

CHELSEA NEIGHBORHOOD DEVELOPERS, INC.

BY-LAWS

ARTICLE I

NAME AND OFFICES

The name of the Corporation shall be as set forth in the Articles of Organization. The principal office of the Corporation shall be at such location within the City of Chelsea as may be determined from time to time by the Board of Directors.

ARTICLE II

MEMBERS

SECTION 1. CLASSES OF MEMBERS AND VOTING. The Corporation shall have one class of members. Each member shall be entitled to cast one vote in person on any matter required to be submitted to the members for voting under these By-Laws or under statute and on any other matter submitted to a vote of the members. Members shall not be entitled to vote by proxy. The act of a majority of the members present at a meeting at which a quorum is present shall be the act of the Corporation.

SECTION 2. ELIGIBILITY. The members of the Corporation shall consist of those persons at least eighteen (18) years of age approved for membership by the Executive Director. Persons approved for membership must qualify under one or more of the following categories: (a) persons who reside in Chelsea; (b) persons owning property in Chelsea; (c) businesspersons or government employees whose place of employment is in Chelsea (including non-profit and governmental establishments); (d) persons designated by a lending institution engaged in business with the Corporation to represent such institution; (e) persons designated by the City of Chelsea to represent the City of Chelsea agencies which directly affect the Corporation's business. Persons wishing to become members file an application with the Executive Director and will become members, if they qualify under one of the foregoing categories. The Executive Director may extend an invitation for membership to any individual not eligible for membership provided that this invitation be extended to persons with clear interest in the Corporation and its programs and who also have a special expertise needed by the Corporation.

SECTION 3. RESIGNATION AND REMOVAL. Any member may resign from the Corporation by submitting a written resignation to the President or Clerk of the Corporation, which resignation, unless a contrary indication is contained herein, shall become effective upon and from the date of receipt thereof. Any member may be removed from membership in the Corporation by the affirmative vote of two-thirds of the Directors then in office when he/she no longer meets the criteria for membership as set forth in Article II, Section 2 or for conduct detrimental to the interest of the Corporation or for lack of sympathy with its objectives. Any

such member must be notified at least fourteen (14) days in advance of the meeting at which the Board of Directors will consider terminating such person's membership.

ARTICLE III

MEETINGS OF THE CORPORATION

SECTION 1. ANNUAL MEETING. An Annual Meeting of the members of the Corporation, at which the members shall elect persons to serve on the Board of Directors, as hereinafter provided, and to transact such other business as may be placed before it, shall be held each year during the month of May, unless a different date is fixed by the Board of Directors.

SECTION 2. SPECIAL MEETINGS. Special meetings of the Corporation may be called by the President and special meetings of the Corporation shall be held upon an affirmative vote of two-thirds of the Directors then in office or upon written request of no fewer than fifteen (15) members.

SECTION 3. TIME AND PLACE. The Board of Directors shall designate the time and place of all meetings, annual and special, of the Corporation; provided, however, that all such meetings shall be held within the City of Chelsea.

SECTION 4. NOTICES OF MEETINGS. Written notice of each meeting of members of the Corporation shall be given to each member entitled to vote at such meeting by mailing the same not less than thirty (30) days before the date of the Annual Meeting and not less than five (5) days prior to a special meeting of the Corporation. Each notice indicates the date, time and place of the meeting and the order of business to be considered.

SECTION 5. QUORUM. At any meeting of the members presence of twenty-five (25) members in person shall be quorum. If a quorum is not present at any meeting of members, a majority of the members present may adjourn the meeting to another date and time. Notice shall be provided in accordance with the requirement of Article III, Section 4. At any adjourned meeting at which a quorum shall be present, any business may be transacted which might have been transacted at the originally scheduled meeting. Upon the request of one-third of the members present, the vote upon any question before the meeting shall be by ballot.

ARTICLE IV

BOARD OF DIRECTORS

SECTION 1. GENERAL POWERS. The activities, affairs, and property of the Corporation shall be managed and controlled by the Board of Directors who shall have and may exercise all powers of the Corporation except as otherwise reserved to the members by law, by the Articles of Organization or by these By-Laws.

SECTION 2. NUMBER, ELIGIBILITY, ELECTION AND TERM OF OFFICE. The number of Directors shall be fixed by the members and may be increased or decreased at any time or from time to time; provided, however, that the number of Directors may only be decreased to eliminate vacancies existing by reason of the death, resignation or removal of one or more Directors. All Directors shall qualify under one of the following categories:

Resident Directors – Residents of the City of Chelsea may be elected as Directors.

City of Chelsea Directors – Directors may be elected from the designated representative(s) selected by the City of Chelsea.

Institutional Directors – Directors may be representatives of participating lending institutions or other professionals with expertise desired by the Corporation.

At-Large Directors – Directors may be at-large and be elected from those members of the Corporation who have demonstrated a commitment to assist in the revitalization of Chelsea and whose expertise and experience will be of value to the Board. Said Directors may be chosen from, but not limited to, representatives of labor, business, insurance, real estate and community service organizations.

Resident Directors shall always comprise a majority of the Board of Directors.

Each Director must be a member of the Corporation and any Director who ceases to be a member of the Corporation shall automatically cease to be a Director.

Members of the Board of Directors shall be elected, as positions become vacant, at the Annual Meeting and shall serve for staggered, three (3) year terms and until their successors have been elected and qualified.

In order to allow for greater participation on the Board of Directors, and to provide for orientation of potential Board members, the Board of Directors may include Alternate members. Alternate members must meet all of the qualifications of a regular Director and will be nominated and serve on the same terms as regular Directors. Such alternate directors must serve on one or more committees of the Board of Directors. There shall be a maximum of seven (7) Alternate Directors. In the event of a vacancy on the Board of Directors, an Alternate Director will be appointed by the Board of Directors to fill the vacancy until the next Annual Meeting of the members of the Corporation.

SECTION 3. NOMINATING COMMITTEE The Governance Committee shall serve as the Nominating Committee to nominate candidates to stand for election to the Board of Directors at such upcoming Annual Meeting of the members and candidates to stand for election as Officers of the Corporation to be elected at the Board of Directors meeting following the Annual Meeting of the members. The Nominating Committee shall nominate such number of candidates for the Board of Directors in accordance with the size of the Board, as determined by the Board of Directors pursuant to Article IV, Section 2.

SECTION 4. RESIGNATION AND REMOVAL. Any director may resign at any time by giving written notice to the Board of Directors of his/her resignation. Unless indicated in such notice to the contrary, any such resignation shall be effective immediately upon its submission or transmission to the Clerk of the Corporation. Any Director may be removed as a Director by the affirmative vote of two-thirds of the Directors then in office, at any regular or special meeting called or convened for such purpose. Any Director proposed to be removed shall be provided at least ten (10) days notice in writing by mail of the meeting of the Board of Directors at which time such removal is to be voted upon and shall be entitled to appear before and be heard by the Board of Directors at such meeting.

SECTION 5. VACANCIES. Vacancies in the Board of Directors, howsoever existing or arising, shall be filled by the affirmative vote of the majority of all remaining Directors then in office. Any member elected by the Board of Directors to serve as a Director must possess those qualifications as necessary to assure that the membership of the Board always meets the provisions of Article IV, Section 2. A member elected to fill a vacancy shall be elected to serve until the next Annual Meeting at which time the corporate members will elect a Director, in accordance with the provisions of Article IV, Section 3, to fill the remainder of the unexpired term.

SECTION 6. REGULAR MEETINGS. The Board of Directors shall hold a regular meeting for the purpose of organization, election of officers and the transaction of other business, immediately following the Annual Meeting of the members. Regular meetings of the Board of Directors will be held monthly at such times as may be fixed from time to time by resolution of the Board of Directors. All regular meetings shall be held within the City of Chelsea and shall be open to all members of the Corporation.

SECTION 7. SPECIAL MEETINGS. The President or the Clerk may call, and upon a written request by any three (3) Directors, the Clerk shall call, special meetings of the Board of Directors. Special meetings of the Board of Directors shall be held at the principal office of the Corporation or at such other places as may be designated in the notice of such meetings. All special meetings shall be open to all members of the Corporation.

SECTION 8. NOTICE OF MEETINGS. Notice of all special meetings of the Board of Directors shall be given by mail, telephone, e-mail or fax at least three (3) days prior to the meeting to the Directors, such notice to be directed to the usual business or residence address of the Directors. No notice shall be required for regular meetings of the Board of Directors. Any business may be transacted at any meeting of the Board of Directors, unless otherwise prohibited in these By-Laws. The attendance of a Director at a meeting shall constitute a waiver by him/her of notice of the meeting unless he/she attends only to object to the transaction of business because the meeting is not lawfully called or convened. Any Director may waive notice of any meeting by executing a written document before or after such meeting. The purpose of the meeting shall be specified in the notice of the meeting and in any waiver thereof.

SECTION 9. CHAIRPERSON. The President, or the Vice-President in the absence of the President, shall preside at all meetings of the Board of Directors. If both the President and the

Vice-President are absent, a majority of the Directors then present shall elect a person to preside at the meeting.

SECTION 10. QUORUM AND VOTING. The majority of the Board of Directors then in office shall constitute a quorum for the transaction of business at any meeting of the Board. A vote of the Directors shall be valid only if taken at a meeting of the Directors in which a quorum is present at the time the vote is taken, or if the vote is taken pursuant to Article IV, Section 11. No Director may vote by proxy. The act of the majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors. If less than a majority of the Directors are present at a meeting a majority of those present may adjourn the meeting to another date and time. Notice shall be provided in accordance with the requirements of Article IV, Section 8. At any adjourned meeting at which a quorum shall be present, any business may be transacted which might have been transacted at the originally scheduled meeting.

SECTION 11. INFORMAL ACTION OF DIRECTORS. Any action required by law or by these By-Laws to be taken at a meeting of the Board of Directors may be taken without a meeting if a written document of consent setting forth the action taken is signed by a majority of the Directors then in office, or by a written document of consent of two-thirds of the Directors then in office if required under these By-laws for the specific action to be taken.

SECTION 12. COMPENSATION. The Officers and Directors shall serve without compensation but reasonable expense incurred may be reimbursed when expended in the interest of the Corporation and approved by the Board of Directors by a majority vote.

SECTION 13. EXECUTIVE COMMITTEE. Unless otherwise directed by the Board of Directors, the Officers shall be members of an Executive Committee, which committee shall have and may exercise all such authority of the Board of Directors.

SECTION 14. GOVERNANCE COMMITTEE. The Vice President shall chair the Governance Committee to recruit and support board members, and examine how the board is functioning, and whether the board is fulfilling its responsibilities.

SECTION 14. LOAN COMMITTEE. Committee members shall be appointed by the President, subject to the approval of a majority of the Board of Directors.

SECTION 15. AUDIT AND FINANCE COMMITTEE. The Audit and Finance Committee shall oversee the financial review made each year (the "Annual Audit") by an outside independent, certified, public accounting firm (the "Accounting Firm"). The Treasurer shall chair the Audit and Finance Committee.

The Audit and Finance Committee shall have the following responsibilities:

- i. in connection with the Annual Audit, obtain from the Accounting Firm a statement delineating all relationships between the Corporation and the Accounting Firm, engage actively in dialogue with the Accounting Firm about disclosed matters that might impair the Accounting Firm's objectivity and

independence, and take appropriate action to oversee the independence of the Accounting Firm.

- ii. ensure that the Accounting Firm's ultimate accountability is to the Audit and Finance Committee and the Board, and not the Officers or management of the Corporation.
- iii. select, evaluate and (where appropriate) replace the Accounting Firm and to nominate the Accounting Firm to be proposed for Board approval.
- iv. review and discuss the Annual Audit by meeting privately at least once a year with the Accounting Firm, the Executive Director and the most senior person responsible for the internal audit activities of the Corporation.
- v. oversee the budget and finances of the Corporation in accordance with these By-Laws and the policies and procedures of the Corporation.

SECTION 16. OTHER COMMITTEES. The Board of Directors may by resolution adopted by the affirmative vote of the majority of the members of the Board of Directors then in office establish, modify, and abolish such other committees as the need of the Board of Directors or the Corporation may require. Committee members shall be appointed by the President, subject to the approval of a majority of the Board of Directors. The Board may delegate thereto some or all of its powers, except those which by law, by the Articles of Organization, or these By-Laws may not be delegated.

The business of each committee shall be conducted to the extent possible in the same manner as is provided in these By-Laws for the Board of Directors. All members of such committees shall hold such positions at the pleasure of the Board of Directors. The Board of Directors may abolish any such committee at any time. Every such committee shall keep a record of its meetings and shall upon request report its action to the Board of Directors. The Board of Directors shall have the power to overrule the action of any committee; but no decision to overrule shall have retroactive effect.

SECTION 17. QUALIFICATIONS OF MEMBERS AND DIRECTORS. In the event that there arises any question, challenge or dispute regarding the qualifications of any person to serve as a member or on the Board of Directors the matter shall be immediately submitted for decision to the Board of Directors whose decision shall be final.

ARTICLE V

OFFICERS

SECTION 1. OFFICES. The Officers of the Corporation shall be the President, Vice President, Clerk, Treasurer, and such other Officers, with such designations, functions, powers and duties not inconsistent with law and these By-Laws, as may be assigned from time to time by the Board

of Directors. Other offices may be created, modified, and abolished by a two-thirds vote of the Board of Directors. A Director may only hold one (1) such office at a time.

SECTION 2. ELECTION, TERM OF OFFICE AND QUALIFICATIONS. The President, Vice President, Clerk, and Treasurer of the Corporation shall be elected for a two year term by the Board of Directors from among their number at the regular meeting of the Board of Directors following the Annual Meeting of the members; or as soon thereafter as is possible. Election shall require a two-thirds vote of those Directors then in office. Each Officer shall hold office until a successor is duly elected and qualified, until he/she ceases to be a member of the Corporation, or until he/she is removed from office in accordance with Article V, Section 8. Any other Officers of the Corporation may be elected by the Board of Directors.

SECTION 3. VACANCIES. In case any office of the Corporation becomes vacant through death, resignation, retirement, disqualification, or other cause, the Directors then in office may elect, by a two-thirds vote, a Director to fill such vacancy, and the Officer so elected shall hold office and serve until the regular meeting of the Board of Directors after the Annual Meeting of the members next succeeding and until the election and qualification of his/her successor.

SECTION 4. PRESIDENT. The President shall preside at meetings of the Corporation and of the Board of Directors and shall have and exercise general charge and supervision of the affairs of the Corporation and shall perform such other duties consistent with the office and those as may be assigned to him/her by the Board of Directors from time to time.

SECTION 5. VICE-PRESIDENT. At the request of the President, or in the event of his/her absence or disability, the Vice-President shall perform the duties and possess and exercise the powers of the President and shall have such other duties as may be assigned to him/her by the Board of Directors.

SECTION 6. CLERK. The Clerk shall have charge of such books, documents, and papers as the Board of Directors may determine.

SECTION 7. TREASURER. The Treasurer shall receive, hold and disburse or cause to be so handled, all funds of the Corporation as provided herein. The Treasurer shall be an individual familiar with financial matters and shall chair the Audit and Finance Committee.

SECTION 8. REMOVAL. Any officer may be removed from office by the affirmative vote of two-thirds of all the Directors then in office at any regular or special meeting called for that purpose, when he/she no longer meets the criteria for corporate membership, or for nonfeasance, malfeasance, misfeasance, for conduct detrimental to the interests of the Corporation, for lack of sympathy of its objectives, or for refusal to render reasonable assistance in carrying out its purpose. Any Officer proposed to be removed shall be entitled to at least ten (10) days notice in writing by mail of the meeting of the Board of Directors at which time such removal is to be voted upon and, shall be entitled to appear before and be heard by the Board of Directors at such meeting.

ARTICLE VI

EXECUTIVE DIRECTOR

The Board of Directors of the Corporation shall appoint an Executive Director, who shall serve at the pleasure of the Board of Directors. The Executive Director shall attend to and be responsible for the day to day administration of the affairs of the Corporation, subject only to the general supervision and control of the President, Executive Committee, and the Board of Directors, and shall have such supervisory and managerial powers in the conduct of the business and affairs of the Corporation as shall be conferred upon him/her by the Board from time to time or as shall be delegated upon the Executive Director with the consent of the Board. The Executive Director shall be entitled to such reasonable compensation for his/her services as is established by a two-thirds vote of the Board. The Executive Director shall not be deemed a member of the Board of Directors, the Executive Committee, or an Officer of the Corporation. The Executive Director shall sign any deed, mortgage, bond, contract, or other instrument, which the Board of Directors has authorized to be executed.

ARTICLE VII

CORPORATE SEAL

The seal of the Corporation shall, subject to alteration by the Board of Directors, consist of a flat-faced circular die with the word "Massachusetts", together with the name of the Corporation and the year of its organization, cut or engraved thereon.

ARTICLE VIII

AMENDMENTS

SECTION 1. BY THE BOARD OF DIRECTORS. The Board of Directors may amend or repeal any provisions of these By-Laws or the Articles of Organization by the affirmative vote of two-thirds of the members of the Board of Directors then in office. Such amendments shall take effect upon approval by the board. Corporation members and Board members must be given at least ten (10) days notice in writing of the proposal to amend or repeal these By-Laws or Articles in whole or in part, at such meeting of the Board. Such notice must be given to each member of the Corporation and of the Board or mailed to his/her last known address of record. Any such amendment approved by the Board shall automatically be placed before the membership for its consideration at the next meeting of the Corporation. Action by the Corporation membership shall not affect the validity of the amendment, and any action taken thereunder, from the date of its approval by the Board until the date of action by the Corporation.

SECTION 2. BY THE CORPORATION. If the Board of Directors, or at least ten (10%) percent of the Corporation members, or twenty-five (25) members, whichever is smaller, request in writing that an amendment be made to these By-Laws or Articles of Organization, or that a

provision be repealed, such request, and the text of any proposed revisions, shall be included with notice of the next Corporate meeting. The proposed revision shall be considered at the meeting and, if approved by a two-thirds vote of the members of the Corporation shall thereupon become effective.

ARTICLE IX

FISCAL YEAR

The fiscal year of the Corporation shall begin on the first day of January and end on the thirty-first day of December of the year.

ARTICLE XI

PROHIBITED ACTIVITIES

No substantial part of the activities of the Corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation and the Corporation shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of any candidate for public office. Notwithstanding any other provision of these Articles, the Corporation shall not carry on any other activities not permitted to be carried on: (a) by a Corporation exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended from time to time (the "Code"); or (b) by a Corporation, contributions to which are deductible under Section 170(c)(2) of the Code.

ARTICLE XIII

PROHIBITION AGAINST SHARING IN CORPORATE FUNDS

No Director, Officer, member, agent or employee, or any other private individual shall receive at any time any of the net earnings or pecuniary profit from the operations of the Corporation, provided that this shall not prevent payment to any such person of such reasonable compensation for services rendered to or for the Corporation in affecting any of its purposes as shall be fixed by the Directors and provided further that the Corporation shall be authorized to make distributions and payments in furtherance of its purposes. No such person shall be entitled to share in the distribution of any of the Corporate assets upon the dissolution of the Corporation.

ARTICLE XIV

DISSOLUTION

All members of the Corporation shall be deemed to have expressly consented and agreed that upon dissolution or winding up of the affairs of the Corporation, whether voluntary or involuntary, the assets of the Corporation, after all debts have been satisfied, then remaining in the hands of the Directors shall be distributed, transferred, conveyed, delivered and paid over, exclusively for the purpose of the Corporation in such amounts as the Directors may determine or as may be determined by a court of competent jurisdiction upon application of the Directors, exclusively to charitable, religious, scientific, literary or educational organizations which then qualify as exempt organizations under the provisions of Section 501(c)(3) of the Code.

ARTICLE XV

CORPORATE POWERS

The Corporation shall have all the powers authorized by General Laws Chapter 180, as now in force, and as hereafter amended. The Corporation shall have and may exercise all powers necessary or convenient to affect any or all of the purposes for which it is formed; provided that no such power shall be exercised in a manner inconsistent with General Laws Chapter 180 or any other applicable statute or of Section 501(c)(3) of the Code.

ARTICLE XVI

INDEMNIFICATION OF DIRECTORS AND OFFICERS

The Corporation shall, to the extent legally permissible, indemnify each of its Directors and Officers against all costs, liabilities and expenses (including counsel fees) reasonably incurred in connection with the defense or disposition of any action, suit or other proceeding, asserted or threatened against such Director or Officer while in office or thereafter, by reason of being or having been such a Director or Officer, except with respect to any matters as to which such Director or Officer shall have been adjudicated in any proceeding not to have acted in good faith in the reasonable belief that his or her action was in the best interests of the Corporation. The Corporation shall have power to purchase and maintain insurance on behalf of any person who is or was a Director, Officer, employee or other agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or other agent of another organization, in which it has an interest, against any liability incurred by him or her in any such capacity, or arising out of his/her status as such, whether or not the Corporation would have the power to indemnify such person against such liability. The right of indemnification hereby provided shall not be exclusive of or affect any other rights to which any Director or Officer may be entitled. As used in this Article XVI, the terms "Director" and "Officer" shall include their respective heirs, executors and administrators.