

BOSTON COMMUNITY LOAN FUND, INC.

BY-LAWS

ARTICLE I

Name and Location of Corporation

Section 1. The name of this organization shall be Boston Community Loan Fund, Inc. (BCLF). Its principal office is located at Boston, Massachusetts.

ARTICLE II

Form of Organization

Section 1. The organization shall be a non-profit, incorporated voluntary association, organized pursuant to Massachusetts General Laws Chapter 180.

ARTICLE III

Purpose

Section 1. The purposes for which the Corporation is formed are as follows:

(a) To provide access to housing primarily for lower-income households and other disadvantaged people through limited equity cooperatives, community land trusts, community development corporations, and other models which establish and preserve housing for these groups.

(b) To encourage and promote public discussion groups, forums, panels, lectures, and other similar programs designed to educate the public about the benefits and financing needs of the housing models promoted by the Fund.

(c) To promote alternative models for financing community housing development and related activities. These models will be designed to encourage investment by local community organizations, religious institutions, and individuals and promote greater responsiveness to community and low-income needs on the part of conventional lending institutions.

(d) To assist borrowing organizations to obtain technical assistance.

ARTICLE IV

Membership

Section 1. Qualification. Any individual or organization agreeing to affirm and support the goals of the BCLF may make an application to become a member of the Corporation. The application shall be made and submitted to the Board

of Directors through the Corporation's Clerk. The initial membership shall consist of those who have attended, prior to the first annual meeting, at least five (5) planning meetings of the BCLF at which written records were kept or who shall otherwise have been certified as members of the Corporation by the initial Board of Directors. Thereafter, the Board shall act on all applications.

Section 2. Powers and Duties. The powers and duties of the membership shall include electing a portion of the Directors, approving certain amendments to the By-laws, participating in BCLF fundraising, serving on committees at the request of the Board of Directors, and otherwise supporting the goals of the BCLF.

## ARTICLE V

### Meeting of Members

Section 1. Place of Meetings. Meetings of the membership shall be held at the principal office or place of business of the Corporation or at such other suitable place convenient to the membership as may be designated by the Board of Directors.

Section 2. Annual Meetings. The annual meeting of the membership shall be held each year at a time to be decided upon by the Board of Directors for the transaction of such business as may properly come before the meeting.

Section 3. Special Meetings. A special meeting may be called at any time by the President. It shall also be the duty of the President to call a special meeting of the members as directed by resolution of the Board of Directors or upon a petition signed by seven (7) of the members having been presented to the Clerk. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice.

Section 4. Notice of Meetings. It shall be the duty of the Clerk to mail or deliver a written notice of each annual or special meeting, stating the purpose thereof as well as the time and place where it is to be held, to each member of record, at his or her address as it appears on the membership book of the Corporation, or if no such address appears, at his or her last known place of address, at least fifteen (15) but not more than thirty (30) days prior to such meeting.

Section 5. Quorum. The presence in person of the smaller of twenty-four (24) members or two-thirds of the membership shall be requisite for and shall constitute a quorum for the transaction of business at all meetings of members unless otherwise governed by law. If the number of members at a meeting drops below the quorum and the question of a lack of quorum is raised, no business may thereafter be transacted.

Section 6. Adjourned Meetings. Any meeting may be adjourned from time to time by a majority of the votes properly polled upon the question and the meeting may be held as adjourned without further notice.

Section 7. Voting. A majority of the vote of the membership, voting in person or by proxy, shall decide any question properly before the meeting except as otherwise expressly provided for by a statute or these By-laws. Each member shall have one (1) vote.

Section 8. Proxies. A member may vote by proxy. Any proxy must be filed with the Clerk before the appointed time of each meeting. In order for a proxy to be valid, the proxy must state explicitly in writing the member's vote on the specific motions given in the notice of the meeting.

## ARTICLE VI

### Board of Directors

Section 1. Number. The affairs of the Corporation shall be governed by a Board of Directors composed of twelve (12) persons.

Section 2. Qualifications. The Directors of this Corporation shall at all times be limited to persons who are members of the Corporation. In the case that a Director ceases to be a member of the Corporation then such shall constitute resignation as a Director of this Corporation. At all times the Board of Directors shall include at least two representatives from each of the following categories of persons:

- (a) lenders to the BCLF;
- (b) community organizations which develop and provide housing to lower income people within the geographical area served by the BCLF; and
- (c) individuals and organizations engaged in technical assistance, advocacy, and other activities related to the goals of the BCLF.

Furthermore, in electing Directors, the Board shall assure that these groups are properly represented.

The Corporation is mindful that there are groups of people who are frequently discriminated against or have special problems in gaining access to housing, including women-headed households, people of color, senior citizens, the disabled, and others. It is the intention of the Corporation and the responsibility of the Board of Directors to ensure representation from among these groups on the Board and committees of the Corporation.

Section 3. Nomination. Candidates for the Board shall be presented by the Nominating Committee. The Committee shall present separate slates for candidates to be voted on by the membership and candidates to be voted on by the Board.

Section 4. Election and Term of Office. Four (4) of the Directors shall be elected by the membership. Eight (8) of the Directors shall be elected by the Board of Directors. At the first annual meeting of the membership the term of office of two Directors elected by the membership shall be fixed for two (2) years and the term of office of two Directors elected by the membership shall

be fixed for one (1) year. At the first annual meeting of the membership, the membership shall elect eight (8) Directors as the first members of the Board "elected by the Board of Directors"; the term of four of these Directors shall be fixed for two (2) years and the term of four of these Directors shall be fixed for one (1) year. At the expiration of the initial term of office of each respective Director, his or her successor shall be elected to serve a term of two (2) years. The Directors shall hold office until their successors have been elected and hold their first meeting.

Section 5. Vacancies. Vacancies among those Directors elected by the Board of Directors shall be filled by vote of the remaining Directors at their next meeting; vacancies among those Directors elected by the membership shall be filled by vote of the membership at their next meeting. The person so elected shall serve out the unexpired portion of the term.

Section 6. Resignations. Any Director may resign, which resignation shall be effective on giving written notice to the Clerk, unless otherwise specified in the notice. Any member of the Board of Directors who shall be absent from three (3) consecutive Board meetings without satisfactory written explanation to the Board shall be regarded as thereby resigning from the Board and shall be so notified by the Clerk.

Section 7. Removal. Any Director may be removed with or without cause by an affirmative vote of two-thirds of the Directors or by an affirmative two-thirds vote of the membership present at an annual or special meeting, providing the notice of the meeting at which such action is taken stated the proposed removal.

Section 8. Compensation. No compensation shall be paid to Directors for their service as Directors.

Section 9. Powers and Duties. The Board of Directors shall have all the powers and duties necessary for the administration of the affairs of the Corporation and may do all such acts and things as are not by law or by these By-laws directed to be exercised and done by the members or the Officers. The powers of the Board of Directors shall include but not be limited to:

- (a) accepting or rejecting applications for membership in the Corporation;
- (b) ultimate decision making on the acceptance and granting of loans;
- (c) appointment of legal counsel and certified public accountant;
- (d) preparation, in conjunction with the Fund Manager, of an annual financial report;
- (e) adoption of loan policies and procedures to govern the day-to-day operation of the Corporation;
- (f) recruiting, hiring, and firing the Fund Manager and other employees it deems necessary or desirable. It shall fix the terms of compensation, benefits, duties, and responsibilities of all employees; and
- (g) fixing the time and place of the annual meeting.

Section 10. Conflict of Interest. No Director shall vote on any matter in which, to his or her knowledge, the Director, the Director's immediate family or partner, or an organization in which the Director is serving as officer, director, trustee, partner, employee, or independent contractor has a direct or indirect financial interest as defined by the policies of the Board of Directors. A Director shall disclose fully the nature of any potential conflict of interest.

Section 11. Executive Committee. The Executive Committee shall consist of the President, Vice President, Treasurer, Clerk, and Loan Committee Chair, with power in the event of a vacancy in the Committee in its remaining members to designate an interim replacement member to fill the vacancy. Said Committee shall have power, when the Board is not in session, to transact business for and on behalf of the Corporation as specified by the policies of the Board of Directors and to give all necessary instructions to the Officers in behalf of the Board and to authorize any of the Officers, in behalf of the Corporation, to sign, affix the corporate seal to, and deliver any contracts, deeds, releases, assignments, or other instruments in writing. All actions of the Executive Committee shall be reported to the Board as a whole in writing within five (5) working days.

## ARTICLE VII

### Board Meetings

Section 1. Regular Meetings. The Board of Directors shall meet at least four (4) times each fiscal year at such time and place as the Board may determine.

Section 2. Special Meetings. The President or the Loan Committee Chair pursuant to Article X, Section 4.2, may call special meetings of the Board of Directors at any time. Special meetings of the Board of Directors must be called on the written petition of five (5) members of the Board.

Section 3. Notice. Written notice of both regular and special meetings shall be sent or delivered by the Clerk to each member of the Board of Directors at least seven (7) days before such meeting.

Section 4. Quorum. A quorum shall consist of a majority of the Directors.

Section 5. Waiver of Notice. Before or at any meeting of the Board of Directors, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board shall be a waiver of notice by him or her of the time and place thereof. If all the Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 6. Emergency Loans. If the Clerk cannot timely convene a meeting of the Board to vote on an emergency loan proposed as such by the Loan Committee, then the Board may act without a meeting if such action is assented to by all the Directors in writing and is filed with the records of the Directors. Such action shall be treated as a vote at a meeting for all purposes.

## ARTICLE VIII

### Officers

Section 1. Enumeration and Qualification. The Officers of the Corporation shall be a President, Vice President, Clerk, Treasurer, and such other officers, if any, as the Directors from time to time may in their discretion elect or appoint. Any Officer shall be a Director. No more than one office may be held by any one person.

Section 2. Election. The Officers shall be elected by the Board of Directors.

Section 3. Term. The term of office is one (1) year or until their successors are elected.

Section 4. President. The President shall be the chief presiding officer of the Corporation and shall preside at all meetings of the Board of Directors and at the annual and special meetings of the membership. The President shall appoint the chairpersons of all standing committees with approval of the Board of Directors; shall with the Treasurer or the Fund Manager cosign all loan contracts and obligations authorized by the Board of Directors; and shall have all the general powers and duties which are usually vested in the office of the president of a corporation.

Section 5. Vice President. The Vice President shall, in the absence or disability of the President, or in the case of any vacancy in the office of President, exercise the powers and perform the duties of the President, and such other duties as may from time to time be required of that person by the Directors.

Section 6. Clerk. The Clerk shall handle the general correspondence of the Board of Directors; shall issue adequate advance written notice of all meetings of the membership and the Board of Directors; shall send written notices of termination of service to the Board members who have been absent from three (3) consecutive meetings without satisfactory explanation to the Board or who shall otherwise have been removed from the Board; shall attend all meetings of the Board of Directors and keep the minutes; and shall, in general, perform all such duties incident to the office.

Section 7. Treasurer. The Treasurer shall be the overseer of finances of the Corporation and shall have the custody and control of its funds; shall have the authority to open bank accounts in the name of the Corporation; shall have the authority to cosign, with the President or Fund Manager, checks and drafts and other papers requiring the payment of money; shall cause all debts and obligations of the Corporation to be paid when due; shall keep an account of all receipts and disbursements which shall be open for inspection by the Board of Directors and the auditors at all times; shall furnish an annual financial statement at each annual meeting of the membership, which statement shall be certified by an independent certified public accountant; shall perform such other duties as may be authorized and directed by the Board of Directors; and may be bonded in an amount determined by the Board of Directors.

Section 8. Resignation. Any Officer may resign, which resignation shall be effective on giving written notice to the Clerk or President, unless otherwise specified in the notice.

Section 9. Removal. Any Officer may be removed by the affirmative vote of a majority of the Directors if the notice of the meeting at which such vote is taken stated the proposed removal.

## ARTICLE IX

### Fund Manager

Section 1. The Board may appoint or hire a Fund Manager to be primarily responsible for the day-to-day operations of the Corporation, including but not limited to soliciting loans to the Fund and seeking applications for loans from the Fund, and processing loan applications for decision by the Loan Committee and Directors.

Section 2. The Fund Manager may be made primarily responsible for keeping current and accurate records for the operations of the Corporation.

Section 3. The Fund Manager shall attend meetings of the Board of Directors in an ex officio capacity without voting rights, but shall be a member of the Loan Committee with full voting rights.

Section 4. The Fund Manager shall serve until he or she resigns or is replaced by the Board of Directors.

## ARTICLE X

### Standing Committees

Section 1. Enumeration. The standing committees shall be the Loan Committee, Nominating Committee, Fundraising Committee, and such other committees as may be deemed advisable by the Board of Directors.

Section 2. Chairpersons. The President shall appoint the chairperson(s) of each standing committee with approval of the Board of Directors. Chairpersons shall be selected from among the Directors.

Section 3. Membership. The Board of Directors shall appoint the members of each committee from among the Directors and the general membership, upon the recommendation of the President and the chairperson of the committee.

Section 4. Loan Committee. The Loan Committee shall have general oversight responsibility for the performance of the Fund Manager and the regular operation of the Fund.

Section 4.1 The Loan Committee shall have the authority to administer the loan fund in keeping with the purposes, policies, and procedures established by the Board of Directors, including the authority to accept loans from lenders and to disburse loans to borrowers, subject to final ratification by the Board of Directors, and shall perform such other duties as may from time to time be specified by the Board of Directors.

Section 4.2 The Loan Committee Chair may call a special meeting of the Board of Directors to seek ratification of emergency loans upon mailing or delivering written notice to each board member no less than 48 hours prior to the meeting. If it is necessary to expedite the decision by the Board of Directors, the provisions of Article VII, Section 6., or the powers given to the Executive Committee, can be used.

Section 4.3 The Loan Committee shall meet as is necessary but at least every second month. The Committee may be convened by the chairperson or by any three (3) members of the Loan Committee. Decisions may be made at any meeting or by consultation with the Committee members. Decisions shall require the agreement of a majority of the Loan Committee members.

Section 4.4 No Loan Committee member shall vote on any matter in which, to his or her knowledge, the Loan Committee member, his or her immediate family or partner, or an organization in which he or she is serving as officer, director, trustee, partner, employee, or independent contractor has a direct or indirect financial interest as defined by the policies of the Board of Directors. A Loan Committee member shall disclose fully the nature of any potential conflict of interest.

Section 5. Nominating Committee. The Nominating Committee shall present candidates for election to the Board of Directors, and shall perform such other duties as may from time to time be specified by the Board of Directors.

Section 5.1 Two-thirds of the Committee's members shall be Directors of the corporation. The remaining one-third shall be members of the Corporation who are not also Directors.

Section 6. Fundraising Committee. The Fundraising Committee shall develop an annual plan for approval by the Board of Directors, and shall perform such other duties as may from time to time be specified by the Board of Directors.

## ARTICLE XI

### Legal Counsel

Legal counsel shall be appointed by the Board of Directors. All legal matters shall be promptly referred by the Board of Directors to counsel for opinion and advice. Charter, By-laws, and subsequent amendments shall be submitted to legal counsel. No Director may also serve as legal counsel.

## ARTICLE XII

### Audit

The books of the Corporation shall be audited annually by a certified public accountant appointed by the Board of Directors. No Director may also serve as auditor. The auditor's report shall be filed with the records of the Corporation. A summary of this report shall be presented to the membership at the annual meeting.



## ARTICLE XIII

### Fiscal Year

The fiscal year of the corporation shall coincide with the calendar year (January 1 through December 31).

## ARTICLE XIV

### Dissolution

Section 1. Upon the dissolution of the Corporation, the Board of Directors shall, after paying or making provision for the payment of all of the liabilities of the Corporation, dispose of all of the assets of the Corporation exclusively for the purposes of the Corporation in such manner, or to such organization or organizations organized and operated exclusively for charitable, educational, religious, or scientific purposes as shall at the time qualify as an exempt organization or organizations under Section 501(c)(3) of the Internal Revenue Code of 1954 (or the corresponding provision of any future United States Internal Revenue law), as the Board of Directors shall determine.

Section 2. In the event of dissolution, the Board of Directors shall make the final determination as to the disposition of client records, notification of clients, and related matters.

## ARTICLE XV

### Parliamentary Authority

Robert's Rules of Order Revised shall constitute the ruling authority in all cases in which they are not inconsistent with these By-laws or with any statute of the state.

## ARTICLE XVI

### Amendments

Except as otherwise provided for by statute, an amendment to Article I, Article II, Article III, Article IV, Article V, Article VI, Sections 1., 2., 4., 5., and 7., and Article XVI of these By-laws shall require, within a twelve month period, an affirmative vote of three-fifths of the Directors and an affirmative three-fifths vote of the membership present at an annual or special meeting providing that the proposed amendment shall accompany the notice of the meeting. Such an amendment may be initiated either by the membership or the Board. An amendment to any other section of these By-laws not specified above shall require an affirmative vote of seven Directors. All changes in the By-laws shall be communicated to the membership within thirty (30) days.

XVII

Indemnification of Directors and Officers

Each Director and Officer of the Corporation shall be indemnified by the Corporation against all expenses, except as stated below, reasonably incurred by her/him in connection with any action, suit or proceeding to which s/he shall be made a party, or with which s/he shall be threatened by reason of his/her being or having been Director or Officer of the Corporation, whether or not s/he continues to be a Director or Officer at the time of incurring such expenses. The expenses covered by the foregoing indemnity shall not include any (a) expenses incurred in connection with any matters as to which such Director or Officer shall be adjudicated from such action, suit or proceedings without such judgment being reversed, to be liable by reason of his/her having been guilty of willful misconduct in the performance of his/her duty as such Director or Officer; or (b) amounts paid by such Director or Officer in settlement of any such action, suit or proceeding or expenses incurred in connection with any matters which shall have been the subject of such action, suit or proceeding disposed of otherwise than by adjudication on the merits, unless in relation to such action, suit or proceeding or such matters, such Director or Officer has been determined by corporate counsel not to be guilty of willful misconduct in relation to such action, suit or proceeding or other matters. The Board of Directors and each Director may conclusively rely upon the opinion of such counsel as approved by the Board of Directors. As used in this paragraph, the terms "Director" and "Officer" include their respective heirs, executors and administrators. The foregoing right of indemnification shall be in addition to any rights to which any Director or Officer may otherwise be entitled as a matter of law.

19 December 1984