

**BEAUFORT JASPER HOUSING TRUST  
BYLAWS**

**ARTICLE ONE**

**ARTICLES OF INCORPORATION, LOCATION, CORPORATE SEAL, AND FISCAL YEAR**

Articles of Incorporation. **BEAUFORT JASPER HOUSING TRUST**

The powers of the CORPORATION and the board and officers, and all matters concerning the conduct and regulation of the organization's affairs shall be subject to its Articles of Incorporation as amended from time to time. The South Carolina "William C. Mescher Local Housing Trust Fund Enabling Act" authorizes a local government to create, fund, and operate a local or regional housing trust fund to promote affordable housing development individually or jointly.

1.1. Purpose.

Beaufort Jasper Housing Trust, Inc. (hereafter "Housing Trust") is organized and always shall be operated exclusively for purposes within the meaning of Section 501 (C) (3) of the Internal Revenue Code of 1986, as amended (hereinafter referred to as the "Code" or "Internal Revenue Code" which shall include any subsequent corresponding Code of Federal Tax Law.) The Housing Trust was organized by an Intergovernmental agreement approved by Beaufort and Jasper Counties, the Town of Hilton Head Island, Port Royal, Bluffton, Hardeeville, Yemassee and the City of Beaufort.

Through its agreement, appointed members serve as an Oversight Board authorizing the parties to jointly create, fund, and operate a regional housing trust fund to support affordable housing in the region and to:

- A. Finance and help facilitate new affordable and workforce housing units, or rehabilitate or preserve existing housing units, for households whose income does not exceed one hundred percent (100%) of the area median income for the local area, with adjustments for household size, according to the latest figures available from the United States Department of Housing and Urban Development (HUD). Projects serving households with income at or below 60% of the Annual Median Income will be prioritized.
- B. Provide the financing, funding, and resources necessary to support the production and preservation of affordable and workforce housing for the growing Beaufort County and Jasper Counties.
- C. Increase awareness of existing and new funding and financial products that serve:
  - a. Jasper County, Beaufort County, Town of Hilton Head, Town of Port Royal, City of Hardeeville, Town of Bluffton, Town of Yemassee, and the City of Beaufort.
- D. Define and implement dedicated, stable, and reliable revenues to support the fund's sustainability and future financing opportunities for affordable and workforce housing production and preservation.
- E. Leverage other funding from banks, corporations, philanthropic institutions, and federal, state, and local governments.
- F. Consider and implement innovative ways to finance and address the growing demand for workforce housing needs, including but not limited to employer-based housing initiatives and mixed-income and mixed-use projects that promote new housing, jobs and transportation hubs.
- G. Pursue all charitable activities related to the preceding specific purposes.
- H. All activities of the Corporation shall support the following priorities:
  - a. Providing accessible, affordable housing to the region to support the area's essential workforce and others with high housing cost burdens.
  - b. Overcoming barriers to affordable development, such as high-cost financing, financial gaps, and land availability.
  - c. It ensures a regional approach for affordable housing that addresses the needs of each jurisdiction while meeting critical strategic goals for housing location.
  - d. It understands the tools and resources available to housing trust funds through various state and federal laws and regulations.
- I. Notwithstanding any other provision of the Articles or the Bylaws, the Corporation shall not carry on any activities not permitted (a) by a corporation exempt from federal income tax under Section 501 (c) (3) of the Internal Revenue Code of 1986 as amended (or the corresponding provision of any future United States Internal Revenue Law), or (b) by corporation contributions which are deductible under Section 170 (c) (3) of the Internal

Revenue Code of 1986 as amended (or applicable provisions of any future United States Internal Revenue Code, law or regulation).

1.3 Location. The principal office of the Corporation is in Beaufort County or Jasper County, South Carolina. The directors may change the location of the main office effective upon filing a notice of such change with the Secretary of State of South Carolina.

1.4 Corporate Seal. The Board of directors may adopt and alter the seal of the Corporation.

1.5 Fiscal Year. The fiscal year of the Corporation shall begin on January 1 and end on December 31 of each year.

## **ARTICLE TWO**

### **MEMBERS AND BOARD ACTIONS**

The Corporation may have members, who will be non-voting members but entitled nonetheless to notice of all regular meetings of the Board to be kept apprised of Corporation activities, provide appropriate input to the Board and the like. The Board shall take all corporate action per the nonprofit corporation laws of the State of South Carolina, the Articles of Incorporation, and these Bylaws. The above notwithstanding, the Board is authorized to adjust this Article from time to time regarding its members' rights, duties, and obligations.

## **ARTICLE THREE**

### **MEMBER SPONSORSHIP**

3.A. Certain entities have provided or may provide support to fund the creation and operation of the Corporation. These organizations shall be deemed Sponsors of the Corporation and shall each be authorized to nominate a member to Board Membership. The Corporation intends that the Board members represent the entire geographic region. Founding Sponsors are the City of Beaufort, Beaufort County, Town of Bluffton, City of Hardeeville, Town of Hilton Head, Town of Port Royal, and Town of Yemassee, and Jasper County, Additional Sponsors may be added from time to time upon Board approval.

## **ARTICLE FOUR**

### **BOARD MEMBERS, BOARD POWERS, MEMBERSHIP, TERMS**

#### **POWERS AND MEMBERSHIP**

4.A.1. Powers. All corporate powers and the affairs of the Corporation shall be exercised by or under the authority of the Board of Directors. The Officers of the Corporation will be a Chairman, Vice Chairman, Treasurer/Secretary, and such other officers as the Board prescribes.

4.A.2. Board of Directors: Number, Appointment, and Eligibility

- a. The Corporation's Board of Directors is comprised of nine (9) members.
- b. Each Sponsor of the Corporation outlined in section 3.A of these bylaws shall appoint one (1) representative to serve a three-year term on the Housing Trust Oversight Board ("the Board") for so long as they remain a financial contributing party. The Director of the Housing Trust will serve as an Ex Officio member of the Board. The ninth appointee shall be an at-large representative who is agreed upon by the combined sponsors to make the membership of the board a total of nine representatives. Board Members shall represent a diverse field of experts familiar with affordable housing, real estate, and local government housing priorities. No elected officials may serve on the Oversight Board.
- c. The Oversight Board will be comprised of the following:

#### **AFFILIATION**

- Beaufort County Appointee
- Jasper County Appointee
- Town of Hilton Head Appointee
- Town of Bluffton Appointee

City of Hardeeville Appointee  
City of Beaufort Appointee  
Town of Port Royal Appointee  
Town of Yemassee Appointee  
Southern Lowcountry Regional Board Appointee (at large)

d. The Corporation is committed to a policy of fair representation on the Board of Directors, which does not discriminate based on race, physical handicap, sex, color, ethnicity, religion, sexual orientation, or age.

4.A.3. Terms of Office: The terms of office of the initial Directors shall be staggered so that approximately one-third (1/3) of the Directors shall serve an initial term of one (1) year, approximately one-third (1/3) of the initial Directors shall serve an initial term of two (2) years. The remaining Directors shall serve initial terms of three (3) years. Any Directors elected after that would serve a three (3) year term or until a qualified successor is elected. Directors can be appointed for successive terms. The Board shall elect a Chair, Vice-Chair, and a Secretary/Treasurer by a majority vote of the Board of Directors at its annual meeting.

4.A.4. Resignation and Replacement of Resigning Board Members. A Board Member may resign at any time by delivering written notice to the Board of Directors, the Chairman, or the Secretary. A resignation is effective when the notice is received unless the notice specifies a later effective date. The Chairman may fill the vacancy with guidance from the Sponsoring entity from which a Board member vacated the seat. The Sponsor is asked to appoint a person to be considered for election to the Board to complete any unexpired portion of the then-current term of the resigning Director.

4.A.5. Removal of Board Members. The sponsoring jurisdiction will be notified of the removal of a board member. A director may be removed without cause by a majority vote of the Board. Failure of a director to be present at three (3) three regularly scheduled Board meetings in any 12 months period will result in their removal from the Board by a vote of fifty-one percent (51%) members of the Board of Directors.

4.A.6. Compensation. No Board Member will receive directly or indirectly any salary, payment, or gift from the Housing Trust Fund or its partnering jurisdictions.

## **B. MEETINGS AND ACTION OF THE BOARD**

4.B.1 Regular and Special Meetings. If the date, time, and place of a Board of Directors meeting is fixed by the bylaws or the Board, then the meeting is a Regularly Scheduled meeting. All other meetings are Special Meetings. The Board of Directors may hold regular or special meetings in or out of the State of South Carolina at times and places as the Board may determine.

4.B.2. Meeting Conduct. Meetings of the Board and all committees shall be conducted per Roberts Rules of Order.

4.B.3. Manner of Board Participation. The Board may permit any or all Directors to participate in a regular or special meeting through any means of communication by which all Directors participating may hear each other simultaneously during the session. A Director participating in a discussion by this means is deemed to be present at the meeting.

4.B.4. Action without Meeting. Action required or permitted to be taken at a Board of Directors meeting may be taken without a meeting if all members of the Board act. The action must be evidenced by using one or more written consents describing the action to be taken, signed by each Director, and included in the minutes filed with the corporate records reflecting the action taken. A consent signed under this section has the effect of a meeting vote and may be described as such in any document.

4.B.5. Notice of Meetings. At least two (2) days' notice of all regular and special meetings shall be provided to each Director in writing via email or verifiable delivery service. Such information shall include the meeting's time, date, and location.

4.B.6. Waiver of Notice. A Director may waive any notice required by law or these Bylaws, and a Director's attendance at or participation in a meeting waives any required notice of the meeting.

4.B.7. Quorum.

At any Directors' meeting, a majority of Directors in office and present immediately before a session begins shall constitute a quorum. Any meeting may be adjourned by a majority of the votes cast upon whether or not a quorum is present, and the meeting may be postponed and continued without further notice.

4.B.8. Action by Vote. When a quorum is present at any meeting, the act of a majority of the Directors current and voting shall be the act of the Board unless otherwise provided herein.

4.B.9. Assent at Meeting. A Director who is present at a meeting of the Board when corporate action is taken is considered to have assented to the action unless the Director votes against the motion.

## **C. STANDARDS OF CONDUCT**

4.C.1. General Standards for Directors. A Director shall discharge his/her duties as a Director, including as a member of the committee:

- a. in good faith.
- b. with the care an ordinarily prudent person in a like position would exercise under similar circumstances, and
- c. in a manner the Director reasonably believes to be in the best interests of the Corporation.

4.C.2. Reasonable Reliance. In discharging his duties, a Director is entitled to rely on information and opinions, reports, or statements, including financial statements and other financial data, if prepared or presented by officers of the Corporation, legal counsel, public accountants, or a committee of the Board, provided the Director is reasonably confident in the expertise and competence of the parties preparing information.

4.C.3. Unwarranted Reliance. A Director is not acting in good faith if the Director knows the matter that makes reliance otherwise permitting under section 4.C.2. unwarranted.

4.C.4. Exoneration.

A Director should not be liable to the Corporation or any other person for any action taken as a Director if the Director complied with the preceding provisions of this Sub article C.

4.C.5. Director is not a Trustee. A Director shall not be deemed a trustee concerning the Corporation or any property held or administered by the Corporation, including, without limit, property subject to restrictions imposed by the donor or transferor of the property.

4.C.6. Limitation Period. An action against a Director asserting the Director's failure to comply with this Sub article and consequent liability must be commenced within three years after the loss complained of.

4.C.7. Board Member Conflict of Interest.

a. A conflict-of-interest transaction is a transaction with the Corporation in which a Director, the Director's family, or any entity in which the Director or the Director's family has a direct or indirect interest. A Conflict of Interest (COI) form is to be signed by each Board Member, and the Board Member must recuse himself/or herself if he/she were to have a housing project selected from which he or they would benefit. A conflict-of-interest transaction is also deemed to include any

transaction with a Sponsor as defined herein in which the Director or the Director's family has a direct or indirect interest.

- b. A transaction that is a conflict of interest as defined herein may be authorized, approved, or ratified by a vote of the Board of Directors or an authorized committee of the Board if:
  - i. the material facts of the transaction and the Director's interest are disclosed and known to the Board or committee; and
  - ii. the Directors approving the transaction in good faith reasonably believe that the transaction is fair to, and in the best interests of, the Corporation.
- c. For purposes of this section 4.C.7., a Director of the Corporation has an indirect interest in a transaction if:
  - i. another entity of which the Director is a director, officer, or trustee is a party to the transaction; or
  - ii. another entity in which the Director has a material interest or in which the Director is a general partner, member, material shareholder, or owner is a party to the transaction.
- d. For purposes herein, a conflict-of-interest transaction is authorized, approved, or ratified only if it receives an affirmative vote of the majority of the Directors on the Board or committee who have no direct or indirect interest in the transaction.
- e. The Corporation shall adopt and maintain a Conflict-of-Interest Policy that imposes additional requirements concerning conflict-of-interest transactions.
- f. Each Director shall complete and deliver to the Corporation a statement disclosing all transactions in which that Director is, or has been, engaged that might be considered a potential conflict of interest. Each Director shall complete such a statement upon request but at least annually.

4.C.8. Loans or Guarantees. The Corporation shall not directly or indirectly lend money to or guarantee any obligation of a Director or Officer of the Corporation.

4.C.9. Immunity from Suit. Under South Carolina law, the Directors of the Corporation are immune from suit arising from the conduct of the affairs of the Corporation unless the conduct amounts to willful, wanton, or gross negligence.

#### **D. OFFICERS AND COMMITTEES**

4.D.1. Required Officers. The Officers of the Corporation shall include a Chair, Vice Chair, a Secretary/Treasurer, and such other officers as are appointed by action of the Board. Except for Chair and Vice Chair, an officer may but need not be a Director. A single individual may simultaneously hold more than one office in the Corporation.

4.D.2. Duties and Authority of Officers. Each officer shall have the authority and shall perform the duties outlined in this section and, to the extent consistent with this section, the responsibilities, and authority prescribed in a resolution of the Board or by direction of an officer authorized by the Board to define the duty and control of other officers.

- a. The officers of the Corporation will be elected annually by the members of the Board at its initial meeting each year. Each officer will serve a one-year term or until reelection or replacement at the first regularly scheduled meeting.
- b. Any officer may be removed with or without cause by a vote of a majority of the Board of Directors then in office. The matter of removal may be acted upon at any meeting of the Board, if notice of intention to consider said removal has been given to the officer affected at least seven (7) days before the meeting date.
- c. A majority vote of the Board for the remainder of the unexpired term of the removed officer may fill a vacancy in any office.
- d. The Chair will preside at all meetings of the Board, exercise general supervision of the affairs of the Corporation, execute on behalf of the Corporation, as authorized by the Board, all contracts, deeds, conveyances, and other instruments in writing for the proper and necessary transaction of the business of the Corporation.
- e. The Vice Chair shall act in the absence or the disability of the Chair to perform such duties as may be assigned by the Chair. In the absence of the Chair, the execution by the Vice Chair on behalf of the Corporation will have the same force and effect as if the Chair executed it.

- f. The Treasurer/Secretary will be responsible for keeping the corporate records and giving or causing to be given all notices of meetings and other information as required by law or by these Bylaws. At each meeting of the Board, the Secretary will present the minutes of the previous session.
- g. The Treasurer/Secretary will have a general charge of the finances of the Corporation. The Treasurer/Secretary will endorse all corporation checks, drafts, notes, and other obligations and evidence of payment of money into the Corporation. This Person shall present the Corporation's financial position status to the Board at each meeting.
- h. Any officer, in addition to these Bylaws' powers and responsibilities conferred upon him/or her, will have additional duties as the Board may prescribe occasionally.

4.D.3. Standards of Conduct for Board Members. An officer with discretionary authority shall discharge their duties, in good faith, with the care an ordinarily prudent person in a like position would exercise in a manner the officer reasonably believes to be in the best interests of the Corporation.

4.D.4. Committees. The Standing Committees of the Corporation shall include an Executive Committee, a Governance Committee, a Finance Committee, Development Committee, and a Project Evaluation Committee. The Chair may, at his/her discretion, appoint such other Committees as he/she deems necessary to do the work of the Corporation. The Chair shall have the authority to dissolve such committees without seeking Board approval. A majority of the Board will decide who serves on a committee.

#### **4. E. INDEMNIFICATION**

4.E.1. Definitions. For purposes of this Sub Article, the following defined terms shall have the meanings set forth herein:

- a. "Covered Person" means an individual:
  - i. who is or was a Director or officer of the Corporation, or was a volunteer appointed in writing by the Board to perform services to the Corporation, and
  - ii. who was or is threatened to be made Party to a Proceeding because of his or her position.
  - iii. Covered Person shall also include a Covered Person's estate or personal representative.
- b. "Expenses" includes, without limitation, liabilities, amounts to be paid to satisfy judgments, compromises, fines, penalties, and legal and accounting fees.
- c. "Liability" means the obligation to pay a judgment, settlement, penalty, fine or reasonable expenses incurred concerning a Proceeding.
- d. "Official Capacity" means the Board Member, officer, or volunteer acting in his or her official capacity on behalf of the Corporation.
- e. "Party" includes an individual who was or is a defendant or respondent in a Proceeding or who was or is threatened to be made a named defendant or respondent in a Proceeding.
- f. "Proceeding" means any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative.

4.E.2. Obligation to Indemnify.

- a. Except as provided in section 4.E.2.b., the Corporation shall indemnify against liability incurred in the Proceeding if a Covered Person is made Party to a Proceeding because that Person is a Covered Person if:
  - i. He or she acted in good faith; and
  - ii. He/she reasonably believed that his/her action was in the best interests of the Corporation; and
  - iii. He/she had no reasonable cause to believe his/her conduct was unlawful.
- b. The Corporation shall not indemnify a Covered Person if:
  - i. the Person is adjudged liable to the Corporation, or
  - ii. the Person has adjudged liable on the basis that that Person received the personal benefit.

4.E.3. Advances for Expenses.

The Corporation shall pay for reasonable expenses incurred by a Covered Party who is a party to a Proceeding in advance of the final disposition of the Proceeding if a determination is made that the facts then known to those making the determination would not preclude indemnification.

4.E.4. Insurance. If sufficient funds are available and deemed advisable by the Board, the Corporation may purchase and maintain insurance on behalf of each Covered Person against liability.

4.E.5. Other Expenses. This Sub Article does not limit the Corporation's obligation to pay or reimburse reasonable expenses incurred by a Covered Person in connection with his appearance as a witness in a Proceeding at a time when the Covered Person has not been made a named defendant or respondent in the Proceeding. Such expenses shall include the reasonable fees and costs payable by the Covered Person to independent counsel if and to the extent that the engagement of independent counsel by the Covered Person is necessary for connection with the Proceeding.

4.E.6. Coverage under South Carolina Law. The provisions of these Bylaws shall be construed to provide the most significant degree of indemnification which can be provided under South Carolina law; provided, however, any provision of these Bylaws or a portion thereof, which is unlawful shall be severable from the remaining provisions which shall remain in full force and effect.

## **ARTICLE FIVE**

### **AMENDMENT OF BYLAWS**

These Bylaws may be altered or amended by a vote of a majority of the currently serving Board of Directors.

## **ARTICLE SIX**

### **INVESTMENTS, LIMITATIONS ON ACTIVITIES, NONDISCRIMINATION**

6.1. Investments. The Corporation shall have the right to retain all or part of any securities or property acquired by it in whatever manner, and to invest and reinvest any funds held by it, according to the judgment of the Board of Directors, without being restricted to the class of investments, provided, however, that no action shall be taken by or on behalf of the Corporation if such action is a prohibited transaction or would result in the denial of the tax exemption under Section 503 or 507 of the Internal Revenue Code of 1986, or any subsequent applicable Federal tax laws.

6.2. Limitations on Activities. Notwithstanding any provision of these Bylaws, no Director, officer, employee, or representative of this Corporation shall take any action or carry on any activity by or on behalf of the Corporation not permitted to be taken or carried on by an organization exempt under Section 501 (C ) (3) of the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder, or any subsequent applicable Federal tax laws and regulations.

6.3. Prohibition Against Private Inurement. No part of the net earnings of the Corporation shall inure to the benefit of, or be distributable to, its Directors, officers, or other private persons, except that the Corporation, subject to Board approval, shall be authorized and empowered to pay reasonable compensation for services rendered, to reimburse reasonable expenses incurred for the benefit of the Corporation, and to make payments and distributions in furtherance of the purposes of the Corporation.

6.4. Prohibition Against Discrimination. The Corporation shall provide equal opportunity for all qualified persons regardless of race, color, ethnicity, religion, gender, national origin, familial status, age, disability, sexual orientation, or veteran status.

## **ARTICLE SEVEN**

## DISSOLUTION

In the event of dissolution of the Corporation, after payment of all necessary expenses thereof, all the assets and property of the Corporation shall be distributed as the Board of Directors may determine to any other or successor organization then in existence, if such organization then qualifies for tax-exempt status under section 501 (C)(3) of the Code, as amended, and the Regulations promulgated hereunder. Such distribution shall be made per all applicable State of South Carolina laws and provisions.

Bylaws adopted this day 5 of March, 2023.

BEAUFORT JASPER HOUSING TRUST

BY: Wardy Gao

ITS: Chairman

ATTEST: MICHELLE GASTON

BY: Michelle Gaston

ITS: Secretary