

**PATERSON  
HABITAT  
FOR  
HUMANITY  
BY-LAWS**

**BYLAWS  
OF  
PATERSON HABITAT FOR HUMANITY, INC.**

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**ARTICLE I**  
**NAME, FORM OF ORGANIZATION AND PURPOSES**

**Section 1.1 Name.**

The name of the corporation is Paterson Habitat for Humanity, Inc.

**Section 1.2 Nonprofit and tax exempt status**

The corporation is organized as a nonprofit corporation under the State of New Jersey Nonprofit Corporation Act and as a tax exempt organization under Section 501(c)(3) of the Internal Revenue Code, as amended.

**Section 1.3 Members**

The corporation shall be a membership corporation and shall have two classes of members.

- (a) Non-Voting Members: Any person who supports the purposes of the corporation as expressed in the Articles of Incorporation and who contributes to the corporation either time, money, or other property shall be a General Member of the Corporation.
- (b) Voting Members: Any person who meets the requirements for general membership and is presently serving as a member of the Board of Directors shall be a Voting Member of the Corporation.

**Section 1.4 Purposes**

The purposes for the corporation are:

- (a) set forth in the Covenant between Habitat for Humanity International and U.S. Affiliated Organization and incorporated by reference to these bylaws. (Attached as Exhibit A) with the goal of achieving the Mission/Vision of a world where everyone has a decent place to live.
- (b) to receive, maintain, and accept as assets of the corporation, any property, whether real, personal, or mixed, by way of gift, bequest, devise or purchase from any person, firm, trust, or corporation, to be held, administered, and disposed of exclusively for charitable, religious, educational, and scientific purposes within the meaning of Section 501(c)3 of the Internal Revenue Code, as amended, and in accordance with and pursuant to the provisions of these articles of incorporation; but no gift, bequest, devise or purchase of any such property shall be received or made and accepted if it is conditioned or limited in such manner as shall require the disposition of income or principal to any organization other than a charitable organization or for any purposes of the charitable purposes which would jeopardize the status of the corporation as an entity exempt from federal income tax pursuant to the relevant provisions of the Internal Revenue Code, as amended; and
- (c) to exclusively promote and carry on any other religious, charitable, or educational purposes and activities for which corporations may be organized and operated under the relevant provisions of the Internal Revenue Code, as amended under the state of new Jersey Nonprofit Corporation Act.

**Section 1.5 Geographic Service Area**

The geographic service area of the affiliate's activities is Passaic County, New Jersey.

**Section 1.6 Affiliation with Habitat for Humanity International**

The Organization, being a particular affiliate of Habitat for Humanity International (“HFHI”), recognizes that it is a party to the U.S. Affiliation Agreement (as amended from time to time) and commits to work in partnership with Habitat for Humanity International to accomplish the Habitat ministry of building homes, communities, and hope.

## **ARTICLE II OFFICES**

### **Section 2.1 Principal office**

The principal office of the corporation shall be located in Paterson, New Jersey, at the address designated in the most recent annual report filed with the State of New Jersey secretary of state. The corporation shall maintain at its principal office a copy of the corporate records specified in Section 7.4 of Article VII.

### **Section 2.2 Registered office and agent**

The registered office of the corporation is required by law to be maintained in the state of New Jersey and may, but need not, be identical with the principal office. The corporation shall maintain a registered agent whose office is identical with the registered office. The corporation may change its registered office or registered agent from time to time in the manner required by law.

### **Section 2.3 Other offices**

The corporation shall have offices at such other places within the state of New Jersey as the board of directors from time to time may determine, or as the affairs of the corporation may require.

## **ARTICLE III BOARD OF DIRECTORS**

### **Section 3.1 General powers and authority of the board**

All corporate powers shall be exercised by, or under the authority of, and the affairs of the corporation managed under the direction of the board of directors.

### **Section 3.2 Number, term, and qualifications**

The authorized number of directors of the corporation shall be not less than ten (10) nor more than twenty-three (23), as the board of directors shall determine from time to time. The board of directors shall consist of three classes of approximately equal size, with the term of each class ending in consecutive years. One class, on a rotational basis, shall be elected each year. Each director shall serve for a term of three (3) years and until his or her successor is elected and qualified or until such director’s earlier death, resignation, incapacity to serve, or removal. Notwithstanding the preceding, to achieve the required consecutive-year terms, the initial directors shall be elected for initial terms of one, two or three years, each of which shall be considered one term. Directors elected after the initial terms shall be elected for a term of three years. A duly elected and qualified director shall not be eligible for reelection to the board of directors for more than three consecutive three-year terms, or for a partial term of more than one (1) year and one full three (3) year term. Former board members may be re-elected when one year has elapsed after board retirement. Efforts will be made to have a diverse group of people representing all aspects of Habitat’s ministry. At least one-third of the directors must be residents of low income neighborhoods; or other low-income community residents; or elected representatives of low-income neighborhood organizations. No more than one-third of the directors may be representatives of the public sector.

### **Section 3.3 Election of directors**

Except as provided in Section 3.6 below relating to vacancies, directors shall be elected by the board of directors at the annual meeting of the board of directors. The nominating committee shall present a slate

of nominees as directors. Nominations may also be made by directors from the floor. Those persons who receive a plurality of the votes cast shall be deemed to have been elected. If any director then holding office so demands, the election of directors shall be by secret ballot.

### **Section 3.4 Resignation of directors**

A director may resign by delivering written notice to the board of directors, Chairperson or Secretary of the corporation. A resignation is effective when the notice is received unless the notice specifies a later effective date. If a resignation is made effective at a later date, the board of directors may fill the pending vacancy before the effective date if the board provides that the successor does not take office until the effective date.

### **Section 3.5 Removal of directors**

A director may be removed without cause by the vote of two-thirds (2/3) of the directors then in office. In addition, a director may be removed by affirmative vote of a majority of the directors then in office, if the director has three unexcused absences in a year from regular meetings of the board of directors.

### **Section 3.6 Vacancies**

If a vacancy occurs on the board of directors, including a vacancy resulting from an increase in the number of directors, the board of directors may fill the vacancy, provided that if the directors remaining in office constitute fewer than a quorum of the board, they may fill the vacancy only by the affirmative vote of a majority of all the directors remaining in office or by the sole remaining director. Absent any express condition to the contrary at the time of election, a director elected to fill a vacancy shall hold office until the end of the unexpired term that such director is filling, or, if earlier, until such director's death, resignation, removal or disqualification. However, if the board so provides at the time the vacancy is filled, the board of directors may elect a director to fill a vacancy until the next annual meeting of the board of directors or until such director's successor is elected and qualifies.

### **Section 3.7 Chairperson and Vice-Chairperson**

The Chairperson of the corporation shall serve as the President of the board of the directors and shall preside at all meetings of the board of directors and perform other duties as may be prescribed from time to time by the board. The Vice-Chairperson shall serve as the Vice President of the board of directors, in the absence of the Chairperson, or in the event of death, inability or refusal to act of the Chairperson, shall preside at all meetings of the board.

### **Section 3.8 No compensation**

The board of directors shall not permit compensation of directors for their services as such.

### **Section 3.9 Honorary Board Membership**

In recognition of long and distinguished service, members may be proposed by the Executive Committee for honorary membership. Honorary Members shall be elected at the Annual meeting by a majority of the voting members present. Honorary Members shall not be eligible to vote at any meeting of the Board of Directors.

## **ARTICLE IV MEETINGS OF DIRECTORS**

### **Section 4.1 Place of meetings**

All meetings of the board of directors shall be held in Passaic County, New Jersey, or at such place as the board of directors may determine.

#### **Section 4.2 Annual meeting**

The annual meeting of the board of directors, for the purpose of electing directors and officers, and transacting other business, shall be held in the month of December of each year, or at such other time as the board of directors may determine. The budget shall be approved at the June meeting, or at such other time as the board of directors may determine.

#### **Section 4.3 Regular meetings**

Additional regular meetings of the board of directors shall be held at least six (6) times a year.

#### **Section 4.4 Special meetings**

Special meetings of the board of directors may be called by or at the request of the Chairperson or twenty percent (20%) of the directors then in office. Such meetings must be held within the County of Passaic, New Jersey.

#### **Section 4.5 Notice of meetings**

Regular meetings of the board of directors may be held without notice if the date, time and place of the meeting previously have been fixed by the board; otherwise, regular meetings must be preceded by at least two (2) days' notice to each director of date, time and place, but not the purpose, of the meeting. Special meetings of the board of directors must be preceded by at least two (2) days' notice to each director of the date, time, place and purpose of the meeting. Notice required by the foregoing provisions may be given by any usual means of communication and may be oral or written. However, any board action to remove a director or to approve a matter that would require approval by the members if the corporation had members, shall not be valid unless each director is given at least seven (7) days' written notice that the matter will be voted upon at a directors' meeting or unless notice is waived pursuant to Section 4.6 below. Oral notice is acceptable if communicated in a comprehensible manner.

Written notice, if in a comprehensible form, is effective at the earliest of the following: (a) when received, (b) five (5) days after its deposit in the United States mail, as evidenced by the postmark, if mailed correctly or certified mail, return receipt requested, and the receipt is signed by or on behalf of the addressee; or, (c) thirty (30) days after its deposit in the United States mail, as evidenced by the postmark, if mailed correctly addressed and with other than first class, registered or certified postage affixed. Written notice is correctly addressed to a director if addressed to the director's address shown in the corporation's current list of directors. Written notice may include electronic communications if addressed to the email as provided by the director; date of notice will be the date of the email.

#### **Section 4.6 Waiver of notice**

A director may at any time waive any notice required by law or these bylaws. Except as hereinafter provided in this section, the waiver must be in writing, signed by the director entitled to the notice, and filed with the minutes or the corporate records. A director's attendance at or participation in a meeting waives any required notice of the meeting unless the director upon arriving at the meeting or prior to the vote on a matter not noticed in conformity with law or these bylaws objects to lack of notice and does not thereafter vote for or assent to the objected to action.

#### **Section 4.7 Quorum and Voting**

A quorum of the board of directors consists of one-half (50%) of the directors currently in office. A majority of the directors present plus one shall be needed to approve all resolutions.

#### **Section 4.8 Manner of acting**

If a quorum is present when a vote is taken, the affirmative vote of a majority of directors present is the act of the board of directors, unless the vote of a greater number of directors is required by law or these bylaws. A director may not vote or act by proxy at any meeting of directors.

#### **Section 4.9 Presumption of assent**

A director of the corporation who is present at a meeting of the board of directors or a committee of the board of directors when corporate action is taken is deemed to have assented to the action taken unless: (a) such director objects at the beginning of the meeting (or promptly upon arrival) to holding it or transacting business at the meeting; or, (b) such director's dissent or abstention from the action taken is entered in the minutes of the meeting; or, (c) such director delivers written notice of dissent or abstention to the presiding officer of the meeting before adjournment or to the corporation immediately after adjournment of the meeting. The right of dissent or abstention is not available to a director who votes in favor of the action taken.

#### **Section 4.10 Meeting via communications equipment**

The board of directors may permit any or all directors to participate in an annual, regular or special meeting by, or conduct the meeting through the use of, any means of communication by which all directors participating may simultaneously hear each other during the meeting. A director participating in a meeting by this means is deemed to be present in person at the meeting.

#### **Section 4.11 Action without meeting**

Action required or permitted by law or these bylaws to be taken at a meeting of the board of directors may be taken without a meeting if the action is taken by all of the duly elected and qualified directors of the corporation. The action must be evidenced by one or more written consents describing the action taken, signed by each director and included in the minutes filed with the corporate records reflecting the action taken. Action taken under this section is effective when the last director signs the consent, unless the consent specifies a different effective date. A consent signed under this section thus has the effect of a meeting vote and may be described as such in any document.

#### **Section 4.12 Director conflict of interest transactions**

A conflict of interest transaction is a transaction with the corporation in which a director of the corporation has a direct or indirect interest. For purposes of this section a director has an indirect interest in a transaction if: (a) another entity in which a director has a material interest or in which the director is a general partner is a party to the transaction, or (b) another entity of which the director is a director, officer, or trustee is party to the transaction. A conflict of interest transaction is not voidable on the basis of imposing liability on the director if the transaction was fair at the time it was entered into or is approved in advance as hereinafter provided. A transaction in which a director has a conflict of interest may be approved in advance by the vote of the board of directors or a committee of the board if: (a) the material facts of the transaction and the directors' interest are disclosed or known to the board of committee of the board and (b) the directors approving the transaction in good faith reasonably believe that the transaction is fair to the corporation. For the purposes of this section, a conflict of interest transaction is approved if it receives the affirmative vote of a majority of the directors on the board or on the committee who have no direct or indirect interest in the transaction, but a transaction may not be approved under this section by a single director. If a majority of the directors on the board who have neither direct nor indirect interest in the transaction vote to approve the transaction, a quorum is present for the purpose of taking action under this section. The presence of or a vote cast by a director with a direct or indirect interest in the transaction does not affect the validity of any action taken under this section if the transaction is otherwise approved as hereinabove provided.

## **ARTICLE V**



## **OFFICERS**

### **Section 5.1 Number**

The officers of the board of directors shall consist of a President, Vice-President, Secretary, Treasurer, and such Assistant Secretaries, Assistant Treasurers and other officers as are elected by the board of directors from time to time. No more than one (1) of the six (6) principal officers may be held by the same person.

### **Section 5.2 Election of Officers**

Except as provided in this Section 5.2 relating to vacancies, officers shall be elected by the board of directors at the annual meeting of the board of directors. The nominating committee shall present a slate of nominees as officers. Nominations may also be made by directors from the floor. Those persons who receive a plurality of the votes cast shall be deemed to have been elected. If any director then holding office so demands, the election of officers shall be by secret ballot.

All nominees for officer positions must be members of the board of directors. Each officer shall hold office for a period of one (1) year, or until such officer's death, resignation, or removal, or until such officer's successor is elected. No person may be elected to serve for more than three (3) successive terms in the office of President or Vice-President. No person may be elected to serve for more than six (6) successive terms in the office of Secretary or in the office of Treasurer. The board of directors may elect assistant secretaries, assistant treasurers and other officers at such time or times as the need may arise, in the manner prescribed for other officers in this Section 5.2.

A vacancy occurring in a position of officer of the corporation may be filled at any time by the board of directors. The term of an officer elected to fill a vacancy shall expire at the end of the unexpired term that such officer is filling.

### **Section 5.3 Resignation and removal**

An officer may resign at any time by delivering notice to the corporation. A resignation is effective when the notice is effective unless the notice specifies a future effective date. If a resignation is made effective at a future effective date and the board of directors accepts the future effective date, the board of directors may fill the pending vacancy before the effective date if the board provides that the successor does not take office until the effective date. The board of directors may remove any officer at any time with or without cause by a 2/3 vote of the Board of Directors.

### **Section 5.4 Contract rights of officers**

The election of an officer does not itself create contract rights. An officer's removal or resignation does not affect the officer's contract rights, if any, with the officer.

### **Section 5.5 President**

The President shall be the chief executive officer of the corporation and, subject to the control of the board of directors, shall supervise and control the management of the corporation in accordance with these bylaws.

The president may sign, as may the Secretary or any other proper officer of the corporation so authorized by the board of directors, any deeds, leases, mortgages, bonds, contracts, or other instruments which lawfully may be executed on behalf of the corporation, except where signing and execution thereof expressly shall be delegated by the board of directors to some other officer or agent of the corporation, or where required by law or these bylaws to be otherwise signed and executed.

The president shall serve as the chairperson of the board of directors and shall preside at all meetings of the board of directors. The president shall, in general, perform all duties incident to the office of president and such other duties as may be prescribed from time to time by the board of directors.

#### **Section 5.6 Vice President**

In the absence of the president, or in the event of the death, inability, or refusal to act of the president, the vice president, unless otherwise determined by the board of directors, shall perform the duties of the president and, when so acting, shall have all the powers of and be subject to all the restrictions upon the president. The vice president shall also serve as vice chairperson to the board of directors and, in the absence of the president, or in the event of the death, inability or refusal to act of the president, shall preside at all meetings of the board. The vice president shall perform such other duties as may be assigned from time to time by the president or the board of directors.

#### **Section 5.7 Secretary**

The Secretary shall: (a) cause to be prepared minutes of all meetings of the board of directors and the executive committee; (b) authenticate records of the corporation when requested to do so; (c) give all notices required by law and by these bylaws; (d) have general charge of the corporate books and records and of the corporate seal, and affix the corporate seal to any lawfully executed instrument requiring it; (e) sign such instruments as may require signature; (f) cause such corporate reports as may be required by state law to be prepared and filed in a timely manner; and (g) in general, perform all duties incident to the office of Secretary and such other duties as may be assigned from time to time by the Chairperson or the board of directors.

#### **Section 5.8 Assistant secretaries**

In the absence of the Secretary or in the event of death, inability, or refusal to act of the Secretary, the assistant secretaries, in the order of their length of service as assistant secretaries, unless otherwise determined by the board of directors, shall perform the duties of the Secretary and, when so acting, shall have all the powers of and be subject to all the restrictions upon the Secretary. They shall perform such other duties as may be assigned to them by the Secretary, the president or the board of directors.

#### **Section 5.9 Treasurer**

The Treasurer shall: (a) have custody of all funds and securities belonging to the corporation and receive, deposit or disburse the same under the direction of the board of directors; (b) keep full and accurate accounts of the finances of the corporation in books especially provided for that purpose; (c) cause such returns, reports and/or schedules as may be required by the Internal Revenue Service and the state taxing authorities to be prepared and filed in a timely manner; (d) cause a true balance sheet (statement of the assets, liabilities and fund balance) of the corporation as of the close of each fiscal year and true statements of activity (support and revenue, expenses, and changes in fund balance), functional expenses, and cash flows for such fiscal year, all in reasonable detail, to be prepared and submitted to the board of directors; and, (e) in general, perform all duties incident to the office of Treasurer and such other duties as maybe assigned from time to time by the Chairperson or the board of directors.

#### **Section 5.10 Assistant treasurers**

In the absence of the Treasurer or in the event of death, inability, or refusal to act of the Treasurer, the assistant treasurers, in the order of their length of service as assistant treasurers, unless otherwise determined by the board of directors, shall perform the duties of the Treasurer and, when so acting, shall have all the powers of and be subject to all the restrictions upon the Treasurer. They shall perform such other duties as may be assigned to them by the Treasurer, the Chairperson or the board of directors.

#### **Section 5.11 Executive Director**

The board of directors may appoint an executive director, who shall be the chief operating officer and/or oversee the chief operating officer of the corporation and, subject to the control of the board of directors, have overall responsibility for the routine management of the affairs of the corporation. The executive director shall report to the board of directors and shall work closely with the president of the corporation. Duties of the executive director shall include: coordinating the activities of the operating committees, representing the corporation in the community, overseeing the projects, programs and other lines of business of the corporation, supervising the administrative functions of the corporation and in general, performing such other duties as may be assigned from time to time by the president or the board of directors. The executive director may not be elected to serve on the board of directors.

## **ARTICLE VI COMMITTEES**

### **Section 6.1 Board committees in general**

As soon as practicable each year following the Annual Meeting of the Board of Directors, the Board shall appoint the following Board Committees which serve at the pleasure of the President and Board of Directors. Each committee of the board shall consist of at least one (1) director. Each committee shall have the authority to carry out its purposes as set forth in this Article VI. All committees shall meet regularly, keep minutes of meetings, and submit policy recommendations to the full board for approval.

### **Section 6.2 Board Committees**

#### **(a) Executive Committee**

The executive committee may exercise the authority of the board of directors at such time as the board is not in session; the committee may not, however: (a) authorize distributions; (b) approve or recommend dissolution, merger or the sale, pledge or transfer of all or substantially all of the corporation's assets; (c) elect, appoint or remove directors or fill vacancies on the board or, (d) adopt, amend or repeal the articles of incorporation or any bylaws. In addition, the executive committee shall coordinate the strategic and long range planning activities and monitor and evaluate the performance of the affiliate with respect to its mission, purposes and goals. The executive committee shall consist of the principal officers of the board and up to three additional directors appointed by the President to serve in such capacity until the next annual meeting of the board of directors, provided that the appointment of additional directors must be approved by a majority of all the directors in office when such action is taken. The President of the board of directors shall serve as the Chairperson of the executive committee and shall preside at all of its meetings.

#### **(b) Finance Committee**

The finance committee shall: (i) oversee the implementation and administration of policies and procedures for handling and accounting for the finances of the affiliate; (ii) prepare an annual revenue and expense budget for submission to the full board of directors; (iii) monitor the implementation of the budget, and (iv) when necessary, make recommendations to the board of directors regarding adjustments to the budget. The Treasurer shall chair this committee.

#### **(c) Audit Committee**

The audit committee shall be accountable for financial statements of the chapter, other financial information provided to the public, systems of internal control and the annual independent audit process. The President of the Board shall annually appoint the chairperson of the Audit Committee and, at least, two additional members. The Treasurer shall be a member of this

committee. The members of the finance committee may be members of the audit committee as long as there is at least one non-finance committee member included.

**(d) Human Resources Committee**

The human resources committee shall advise the Executive Director and provide oversight for key human resources policies and procedures of this affiliate, including (i) overall organizational structure, (ii) compensation of senior managers and benefits for all employees, (iii) annual performance review of Executive Director, (iv) succession planning for senior management positions, and (v) consultation with any HR employee or outside consultant the affiliate chooses to engage. The President of the Board shall annually appoint the chairperson of the Human Resources Committee and, at least, three additional members.

**(e) Nominating and Board Development Committee**

The nominating and board development committee shall (i) identify and recruit prospective directors of the affiliate (ii) present a slate of nominees for election as directors at the annual meeting of the board, (iii) present a slate of nominees for election as principal officers of the board and may make recommendations for chairpersons of the standing committees, (iv) orient new board members, defining roles and accountabilities consistent with these bylaws, (v) conduct periodic board assessment and self-evaluation, (vi) oversee ongoing training of board members. The President of the Board shall appoint the chairperson of the Nominating and Board Development Committee and four additional members. The committee shall include the Executive Director; the current Chairperson shall not be a member of this committee.

**Section 6.3 Non-board committees**

The board of directors may create one or more non-board committees, which may include both directors and individuals who are not directors of the affiliate. Non-board committees may not exercise the authority of the board. These committees may be appointed as needed, and may include (but are not limited to) the following:

- a) **Family selection committee** which conducts home interviews of all applicants and presents recommended applicants to the board.
- b) **Family partnership committee** which addresses topics of mutual concern to either and/or both the community of homeowners and the affiliate organization.
- c) **Faith relations committee** which advances the goals of Paterson Habitat for Humanity within communities of all faiths.
- d) **Housing policy and neighborhood design committee** which solicits comments and suggestions regarding PHFH's design, development and management of affordable housing and community development initiatives. This committee shall have representatives of the communities in which Habitat works.
- e) **Resource development/special events committee** which supports all aspects of PHFH's resource development plan
- f) **Construction "regulars" committee** which provides weekly core volunteer activities at the construction site and/or at other locations as may be identified from time to time.

#### **Section 6.4 Council of Advisors (previously known as The Advisory Board)**

There shall be created a non-board committee known as the Council of Advisors. Members of the committee shall be appointed by the Board at the Annual Meeting, or any other duly constituted meeting of the Board, for a term of three years. Terms will be staggered into three classes. This Council will support the affiliate and its Board and Executive Director, and will share and/or promote the Habitat mission with faith, business and political communities as well as with other individuals. It will include members with diverse experience including those who have had long and distinguished service to the affiliate.

### **ARTICLE VII GENERAL PROVISIONS**

#### **Section 7.1 Corporate seal**

The corporate seal shall be in such form as the board of directors may from time to time determine.

#### **Section 7.2 Fiscal year**

This fiscal year of the corporation shall begin on July 1 and end on June 30 of each year.

#### **Section 7.3 Financial reports**

The books of the corporation shall be closed as of the end of each fiscal year and financial statements shall be prepared and submitted to the board of directors. At the discretion of the board of directors and subject to the requirements of any state laws or funding requirements, the corporation may engage an independent certified public accountant to audit or review the financial statements.

#### **Section 7.4 Corporate minutes and records**

The corporation shall keep as permanent records minutes of all meetings of its board of directors, a record of all actions taken by the directors without a meeting, and a record of all actions taken by the executive committee and any other committees of the board of directors. The corporation shall maintain its records in written form or in another form capable of conversion into written form within a reasonable time. The corporation shall keep a copy of the following records at its principal office: (a) its articles of incorporation or restated articles of incorporation and all amendments to them currently in effect; (b) its bylaws or restated bylaws and all amendments to them currently in effect; (c) a list of the names and business or home addresses of its current directors and officers; and, (d) its most recent annual report [delivered to the secretary of state, as required by the state of New Jersey Nonprofit Corporation Act. The minutes and records described above shall be made available for inspection by current directors of the corporation during normal business hours. In addition to the extent required by applicable law, the corporation shall make available for inspection during regular business hours, by an individual, copies of: (i) any application filed with any letter or other document issued by the Internal Revenue Service with respect to the tax exempt status of the corporation and, (ii) the annual returns filed with the Internal Revenue Service for the three most recent years (to the extent the corporation is required to file such returns); provided that the names and addresses of contributors to the corporation may be kept confidential.

#### **Section 7.5 Investments**

The corporation shall have the right to retain all or any part of any securities or property acquired by it in whatever manner. It may invest and reinvest any funds held by it or to hold it in cash. Whether it decides to convert the cash to securities or property will be according to the judgment of the board of directors. In

exercising its judgment the board is not restricted to any class of investments. The directors or trustee may exercise their judgment to the extent permitted by law including any similar restriction to that that is permitted by law. This is so provided that any action taken by or on behalf of the corporation: (a) is not a forbidden activity or (b.) would not result in the denial of tax exempt status under Section 501(c)(3) of the Internal Revenue Code, as amended.

#### **Section 7.6 Checks and Drafts**

All checks, drafts or other orders for the payment of money issued in the name of the corporation shall be signed by such officer or officers, agent or agents of the corporation and in such manner as shall from time to time be determined by resolution of the board of directors. In addition, the board will also authorize

#### **Section 7.7 Prohibited activities**

The corporation is organized as a nonprofit corporation exclusively for charitable, religious, educational and scientific purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code, as amended. No part of the net earnings of the corporation shall inure to the benefit of, or be distributable to its members, trustees, directors, officers, or other private persons, except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in these articles of incorporation. The corporation shall not participate in or intervene in any political campaign on behalf of or in opposition to any candidate for public office. Anything contained in these bylaws to the contrary notwithstanding, the corporation shall not carry on or otherwise engage in any activities not permitted to be carried on or engaged in by (i) a corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code, as amended, or any corresponding section of the future tax code; (ii) a corporation, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue code, as amended, or any corresponding section of any future tax code; or (iii) a corporation organized and existing under the state of New Jersey Nonprofit Corporation Act.

#### **Section 7.8 No loans to or guaranties for directors**

The corporation may not lend money to or guarantee the obligation of a director or officer of the corporation, with the exception of board members with Paterson Habitat for Humanity mortgages, but the fact that a loan or guarantee is made in violation of this section does not affect the borrower's liability on the loan.

#### **Section 7.9 Indemnification**

The corporation shall indemnify a director who was wholly successful, on the merits or otherwise, in the defense of any proceeding to which the director was a party because he or she is or was a director of the corporation, against reasonable expenses actually incurred by the director in connection with the extant as a director. In addition, if an individual is made a party to a proceeding because the individual is or was a director, officer, employee or agent of the corporation, the board of directors may, to the extent permitted by law, authorize the corporation to advance expenses to such individual and/or indemnify such individual against liability incurred in the proceeding. The Corporation shall have power to purchase and maintain insurance on behalf of any person who is or was a Director or officer of the Corporation against any liability asserted and incurred against such person in any such capacity arising out of any status as such, whether or not the Corporation would have the power to indemnify such person against such liability under the provisions of this Article.

**ARTICLE VIII  
DISSOLUTION & WINDING UP**

**Section 8.1 Winding Up.**

In the event that dissolution and/or winding up of Paterson Habitat for Humanity is necessary, the Board shall oversee such process and ensure compliance with all relevant provisions of the state of New Jersey and other applicable state and federal laws.

**Section 8.2 Assets.**

Upon dissolution of Paterson Habitat for Humanity, the assets of Paterson Habitat for Humanity are permanently committed to a tax-exempt organization for purposes set forth in its Articles of Incorporation and Bylaws. In the event of dissolution, the assets, after payments of debt, will be, as determined by the board of directors, given, transferred, donated, or assigned to (i) Habitat for Humanity International, Inc., a Georgia Nonprofit Corporation and a corporation exempt from taxation under Section 501(c)(3) of the Internal Revenue Code, as amended; or (ii) any other organization(s) which itself has tax-exempt status under the Section 501(c)(3) of the Internal Revenue Code and whose mission is similar to the mission of Paterson Habitat for Humanity.

**ARTICLE IX  
AMENDMENTS TO BYLAWS**

**Section 9.1 Amendments**

These bylaws may be amended or repealed and new bylaws may be adopted by the board of directors. The corporation shall provide at least seven (7) days' written notice of any meeting of directors at which an amendment is to be approved, unless notice is waived pursuant to Section 4.6 above. The notice must state that the purpose or one of the purposes of the meeting is to consider a proposed amendment to the bylaws and contain or be accompanied by a copy or summary of the amendment or state the general nature of the amendment. Any amendment must be approved by two-thirds (2/3) of the directors in office at the time the amendment must be approved, and by at least a majority of the directors in office at the time the amendment is adopted.

Adopted by the Board of Directors of \_\_\_\_\_ on the \_\_ day of \_\_\_\_\_, 20\_\_.

Signed \_\_\_\_\_  
(print or type in full name of Board Secretary) \_\_\_\_\_.