

**Bylaws of  
Red Earth Farms Community Land Trust, Inc.  
A Missouri Nonprofit Mutual Benefit Corporation**

**ARTICLE I – General**

**SECTION 1 - Name**

The name of the corporation is Red Earth Farms Community Land Trust, Inc. (the “corporation”).

**SECTION 2 - Purposes**

The purposes of the corporation are to:

- A. Acquire, own, dispose of, and deal with real and personal property and interests therein, and to apply gifts, grants, bequests, and devises and their proceeds in furtherance of the purposes of the corporation,
- B. Retain and convey interests in land so as to:
  - 1. Promote the ecologically sound use of land and natural resources, and
  - 2. Promote the long-term health, safety, and integrity of the individuals living on the land and in the surrounding community,
- C. Retain for the purposes of the corporation any unearned increment in the market value of the land, and
- D. Enter into contracts, agreements, or other arrangements which may be convenient or necessary in fulfilling the purposes of the corporation.

**SECTION 3 - Office**

The principal office of the corporation shall be in Scotland County, Missouri, at a location determined by the Board of Directors.

**SECTION 4 – Decision Making Process**

- A. Consensus shall be the method of decision making at meetings of the Board of Directors and the Membership. Consensus is a cooperative group decision-making process in which all present must agree or stand aside before action is taken.
- B. In case of a failure to achieve consensus by either the Board of Directors or the Membership, those present may decide to bring the matter to a vote. The decision to bring the matter to a vote may be made by a 2/3 majority of those present. The matter shall then be deferred to a second meeting, at which the matter may then be decided by a 3/4 majority of those present.
- C. If the matter regards the membership status of a member or the removal of a director, for the purpose of determining whether or not a decision has been reached, the position of the person, the status of whom is being decided upon, shall not be considered.
- D. A majority of the members shall constitute a quorum for any meeting of the Membership. A majority of the members of the Board of Directors shall constitute a quorum for any meeting of the Board of Directors.

**ARTICLE II – Members**

**SECTION 1 – Determination and Rights of Members**

The corporation shall have only one class of members. No member shall hold more than one membership in the corporation. Except as expressly provided in or authorized by the Articles of Incorporation or Bylaws of this corporation, all memberships shall have the same rights, privileges, restrictions, and conditions.

**SECTION 2 – Qualifications of Members**

The qualifications for membership in this corporation are as follows:

- A. Only real persons are eligible for membership, and
- B. A person must sign and adhere to the provisions of the Red Earth Farms Membership Agreement.

**SECTION 3 – Admission of Members**

The original members shall be the incorporators. Applicants shall be admitted to membership by a clearly defined written process determined by the membership of the corporation and approved by the Board of Directors. This process shall include reading and signing the Membership Agreement.

**SECTION 4 –Voting Rights**

Each member as described above is entitled to one vote in accordance with the decision making process outlined in Article I, Section 4.

**SECTION 5 - Fees, Dues, and Assessments**

- A. The following fee shall be charged for making application for membership in the corporation: None.
- B. The annual dues payable to the corporation by members shall be set in amounts as may be determined from time to time by resolution of the members.
- C. Other than annual dues, memberships shall be nonassessable.

**SECTION 6 – Nontransferability of Membership**

No member may transfer a membership or any right arising therefrom.

**SECTION 7 – Termination of Membership**

- A. Grounds for Termination. The membership of a member shall terminate upon the occurrence of any of the following events:
  - 1. Upon his or her notice of such termination delivered to the President or Secretary of the corporation personally or by mail, such membership to terminate upon the date of personal delivery of the notice or date of postmark in the mail.
  - 2. Upon a determination by a decision of the Membership that the member has failed to adhere to the provisions of the Red Earth Farms Membership Agreement, unless such failure is explicitly allowed by a determination of the Membership.
  - 3. If this corporation has provided for the payment of dues by members, upon a failure to renew his or her membership by paying dues on or before their due date, such termination to be effective thirty (30) days after a written notification of delinquency is given personally or mailed to such member, at the last address of the member as shown on the corporation’s records, by the Secretary of the corporation. A member may avoid such termination by paying the amount of delinquent dues within a thirty (30)-day period following the member’s receipt of the written notification of delinquency. The written notification shall be presumed to have been received three (3) days after mailing.
  - 4. Upon a determination by a decision of the Membership that a member should be expelled.
  - 5. Upon the member’s death.
- B. Procedure for Expulsion. Following the determination that a member should be expelled under subparagraph A.2. or A.4. of this section, the following procedure shall be implemented:
  - 1. A notice shall be sent by first-class or certified mail to the last address of the member as shown on the corporation’s records or delivered in person to the member, setting forth the expulsion and the reasons therefor. Such notice shall be sent at least fifteen (15) days before the proposed effective date of the expulsion.
  - 2. The member being expelled shall be given an opportunity to be heard, either orally or in writing, at a hearing to be held not less than five (5) days before the effective date of the proposed expulsion, by the members or committee authorized by the members to decide whether the proposed termination will take place. The notice to the member of his or her proposed expulsion shall state the date, time, and place of the hearing on his or her proposed expulsion. If the member does not appear and has not notified the

Secretary or Treasurer of any adequate reason therefor, or chooses not to appear at the hearing, the termination shall be effective automatically on the proposed date of termination.

3. Following the hearing, the members (other than the subject member) or committee authorized by the Membership to determine whether or not the member should be expelled, suspended, or sanctioned in some other way, shall decide whether or not the member should in fact be expelled, suspended, or sanctioned in some other way. This decision shall be final.

4. If this corporation has provided for the payment of dues by members, any person expelled from the corporation shall receive a refund of dues already paid. The refund shall be pro-rated to return only the unaccrued balance remaining for the period of the dues payment.

## **SECTION 8 - Meetings**

### **A. Place of Meetings**

Meetings of members shall be held at the principal office of the corporation or at such other place or places as may be designated from time to time by the members.

### **B. Annual Meetings**

1. Date of Annual Meetings – Subsequent to the first annual meeting, each annual meeting of the members shall be held during the third week of May or at a date specified by the membership at an annual meeting or a regular meeting.

2. Business – Members shall meet annually for the purpose of:

- a. Hearing reports on the affairs and financial condition of the corporation by the officers and/or the Board of Directors,
- b. Electing directors, and
- c. Transacting other business as may come before the meeting.

### **C. Regular Meetings**

Regular meetings may be held at such times and places as the Membership may establish at the annual meeting or at any regular meeting.

### **D. Special Meetings**

Any officer of the corporation may and, at the direction of five percent (5%) or more of the members of the corporation, any officer shall call a special meeting of the Membership and notice thereof shall be afforded each of the members of the corporation not later than ten (10) days prior thereto. At a special meeting, only that matter for which the meeting was called, as stated in the notice of the meeting, may be acted upon by the Membership.

### **E. Notice of Meetings**

Written notice of every Membership meeting shall be given to all voting members and shall include a proposed agenda for the meeting. Notice shall be given at least two (2) days prior to a meeting.

### **F. Minutes**

Minutes of all Membership meetings shall be recorded by the Secretary of the corporation or by another person designated by the Secretary.

## **SECTION 9 - Action in Lieu of Meeting**

The Membership may take any action which it might lawfully take at any meeting of the Membership in the absence of such a meeting but with the same effect as if adopted or taken at such a meeting by causing a written statement of the action to be written into the records of the corporation over the signature of each and every member of the corporation, and such statement shall specify the effective date of such action.

## **SECTION 10 - Veto**

The membership may nullify any action by the Board of Directors by calling a special meeting for the purpose of doing so within ten days of the taking of such action by the Board of Directors, and by deciding to nullify such action according to the decision making process described in Article I, Section 4. This provision shall not affect agreements made between the Board and any third party.

## **ARTICLE III – Directors**

### **SECTION 1 - Number**

The Board of Directors shall consist of no fewer than five (5) and no more than eleven (11) directors.

### **SECTION 2 - Composition**

- A. Member representatives: The members of the corporation may (but are not required to) select two or more directors from among themselves.
- B. Local community representatives: The members of the corporation shall select two or more directors from among non-members residing in the county in which the corporation owns land and interest in land.
- C. At-large representatives: The members of the corporation may (but are not required to) select one or more directors from among non-members residing outside the county in which the corporation owns land and interest in land, provided the at-large representative(s) demonstrate interest in furthering the goals of the corporation.

### **SECTION 3 - Restriction Regarding Interested Directors**

Notwithstanding any other provision of these Bylaws, not more than forty-nine percent (49%) of the persons serving on the Board may be interested persons. For purposes of this Section, “interested persons” means either:

- A. Any member of the corporation or any person currently being compensated by the corporation for services rendered it within the previous twelve (12) months, whether as a full- or part-time officer or other employee, independent contractor, or otherwise, excluding any reasonable compensation paid to a director as director; or
- B. Any brother, sister, ancestor, descendant, spouse, brother-in-law, sister-in-law, son-in-law, daughter-in-law, mother-in-law, or father-in-law of any such person.

### **SECTION 4 - Selection and Tenure**

- A. Member representatives: Not later than sixty (60) days prior to the first annual meeting of the Board of Directors following incorporation, the members of the corporation may (but are not required to) select one person from among themselves to serve as a director for a term of one year, and one person to serve for two years. Not later than sixty (60) days prior to each subsequent annual meeting of the Board of Directors, the members of the corporation may select one or more persons from among themselves to serve as a director for a term of two years.
- B. Local community representatives: Not later than sixty (60) days prior to the first annual meeting of the Board of Directors following incorporation, the members of the corporation shall select one non-member person from the local community to serve as a director for a term of one year, and one non-member person to serve for two years. Not later than sixty (60) days prior to each subsequent annual meeting of the Board of Directors, the members of the corporation shall select one or more non-member persons from the local community to serve as a director for a term of two years.
- C. At-large representatives: Not later than sixty (60) days prior to the first annual meeting of the Board of Directors following incorporation, the members of the corporation may (but are not required to) select one non-member person from outside the local community to serve as a director for a term of one year. Not later than sixty (60) days prior to each subsequent annual meeting of the Board of Directors, the members of the corporation may select one or more non-member persons from outside the local community to serve as a director for a term of two years.

### **SECTION 5 - Vacancy**

If any representative on the Board of Directors shall vacate that office, for any reason, before the expiration of his or her term, the members of the corporation may, within thirty (30) days from the date on which he or she shall have vacated that office, select a person to succeed him or her for the then balance of his or her term. Generally all efforts shall be made to do this within thirty (30) days.

## **SECTION 6 - Term of Office**

- A. The term of office of a regularly selected director shall commence at the adjournment of the annual Membership meeting at which the director is selected.
- B. The term of office of a director selected to fill a vacancy shall commence at the time of his or her acceptance of that office.
- C. Except as otherwise specifically provided for pursuant to the provision of these Bylaws, each director shall serve for a term of two years unless he or she shall be removed from office as hereinafter provided for.
- D. No person shall serve as a director for more than four (4) consecutive full terms. After a year's absence from the Board, however, a person who has served four (4) consecutive full terms may again serve on the Board.

## **SECTION 7 - Resignation**

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

## **SECTION 8 - Duties of the Board of Directors**

The Board of Directors shall:

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

## **SECTION 9 - Powers of the Board of Directors**

The Board of Directors may:

- A. Create such offices in addition to those created pursuant to the provisions of Article IV of these Bylaws as it may determine to be necessary and desirable for the conduct of the affairs of the corporation,
- B. Appoint the officers to fill such offices, establish the term of service, duties and compensation, if any, of such officers and discharge such officers,
- C. Create such committees as it may determine to be necessary and desirable for the conduct of the affairs of the corporation and delegate authority to such committees,
- D. Appoint the chairperson(s) and member(s) of any committee(s) so created,
- E. Borrow funds and issue promissory notes or other evidences of indebtedness and, except as limited pursuant to the provisions of Section 10 of this Article III, mortgage assets of the corporation as collateral security for the payment or satisfaction thereof, and
- F. Convey the right to use the land on such terms and conditions as will promote the ecologically sound use of land and natural resources and promote the long-term health, safety, and integrity of the individuals living on the land and in the surrounding community. The decision to make such a conveyance shall require the unanimous assent of the members of the Board of Directors.

## **SECTION 10 - Limitation on Power of the Board of Directors**

Except as otherwise provided for pursuant to the provisions of subparagraph F of Section 9 of this Article III and except to give a purchase money mortgage, the Board of Directors may not sell or otherwise alienate or encumber any land or interest(s) in land except in accordance with the unanimous assent of the members of the Board of Directors expressed at two consecutive meetings of the Board of Directors.

## **SECTION 11 - Meetings**

- A. Annual Meeting

1. Time and place: The annual meeting of the Board of Directors shall be held at such time and place as the Board of Directors may select and notice thereof shall be afforded each of the members of the Board of Directors not later than ten days prior thereto. In default of such selection, the annual meeting of the Board of Directors shall be held the third week of July of each year at the principal office of the corporation.

2. Business: At the annual meeting of the Board of Directors:

- a. The President shall report on the affairs of the corporation,
- b. The Treasurer shall report on the financial condition of the corporation, and
- c. The Board of Directors shall conduct such business as may properly come before it.

#### B. Regular meetings

Regular meetings of the Board of Directors may be held at such times and places as the Board of Directors may establish at the annual meeting or any regular meeting.

#### C. Special Meetings

1. The President, Treasurer, Secretary or any director may call a special meeting of the Board of Directors and notice thereof shall be afforded each of the members of the Board of Directors not later than ten days prior thereto.
2. At a special meeting of the Board of Directors, only that matter or those matters for which the meeting was called, as stated in the notice of the meeting, may be called upon by the Board of Directors unless all of the directors shall be present at the meeting and shall consent to taking action on other matters.
- 3.

#### D. Minutes

Minutes of all Board meetings shall be recorded by the Secretary or by such other person as the Board may designate. 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.

### **SECTION 12 - Action in Lieu of Meeting**

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

### **SECTION 13 – Compensation**

Directors shall serve without compensation. They shall be allowed reimbursement for actual, reasonable, and necessary expenses incurred by the director in his or her capacity as director.

### **SECTION 14 - Removal**

The Board of Directors may remove a director at any time by the decision making process described in Article I, Section 4. If the person so removed is a member of the corporation, the removal of such person as a director by the Board of Directors shall not affect the status of that person as a member of the corporation.

## **ARTICLE IV – Officers**

### **SECTION 1 - Designation**

The officers of the corporation shall include a President, a Treasurer, and a Secretary. The Board also may appoint a Vice President and establish such additional offices as it deems necessary or desirable.

### **SECTION 2 – Election and Term of Office**

Officers shall be elected by the Board of Directors, at any time, and each officer shall hold office until he or she

resigns or is removed or is otherwise disqualified to serve, or until his or her successor shall be elected and qualified, whichever occurs first.

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

The President shall be the chief executive officer of the corporation, and, as such, under the direction of the Board of Directors shall have power, on behalf of the Board, to perform all acts, execute and deliver all documents, and take all steps that the President may deem necessary or desirable in order to effectuate the actions and policies of the Board. Unless another person is specifically appointed as Chairperson of the Board of Directors, the President shall preside at all meetings of the Board of Directors.

### **SECTION 4 - Duties of the Vice President**

In the absence or disability of the President, the Vice President (if one is appointed) shall perform the duties and exercise the powers of the President and shall perform such other duties as the Board of Directors shall prescribe.

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

The Treasurer shall:

- A. Have custody of, and be responsible for, all funds and securities of the corporation;
- B. Deposit all such funds in the name of the corporation in such depositories as the Board of Directors may designate;
- C. Receive and give receipt for monies due and payable to the corporation;
- D. Disburse, or cause to be disbursed, the funds of the corporation as may be directed by the Board of Directors or the Membership and, if required, take proper vouchers for such disbursements;
- E. Keep and maintain full and accurate accounts of the corporation's properties and business transactions, including accounts of its assets, liabilities, receipts, and disbursements;
- F. Exhibit at all reasonable times the books of account and financial records to any director or member of the corporation, or to his or her agent or attorney, on request therefor;
- G. Render an accounting of his or her transactions as Treasurer and of the financial condition of the corporation to the Board of Directors at the annual meeting of the Board of Directors, and whenever in addition thereto, the Board of Directors may require; and
- H. Perform all duties incident to the office of Treasurer and such other duties as the Board of Directors may impose.

### **SECTION 6 - Duties of the Secretary**

The Secretary shall:

- A. Maintain custody of the original or a copy of these Bylaws as amended or otherwise altered to date;
- B. Maintain custody of minutes of all meetings of the directors, and, if applicable, meetings of committees of directors, and of members, having recorded therein the names of those present or represented at the meeting, and the proceedings thereof;
- C. Give notice or cause notice to be given of all meetings of the Board of Directors;
- D. Maintain custody of the records of the corporation;
- E. Keep at the principal office of the corporation a membership book containing the name and address of each member, and in the case where any membership has been terminated, he or she shall record such fact in the membership book together with the date on which such membership ceased; and
- F. Perform such other duties as may be required by law or by these Bylaws, or which may be assigned to him or her from time to time by the Board of Directors or the President.

### **SECTION 7 – Removal and Resignation**

The Board of Directors may remove any officer at any time by the decision making process described in Article I, Section 4. Any officer may resign at any time by giving written notice to the Board of Directors or to the

President or Secretary of the corporation. Any such resignation shall take effect at the date of receipt of such notice or at any later date specified therein, and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

### **SECTION 8 – Vacancies**

Any vacancy caused by the death, resignation, removal, disqualification, or otherwise, of any officer shall be filled by the Board of Directors. In the event of a vacancy in any office other than that of President, such vacancy may be filled temporarily by appointment by the President until such time as the Board shall fill the vacancy.

### **SECTION 9 – Compensation**

The salaries of the officers, if any, shall be fixed from time to time by resolution of the Board of Directors, and no officer shall be prevented from receiving such salary by reason of the fact that he or she is also a director of the corporation, provided that such compensation is permitted under the provisions of Article III, Section 3 of these Bylaws.

## **ARTICLE V – Miscellaneous Provisions**

### **SECTION 1 – Execution of Instruments**

The Board of Directors may by resolution authorize any officer or agent of the corporation to enter into any contract or execute and deliver any instrument in the name of and on behalf of the corporation, and such authority may be general or confined to specific instances. Unless so authorized, no officer, agent, or employee shall have any power or authority to bind the corporation by any contract or engagement or to pledge its credit or to render it liable monetarily for any purpose or in any amount.

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

Any director, officer or member of the corporation, either in person or by his or her agent or attorney, may inspect the books, records, or minutes of proceedings of the members or of the Board for any purpose at any reasonable time.

### **SECTION 3 - Arbitration**

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

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

In the event the corporation is dissolved, the Board of Directors shall, after paying or making provision for the payment of all of the liabilities of the corporation, dispose of all the assets of the corporation exclusively for the purposes of the corporation as stated in Article I, Section 2B of these Bylaws, or to such organization or organizations organized and operated with similar purposes to the corporation, such as Dancing Rabbit Land Trust or Sandhill Farm, Inc.

### **SECTION 5 – Indemnification**

To the extent that a person who is, or was, a director, officer, employee or agent of the corporation has been successful on the merits or otherwise in defense of any civil, criminal, administrative or investigative proceeding brought to procure a judgment against such person by reason of the fact that he or she is, or was, an agent of the corporation, or has been successful in defense of any claim, issue or matter therein, he or she shall be indemnified against expenses, including attorney's fees, actually and reasonably incurred by him or her in connection with the action, suit, or proceeding.

If such a person either settles any such claim or sustains a judgment against him or her, then indemnification

against expenses, judgments, fines, settlements and other amounts reasonably incurred in connection with such proceedings shall be provided by this corporation but only to the extent allowed by law.

**SECTION 6 - Amendments**

Except as hereinafter otherwise specifically provided for, these Bylaws may be altered or amended, in whole or in part, by a decision of the Board of Directors according to the decision making process described in Article I, Section 4, but notice of a proposal to alter or amend the Bylaws at any regular or special meeting of the Board of Directors shall be afforded each of the members of the Board of Directors not later than seven (7) days prior to the meeting at which it is proposed to take such action.

Nevertheless:

A. The provisions of Sections 1, 2, 3 and 4 of Article III of these Bylaws relating to the number, composition, restriction and selection of successor Boards of Directors may not be amended except by the unanimous assent of the members of the Board of Directors expressed at two (2) consecutive annual meetings of the Board of Directors; and

B. The provisions of Section 10 of Article III of these Bylaws relating to limitations on the power of the Board of Directors to sell or otherwise alienate or encumber any land or interests in land; and Section 4 of Article V of these Bylaws relating to the disposition of the assets of the corporation in the event of the dissolution of the corporation may not be amended.

**WRITTEN CONSENT OF DIRECTORS ADOPTING BYLAWS**

We, the undersigned, are all of the initial directors of Red Earth Farms Community Land Trust, Inc., a Missouri nonprofit corporation, and, pursuant to the authority granted to the directors by these Bylaws to take action by unanimous written consent in lieu of a meeting, consent to, and hereby do, adopt the foregoing Bylaws, consisting of nine pages, as the Bylaws of this corporation.

Date: December 26, 2007

Signed:

Tamar Friedner, Director	Aron Heintz, Director	Chad Knepp, Director
Jason Meier, Director	Gigi Wahba, Director	

**CERTIFICATE**

This is to certify that the foregoing is a true and correct copy of the Bylaws of the corporation named in the title thereto and that such Bylaws were duly adopted by the Board of Directors.

Date:

Signed:

Alyson Ewald, Secretary