation of an employee, and any disciplinary or dismissal action against an employee (Nothing in this section shall be construed to impair the right of the employee to a public hearing if action is taken to discipline or dismiss.)
 - (4) The consideration of applications from persons seeking to lease land and/or housing, purchase housing or arrange financing from the SCCLT.
 - (5) Relationships between the SCCLT and any party who might be harmed by public discussion of matters relating to the relationship.
- c. *Quorum.* At any meeting of the Board of Directors, a quorum shall consist of a majority of Board Members, provided that at least one representative from each of the three categories of representatives is present.

- d. *Decision-Making.* The Board shall attempt to reach unanimous agreement on all decisions. In the event that unanimous agreement cannot be reached, a decision may be made by a majority of the Directors present and voting, except as otherwise provided in these Bylaws.
- e. *Minutes.* Minutes at 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 shall be kept on permanent record by the SCCLT and shall be open to inspection by any Member of the SCCLT or other interested Borough residents.

12. Duties of the Board of Directors. The Board of Directors shall carry out the purposes of the SCCLT, implement the decisions of the Members, and be responsible for the general management of the affairs of the SCCLT in accordance with these Bylaws. Specifically, the Board shall:

- a. Approve a written Annual Report to the Membership, and make this report available to all members. The report shall include a summary of the SCCLT's activities in the previous year, the SCCLT's most recent financial reports, and a list of all real estate held by the SCCLT.
- b. Adopt an annual budget at the beginning of each fiscal year, and approve any expenditures not included in the budget.
- c. Select all officers of the SCCLT.
- d. Retain an attorney for legal counsel and an accountant for fiscal oversight.
- e. Supervise the activities of all officers, agents, and committees of the SCCLT in the performance of their assigned tasks and investigate any possible conflicts of interest within the SCCLT.
- f. Adopt and implement personnel policies providing for hiring, supervision, and evaluation of employees.
- g. Consult with the staff of the Office of Planning and Community Development of the Borough of State College for the provision of such administrative support and program consultation as the Board of Directors and the SCCLT should deem needful.
- h. Provide for the deposit of funds in accordance with Article IX of these Bylaws.
- i. Determine by whom and in what manner deeds, leases, contracts, checks, drafts, endorsements, notes and other instruments shall be signed on behalf of the SCCLT.
- j. Acquire such parcels of land through donation, purchase, or otherwise, as the Board shall determine is useful and prudent in furtherance of the purposes of the SCCLT.
- k. Convey the right to use land, through leases or other limited conveyances, in accordance with Articles V and VI of these Bylaws.
- l. Convey ownership of housing and other improvements on the SCCLT's land to qualified lessees in accordance with Articles V and VI of these Bylaws.
- m. Provide for the purchase of housing and other improvements on the SCCLT's land from lessees who wish to sell or whose leases are terminated, at prices based upon the "resale formula," in accordance with Article VI of these Bylaws.
- n. Develop resources necessary for the successful operation of the SCCLT and for the acquisition of land and housing.
- o. Assure the sound management of the SCCLT's finances, including the request of funds, in the form of grants, loans, donations, and in-kind contributions, from whatever source or sources the Board may find appropriate and beneficial.
- p. Adopt and implement a "Resale Formula" in accordance with Article VI of these Bylaws.

13. Powers of the Board of Directors. In addition to the power to carry out the duties set forth above, the Board of Directors is granted the following powers:

- a. Appoint and discharge advisors and consultants, including their attorney and their accountant.

- b. Create such committees as are necessary or desirable to further the interest and purposes of the SCCLT. (There are no restrictions with respect to the composition of these committees, but they shall have no power other than that invested in them from the Board of Directors.)
- c. Call special meetings of the Membership.
- d. Approve the borrowing and lending of money as necessary to further the purposes of the SCCLT in accordance with Article IX, (4), of these Bylaws.
- e. Assess membership dues.
- f. Exercise all other powers necessary to conduct the affairs and further the purposes of the SCCLT in accordance with the Certificate of Incorporation and these Bylaws.

14. Limitation on the Powers of the Board of Directors. Action taken by the Board of Directors on any motion for, the sale of land, alteration of the resale formula, removal of Directors, or dissolution of the SCCLT shall not become effective unless approved by the majority of the Membership, in accordance with these Bylaws. The Board of Directors shall have no authority to operate the SCCLT beyond the Municipal Boundaries of the Borough of State College.

15. Codes of Conduct. Members of the Board must abide by SCCLT policies regarding conflict of interest and prohibition of political involvement. Such policies are to be reviewed annually to ensure that they conform to current Federal and Commonwealth regulations and are to be distributed to the Board members at the January Board meeting.

Article IV: Officers

1. **Designation.** The officers of the SCCLT shall be: President, Vice President, Secretary, Treasurer, and Past President as a non-voting member.
2. **Election.** The officers of the SCCLT shall be elected by a majority vote of the Board of Directors, from among themselves, at the at the first Board meeting in January. Any vacancies in these offices during the year shall be filled by the Board for the unexpired term.
3. **Tenure.** After their election, the officers shall hold office until the next January meeting of the Board, unless, before such time, they resign or are removed from their offices, or unless they resign or are removed from the Board of Directors. The President may serve three consecutive terms and may again serve after a one-year hiatus.
4. **Removal from Office.** The officers shall serve at the pleasure of the Board of Directors and may be removed from office at any time by an affirmative vote of a majority of the entire Board of Directors.
5. **Duties of the President.** The President shall:
 - a. Preside at all meetings of the Board of Directors and the Membership when able to do so.
 - b. Assure that an Agenda is prepared for every meeting of the Membership and the Board of Directors.
 - c. Call special meetings of the membership or Board of Directors when petitioned to do so in accordance with these Bylaws.
 - d. Carry out the duties assigned to the President regarding the removal of a Director.
 - e. Consult with the other officers and the committees of the SCCLT regarding the fulfillment of their duties.

- f. Give notice to any Director who has been absent from three consecutive regular meetings, as required by these Bylaws.
 - g. Represent or designate a SCCLT representative to external bodies where interests of the SCCLT will be discussed.
 - h. Perform such other duties as the Board of Directors may assign.
- 6. Duties of the Vice President.** The Vice President shall:
- a. Perform all duties of the President in the event that the President is absent, unable or disqualified to perform these duties.
 - b. Perform such other duties as the Board of Directors may assign.
- 7. Duties of the Secretary.** The secretary shall:
- a. Assure that a list of all Members and their mailing addresses is maintained by the SCCLT.
 - b. Assure that proper notice of all meetings of the Membership and Board of Directors is given.
 - c. 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.
 - d. Assure that minutes of all meetings of the Membership and the Board of Directors are recorded and kept on permanent record.
 - e. Perform such other duties as the Board of Directors may assign.
- 8. Duties of the Treasurer.** The Treasurer shall review the finances of the SCCLT and advise SCCLT staff and the Board in accordance with sound accounting and financial principles in the following areas:
- a. Maintenance of financial records.
 - b. Deposit of funds in the name of the SCCLT in accordance with the bylaws.
 - c. Collection and receipt of all moneys, gifts and properties.
 - d. Authorizations of funds disbursement.
 - e. Preparation and presentation of accurate financial reports (including balance sheet and revenue and expense statements) as requested by the SCCLT Board.
 - f. Preparation and presentation of the annual budget to the Board of Directors at the beginning of each financial year.

Article V: Stewardship of Land

- 1. Principles of Land Use.** The Board of Directors shall oversee the use of land owned by the SCCLT and shall convey the right to use such land so as to facilitate access to the land and affordable housing by low- and moderate-income families. In so doing, the Board shall be guided by the following principles:
- a. The Board shall consider the needs of potential lessees and allow the lessees maximum enjoyment of the use of leased land.
 - b. The Board shall preserve affordable access to land and housing for future low- and moderate-income residents of the community.
 - c. The Board shall promote the long-term well-being of the community and the long-term health of the environment.
- 2. Encumbrance of Land.** The decision to mortgage or otherwise encumber land owned by the SCCLT shall require the approval of the Board of Directors and the consent of any parties to whom the land is leased.

3. **Sale of Land.** The sale of land does not conform with the philosophical basis and purposes of the SCCLT. Accordingly, land shall not be sold except in the most extraordinary circumstances, when the sale of land is considered an unavoidable and crucial means of preserving or achieving the purposes of the SCCLT. In such circumstances, land may be sold only with:
 - a. An affirmative vote by two-thirds of the entire Board of Directors at a regular or special meeting, provided that written notice of such meeting has described the proposed sale and the reason for the proposal, and
 - b. The written consent of any persons to whom the land is leased, and
 - c. The approval of a two-thirds majority of the Membership, present and voting at a regular or special Membership Meeting, a quorum being assembled, provided that written notice of such meeting has described the proposed sale and the reasons for the proposal.
 - d. The Borough of State College shall have a right of first refusal with respect to any sale of land by the SCCLT.
 - e. Assets resulting from sale of land may be returned to the original funding source utilized for acquisition in accordance with the original agreement between the SCCLT and the funding source.

Article VI: Ownership of Housing and Other Improvements Located on the SCCLT’s Land and Limitations on Resale

1. **Ownership of Housing and Improvements on the SCCLT’s Land.** In accordance with the Purposes of the SCCLT, the Board of Directors shall take appropriate measures to promote and facilitate the ownership of housing and other improvements on the SCCLT’s land by low- and moderate-income people. This may include, but is not limited to, provisions for the sale of housing to such persons and provisions for subsidies that will lower the cost of housing for such people.
2. **Purchase by the SCCLT of Property Located on the SCCLT’s Land.** It is a purpose of the SCCLT to preserve the affordability of housing and other improvements for low-and moderate-income people in the future. Accordingly, when land-use rights are leased, the Board of Directors shall assure that the SCCLT is granted the right to purchase any lessee-owned housing or other improvements on the land for a price determined using a “resale formula” at such time as the lessees wish to sell or the lease is terminated. This right of first refusal shall be a condition of any ground lease.
3. **The Resale Formula.** For the purpose of preserving affordability, the SCCLT shall lessen the price that lessees may receive when they sell housing or other improvements located on land leased to them by the SCCLT. A policy establishing and governing such restrictions on resale price shall be adopted by the Board of Directors in accordance with the following principles:
 - a. To the extent possible, the seller shall be allowed to receive a price reflective of the value the seller has actually invested in the property being sold.
 - b. To the extent possible, the formula shall limit the price of the property to an amount that will be affordable for other low- or moderate-income people at the time of transfer of ownership.
4. **Procedures for Adopting a Resale Formula.** The adoption of the resale formula shall require an Affirmative vote by at least a two-thirds majority of the Board of Directors any regular or special Board meeting, provided that a written notice of such meeting has set forth the proposed formula with an explanation thereof.

- 5. Procedures for Altering the Resale Formula.** The consistent long-term application of a resale formula is essential to the purposes of the SCCLT. Accordingly the resale formula shall not be altered unless the Board of Directors and the Membership determine that the current formula presents an obstacle to the achievement of the purposes of the SCCLT. In such event, the resale formula may be altered only by a two-thirds vote of the entire Board of Directors and a two-thirds vote of Members, a quorum being assembled at a regular or special Membership meeting

Article VII: Amendment of Certificate of Incorporation and Bylaws.

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

1. An affirmative vote of two-thirds of the entire Board of Directors at any regular or special Board Meeting, provided that a 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 Membership present at any regular or special Membership meeting, a quorum being assembled, provided that a written notice of such meeting has set forth the proposed amendment or replacement, with appropriate explanations thereof.

Article VIII: Dissolution

A decision to dissolve the SCCLT and to distribute the SCCLT'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 Directors at any regular or special Board Meeting, provided that a 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 Members present at a regular or special Membership meeting, a quorum being assembled, provided that a written notice of such meeting, including a full description of the proposed plan of dissolution, has been given to all Members of the SCCLT no later than three weeks prior to the meeting.
3. In the event of dissolution, the Borough of State College will be given the right of first refusal to acquire land and manage properties in the SCCLT or the Borough of State College may choose to assign such right to another qualified non-profit or charitable organization.

Article IX: Miscellaneous Provisions

1. **Fiscal Year.** The fiscal year of the SCCLT shall begin January 1 of each year, and shall end December 31 of each year.
2. **Deposit of Funds.** All funds of the SCCLT not otherwise employed shall be deposited in such banks, trust companies, or other reliable depositories as the Board of Directors from time to time may determine.

- 3. Checks, etc.** All checks, drafts, endorsements, notes and evidences of indebtedness of the SCCLT shall be signed by such officers or agents of the SCCLT and in such manner as the Board of Directors from time to time may determine. Endorsement for deposits to the credit of the SCCLT shall be made in such manner as the Board of Directors from time to time may determine.
- 4. Loans.** No loans or advances shall be contracted on behalf of the SCCLT, and no note or other evidence of indebtedness shall be issued in its name, except as authorized by the Board of Directors. Any such authorization shall relate to a specific transaction.
- 5. Contracts.** Any officer of the SCCLT specifically authorized by the Board of Directors may, on behalf of the SCCLT, enter into such contracts or execute and deliver such instruments as are specifically authorized by the Board of Directors. Without the express and specific authorization of the Board of Directors, no officer or agent of the SCCLT may enter into any contract or execute and deliver any instrument in the name of the SCCLT.
- 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/she is or was a Director or Officer of the SCCLT shall be indemnified by the SCCLT against any and all liability and the reasonable expenses, including attorneys' fees and disbursements, incurred by him/her (or his/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 such matters as to which it shall be adjudged in such action, suit or proceeding that such Director or Officer is liable for negligence or misconduct in the performance of his or her duties.