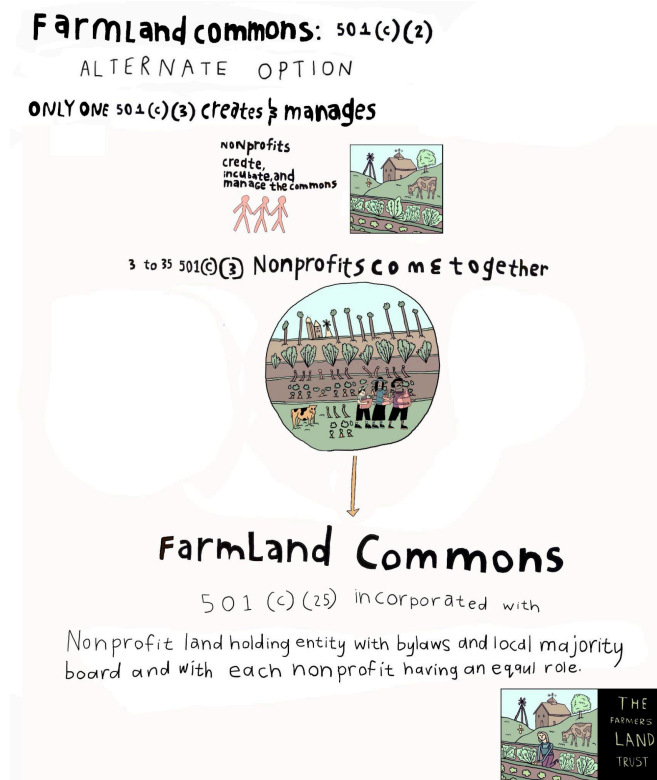


ORGANIZATION NAME

A STATE OF INCORPORATION NONPROFIT CORPORATION FARMLAND COMMONS BYLAWS

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Welcome to Your Bylaws!



This organizational document is the first step towards building your Farmland Commons. Your Commons takes the legal shape of an Internal Revenue Code Section 501(c)(2) nonprofit land holding entity. These Bylaws are intended to (1) define the organization's purpose, (2) outline the basics of member and board governance, and (3) ensure compliance with the Internal Revenue Code. It is written in legal and plain language with the intent that both the legal and plain language have equal weight in the interpretation of these Bylaws. You can tailor these as you see fit to your organization.

1. FOUNDATIONAL UNDERSTANDINGS

About this Section: This section provides important foundational understandings that will be used in the remainder of the Bylaws.

Legal Language	Plain Language
<p>The Farmland Commons refers to [ORGANIZATION NAME] (referred to as the “Commons”), which is a nonprofit organization as defined under Internal Revenue Code (“IRC”) Section 501(c)(2)(C) and [STATE OF INCORPORATION] Nonprofit Corporation law.</p> <p>Organizations under IRC 501(c)(2)(C) are tax-exempt, title-holding corporations established by [NAME OF NONPROFIT], a nonprofit organization with IRC Section 501(c)(3) status (the “Nonprofit”), created to hold land in trust and overseen by a Board of Directors.</p>	<p>[ORGANIZATION NAME] is an IRC 501(c)(2) tax exempt holding company held by a single nonprofit that chooses the Board to govern it.</p>
<p>The sole objective of the Commons is to hold title to properties, encompassing land, infrastructure, and enhancements for uses such as agriculture, education, food systems, community, and residential, acting as a title-holding corporation that is exempt from federal income tax under Internal Revenue Code 501(c)(2).</p> <p>Responsibilities of the Nonprofit entail overseeing all assets of the Commons, gathering income from leasing and renting out land and improvements, selling infrastructure situated on such land, and managing all other revenue produced by the Commons.</p>	<p>The purpose of the Commons is to be a holding company of the land held in the Commons.</p>
<p>All income collected from the leasing and rental of such land and real estate and property, sale of infrastructure on such land, and all other funds collected by the Commons, less expenses, shall be distributed to the Nonprofit. However, the Nonprofit and Board will direct as much revenue as possible to reinvest in the land, farm infrastructure or other operational costs of the Commons.</p>	<p>Any funds collected in surplus of the needs of the Commons will be equally distributed among the Nonprofit. However, the Nonprofit and Board will direct as much revenue as</p>

	possible to reinvest in the land, farm infrastructure or other operational costs of the Commons.
The responsibilities of the Nonprofit are set out in Article 4 and include general oversight of the Board of Directors.	Nonprofit is the organizational owner of the Commons. The Nonprofit has a different role from Board directors.
The “ Board of Directors ” or the “ Board ” is the separate governing body required by the [STATE] law. Individual board members are referred to as “ Directors. ” The initial Board of Directors shall be individuals appointed by the Nonprofit and named in the Articles of Incorporation.	The Board is the group responsible for the organizational decision making. It is composed of individuals known as “Directors.”

2. CORE VALUES OF THE COMMONS AND NONPROFIT

About this Section: This section provides the guiding philosophies of the Commons and Nonprofit.

Legal Language	Plain Language
TBD by the Parties.	TBD by the Parties.

3. ORGANIZATIONAL OVERVIEW

About this Section: This section provides a general outline of the tiers of governance within the Commons.

Legal Language	Plain Language
a. Organizational Design	
1. The Commons is a nonstock nonprofit corporation.	The structure of the Commons is a nonprofit.
2. The principal office of the Commons shall be located at [INSERT ADDRESS].	The address of the Commons is [INSERT ADDRESS].

4. ORGANIZATIONAL ROLE OF NONPROFIT

About this Section: This section highlights the role of the Nonprofit more specifically.

Legal Language	Plain Language
a. Authority and Representation of the Nonprofit	
1. The Nonprofit shall retain authority over the Board of Directors only to the extent required by IRC Section 501(c)(2) and as otherwise specified in these Bylaws.	The authority of the Nonprofit over the Board is strictly what is required under IRC Section 501(c)(2) and as specified in these Bylaws.

<p>2. The Nonprofit shall designate [NAME] as the official representative for any communications required by these Bylaws.</p>	<p>[NAME] is the official representative of the Nonprofit.</p>
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5. BOARD OF DIRECTORS

About this Section: This section highlights the role of the Board more specifically.

Legal Language	Plain Language
a. Composition and Nomination of the Directors	
<p>1. The Board will be composed of at least 3 Directors and no more than 12 Directors. The precise count of Directors will be determined by the total number of properties currently owned or intended to be acquired through purchase or donation agreements in the Commons.</p>	<p>The exact number of Directors depend on the number of properties held or to be acquired by the Commons:</p>
<p>i. One property: 3-5 Directors</p>	<p>One property: 3-5 Directors</p>
<p>ii. Two properties: 5-9 Directors</p>	<p>Two properties: 5-9 Directors</p>
<p>iii. Three or more properties: 10-12 Directors</p>	<p>Three or more properties: 10-12 Directors</p>
<p>2. At the time of the formation of the Commons, the Nonprofit shall nominate individuals to serve as Directors on the first Board.</p>	<p>The Nonprofit will choose the first Board.</p>
<p>3. After the initial Directors are chosen per Article 5(a)(2) above, the Directors shall be nominated by the Commons' sitting Board and shall include at least one leaseholder of the Commons but</p>	<p>Nominating of future Directors will be made by the Board and include at least one leaseholder of the</p>

<p>not more than 1/3 of Board shall be Farmer-Leaseholders of the Commons.</p>	<p>Commons. Because of the legal structure of a 501(c)(2), not more than 1/3 of the Board can be Farmer-Leaseholders of the Commons.</p>
<p>4. Directors must be affiliated with the Nonprofit, Affinity Groups (as defined below), or a farmer leaseholder of the Commons. Directors shall be selected to further the Commons' Core Values.</p>	<p>Directors must either be affiliated with the Nonprofit, Affinity Groups or Farmer-Leaseholders.</p>
<p>5. The Board shall create and the Nonprofit shall approve the creation of "Affinity Groups" if there are more farmer-leaseholders than there are room for on the board, or for any other reason consistent with the Commons' policy on Affinity Groups. Affinity Groups are clusters of Nonprofit and other organizations/individuals associated with each other on the basis of a common interest or affinity.</p>	<p>The Board will create and the Nonprofit will approve "Affinity Groups" when there is evidence of common interest between organizations (e.g., Nonprofit, Farmer-Leaseholders) affiliated with the Commons.</p>
<p>b. Board Meetings</p>	
<p>1. At any meeting of the Board, a quorum shall consist of at least 51% of the Board of Directors.</p>	<p>Quorum is at least 51% of the Board of Directors.</p>
<p>2. All decisions including the nomination of the new Directors shall be made by a simple majority vote (51%) of the quorum plus the affirmative vote of all the Farmer-Leaseholder Representative Director(s) at a meeting of the Directors unless otherwise required by these Bylaws.</p>	<p>The Board will make all decisions using an affirmative majority vote (51%) plus the affirmative vote of the Director representing the Farmer-Leaseholders interest unless otherwise</p>

	required by these Bylaws
<p>3. The annual meeting of the Board shall be held at a time and place determined by the Board and communicated to the Nonprofit. Written notice of the annual meeting shall be given to the Nonprofit and all Directors before the meeting and shall include an agenda for the meeting. Reasonable notice is defined as no fewer than ten (10) days (unless it is sent other than first-class or registered mail, in which case it is thirty (30) days and no more than sixty (60) days notice. Notice may be sent via the US Postal Service, email, or other mutually acceptable written form of communication.</p>	<p>Annual Board meetings will take place as decided by the Board and communicated to the Nonprofit.</p>
<p>4. Business at the annual meeting of the Board shall include:</p>	<p>The Board will discuss the following at the annual meeting:</p>
<p>i. The President shall report on the affairs of the Commons;</p>	<p>President's report;</p>
<p>ii. The Treasurer shall report on the financial condition of the Commons;</p>	<p>Financial updates from the Treasurer;</p>
<p>iii. In the event of any vacancy, Board Officers of the Commons shall be elected; and</p>	<p>Electing new Directors as needed; and</p>
<p>iv. The Board shall conduct such business as may properly come before it.</p>	<p>Any other business needed.</p>
<p>5. Regular meetings of the Board may be held at such times and places as the Board may establish at the annual meeting and special notice thereof shall not be required other than the provision of agendas prior to meetings.</p>	<p>The Board may also create regular and established meetings in addition to the annual meeting.</p>
<p>6. Any Board Member may call a special meeting of the Board and with 10 days written notice to the other Directors. At a special meeting of the Board, only that matter or those matters for</p>	<p>Special meetings are called on an ad-hoc basis with 10 days notice to the other</p>

<p>which the meeting was called, as stated in the notice of the meeting, may be called upon by the Board unless all of the Directors shall be present at the meeting and shall consent to taking action on other matters.</p>	<p>Directors. Directors will only discuss the business that was the basis for the meeting, unless otherwise waived.</p>
<p>7. The Board may take any action which it might lawfully take at any meeting of the Board, 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 Commons written consent of the Directors serving on the Board, then in office, and the Board may specify the effective date of such action.</p>	<p>The Board can also take action if all Board Directors unanimously agree in writing to do so.</p>
<p>c. Vacancy and Removal</p>	
<p>1. If any elected Director on the Board should vacate that office for any reason before the expiration of their term, the remaining Board shall, within 30 days from the date on which the Director shall have vacated that office, elect a new Director to fill the vacancy.</p>	<p>If a Director leaves before their term has ended, the remaining Board will nominate and elect a new Director to fill the vacancy.</p>
<p>2. Any person elected to fill a vacancy on the Board must be one who can be reasonably expected to represent the interests of the constituents and the mission of the Commons.</p>	<p>The newly elected Director must align with the mission of the Commons.</p>
<p>3. Replacement Directors elected by the Board shall serve out the remaining term of the person who has vacated the position.</p>	<p>The replacement Director will fill out the remainder of the vacating Director's term.</p>
<p>d. Vacancy</p>	
<p>1. Except as otherwise specifically provided for pursuant to the provision of these Bylaws, each Director serving on the Board shall serve for a term of 3 years unless they shall be removed from the Board as hereinafter provided.</p>	<p>Each Director will serve a 3 year term.</p>

<p>2. At the end of each Director’s term, the Director may stand for re-election if nominated by the remaining Directors.</p>	<p>Directors may serve additional 3 year terms.</p>
<p>3. A Director may serve up to three consecutive terms. A Director who has served its maximum number of three terms may be re-elected in the future after the equivalent of two terms or 6 years have passed.</p>	<p>The Directors may be reelected up to 3 times (9 years total). If additional terms are desired, Directors must wait 6 years before joining the Board again.</p>
<p>4. The term of a regularly elected Director of the Board shall commence at the adjournment of the Annual Meeting at which they were elected.</p>	<p>The Directors official term begins after the Annual Meeting where they were elected.</p>
<p>5. The Board has the authority to dismiss a Director at any point, provided there is unanimous agreement among all Board Members, approval by the Nonprofit and a fair and reasonable procedure for terminating the Director that includes notice and an opportunity to be heard.</p> <p>In determining this unanimous decision, the vote of the Director who is subject to potential removal will not be counted.</p>	<p>The Directors may remove another Board Member via unanimous consent provided the Board will provide due process for that Director to be heard before terminating.</p>
<p>e. Duties of the Board</p>	
<p>1. The Board of Directors shall ensure the Commons' purpose is fulfilled, implement the Nonprofit's decisions, and manage the Commons' affairs. Specifically, the Board shall:</p>	<p>The Board is the organizational steward ensuring the Mission of the Commons and the Nonprofit is implemented as well as supporting the general management of the Commons. Specific tasks may include:</p>

6. BOARD OFFICERS

About this Section: This section highlights the role of the Board's leadership team.

Legal Language

Plain Language

a. Overview

1. The Board shall designate its Board Officers and Executive Committee, to include a President, Vice-President, Treasurer, and

The Board will designate the Officers of the

Secretary. These individuals will perform the duties traditionally associated with their respective positions.	Commons.
2. The Board Officers, unless removed as hereinafter provided, shall hold office for one year and may opt for yearly continuation of terms at the Board’s annual meeting.	The term of any one Officer is one year. The Officer is voted in at the annual board meeting.
3. The Board may remove Officers for cause (as determined by the Board) and by the consensus of the Board. If desired by the Officer, the Officer will have the opportunity to discuss with the Board prior to removal proceedings.	The Officer may be removed “for cause” by consensus of the Board. The Board will determine what “for cause” means. Board will provide due process for that Officer to be heard before terminating.

<h2>7. STEWARDSHIP</h2>	
About this Section: This section highlights the allowable uses consistent with the Core Values in Article 2 for all land held by the Commons.	
Legal Language	Plain Language
a. Acquiring and Leasing Land	
1. The Board shall create all documents related to rental, tenure, length of rental agreements, and all	The Board is responsible

<p>other aspects associated with the overall management of land consistent with the Mission and Core Values outlined in Article 2. The Board shall also outline selection criteria for choosing Farmer-Leaseholders.</p>	<p>for the execution of the Common's mission and selection of Farmer-Leaseholders.</p>
<p>2. The decision to mortgage or otherwise encumber land owned by the Commons shall require:</p>	<p>Encumbering (putting some sort of restriction) on any Common's land requires:</p>
<p>i. The approval of the Board of Directors;</p>	<p>Approval from the Board;</p>
<p>ii. The unanimous consent of any parties to whom such land is leased;</p>	<p>Consent of the Farmer-Leaseholders;</p>
<p>iii. Be allowable by these Bylaws; and</p>	<p>Be allowed under these Bylaws; and</p>
<p>iv. Approval by Nonprofit.</p>	<p>Approval by the Nonprofit.</p>
<p>3. In addition, encumbrances are subject to the following conditions:</p>	<p>Any burdens on the land <u>cannot</u>:</p>
<p>i. Land may only be collateralized for mortgage to 20% of its value;</p>	<p>Exceed more than 20% of the value of the land;</p>
<p>ii. No rights conveyed or encumbered in land, water, and subsurface rights may limit or prohibit agriculture, stewardship, and agrarian enterprises; and</p>	<p>Prohibit or negatively affect the intended agricultural and ecological stewardship practices; and</p>
<p>iii. Mortgage may not obtain rights to foreclose.</p>	<p>Obtain rights to foreclose on the property.</p>
<p>4. Any encumbrances shall be subordinated to any leases relating to such land.</p>	<p>Any burdens placed on the land are subject to the terms of the lease of the Farmer-Leaseholders.</p>

b. Transferring Land	
<p>1. If the Nonprofit dissolves, such properties shall be transferred to the nonprofit fund, foundation, or corporation designated by the Nonprofit, which is organized and operated exclusively for charitable purposes and which has established its tax-exempt status under Internal Revenue Code Section 501(c)(3). The Commons shall make every reasonable effort to prioritize a or b, below, and only after all reasonable options are explored and given time needed shall option c be pursued.</p>	<p>If the Nonprofit dissolves, then the land will be transferred in accordance with IRS regulations with a priority on a or b below.</p>
<p>a. Transfer to an Indigenous community located near each parcel, regardless of whether such community is federally recognized, if that community is interested in receiving the land and has the capacity to steward the land;</p>	<p>To Indigenous communities located near the land;</p>
<p>b. Transfer to a people of color-led, land-based organization that shares the mission of the Commons, if that community is interested in receiving the land and has the capacity to steward the land;</p>	<p>A People of Color led organization doing land-based work;</p>
<p>c. Transfer to a mission-compatible land-based organization near the location of each parcel that has adequate funding, knowledge, resources, and demonstrated commitment to manage the land as a commons; or</p>	<p>A Mission aligned organization that has adequate funding to steward the land; or</p>
<p>d. Notwithstanding the above, a parcel of land may be sold on the open market when it is not a viable or integral component of agriculture, agrarian, community, and/or ecological health and viability of the whole Commons pursuant to a resolution adopted by an affirmative vote by at least two thirds of the entire Board plus the affirmative vote of the Farmer-Leaseholder Representative Director and with the approval of the Nonprofit and agreement to waive Option to Recover. Any and all sales are subject to existing leases, and subsequent buyers are bound by existing leases at the time of sale.</p>	<p>When the land is no longer a viable or integral component of agriculture, agrarian, community, and/or ecological health and viability of the whole Commons it may be sold on the open market.</p>

8. AMENDMENT OF THE ARTICLES OF INCORPORATION OR BYLAWS

About this Section: This section highlights how the Commons may amend their organizational materials.

Legal Language	Plain Language
1. The Articles of Incorporation may be amended and these Bylaws may be amended or may be repealed and new Bylaws adopted only by:	The following must be met for the Articles of Incorporation and these Bylaws to be amended or replaced:
a. An affirmative vote by two thirds of the entire Board of Directors plus the affirmative vote of the Farmer-Leaseholder Representative Director at any regular or special meeting of the Board, provided that written notice of such meeting has set forth the proposed amendment or replacement, with appropriate explanations thereof; and	At least 2/3s of the entire Board plus the Farmer-Leaseholder Representative Director must affirmatively vote for the amendment or replacement of these Bylaws and/or the Articles of Incorporation; and
b. Unanimous consent by the Nonprofit present at any Regular or Special Nonprofit Meeting, a quorum being assembled, provided that written notice of such meeting has set forth the proposed amendment or replacement, with appropriate explanations thereof.	The Nonprofit must affirmatively vote for the amendment or replacement of these Bylaws and/or the Articles of Incorporation.

9. DISSOLUTION OF THE COMMONS

About this Section: This section highlights how the Commons may dissolve organizationally.

Legal Language	Plain Language
1. A decision to dissolve the Commons and to distribute the Common's assets in a particular manner in accordance with the Articles of Incorporation shall require:	If the Board and Nonprofit wish to dissolve the Commons:
a. An affirmative vote by two thirds of the entire Board of Directors plus the affirmative vote of the Farmer-Leaseholder Representative Director at any regular or special meeting of the Board, provided that written notice of such meeting has included a full description of a proposed plan of dissolution; and	At least 2/3s of the entire Board plus the Farmer-Leaseholder Representative Director must affirmatively vote for the dissolution; and
b. A resolution of the Nonprofit, provided that full description of the proposed plan of dissolution by the Board of Directors, has been given to the Nonprofit of the Commons no later than three weeks prior to resolution taking effect.	The Nonprofit must affirmatively vote for the dissolution.
2. If the Commons should dissolve for any reason, all of the business, properties, assets, and income of the Commons remaining after payment of all debts and liabilities of the Commons shall be distributed in accordance with these Bylaws, the Articles of Incorporation and as required by law.	Dissolution of the Commons means a distribution of all holdings (land, money, etc.) in accordance with these Bylaws, the Articles of Incorporation and as may be required by law.

10. MISCELLANEOUS PROVISIONS

About this Section: This section highlights standard provisions in Bylaws.

Legal Language	Plain Language
1. The fiscal year of the Commons shall begin on January 1 of each year and shall end on December 31 of each year.	The fiscal year is January 1 - December 31.
2. All funds of the Commons not otherwise employed shall be deposited in such banks, trust companies, or other reliable depositories, as the Board, from time to time, may determine. All checks, drafts, endorsements, notes, and evidence of indebtedness of the Commons shall be signed by such officers or agents of the Commons and in such manner as the Board, from time to time, may determine.	The Commons will have a bank account.
3. No loans or advances shall be contracted on behalf of the Commons, and no note or other evidence of indebtedness shall be issued in its name, except as authorized by the Board of Directors. Any such authorization shall relate to specific transactions.	The Board must agree to any debt taken on by the Commons.
4. Any Officer or agent of the Commons specifically authorized by the Board of Directors may, on behalf of the Commons, enter into those contracts or execute and deliver those instruments that are specifically authorized by the Board of Directors. Without the express and specific authorization of the Board of Directors, no officer or other agent of the Commons may enter into any contract or execute and deliver any instrument in the name of the Commons.	Authorized Officers and/or employees may sign contracts on behalf of the Commons.
5. Any person (and the heirs, executors and administrators of such person) made or threatened to be made a party to any action,	The Directors and Officers will not be held personally

suit or proceeding by reason of the fact that they are or were a Director or Officer of the Commons shall be indemnified by the Commons against any and all liability and the reasonable expenses, including attorneys' fees and disbursements, incurred by him or her (or their heirs, executors, or administrators) in connection with the defense or settlement of such action, suit, or proceeding, or in connection with any appearance therein, except in relation to matters as to which it shall be adjudged in such action, suit or proceeding that such Director or Officer is liable for negligence or misconduct in the performance of their duties.

responsible for their actions as long as those actions were legal, done in good faith and within the scope of their position. The Commons will protect these people in the event of a lawsuit.

[SIGNATURE PAGE TO FOLLOW]

CERTIFICATE OF SECRETARY

About this Section: This section highlights how the Commons may dissolve organizationally.

Legal Language

I, the undersigned, being the Secretary of [ORGANIZATION NAME] hereby certify that the above Bylaws consisting of pages including this certificate were adopted as the Bylaws of this organization pursuant to the unanimous written consent of the Nonprofit and the Board, effective DATE OF MEETING. These Bylaws are, as of the date of this certification, the duly adopted and existing Bylaws of this organization.

Plain Language

I am the Secretary of the Commons and promise that the Board and Nonprofit have agreed to the terms of these Bylaws as of DATE OF MEETING.

SIGNED:

