

AN ACT ESTABLISHING THE WELLESLEY HOUSING DEVELOPMENT CORPORATION.

e it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

SECTION 1. There is hereby established a nonprofit housing corporation to be known as the Wellesley Housing Development Corporation, which shall be subject to the supervision of the board of selectmen of the town of Wellesley. Said corporation shall be governed by a board of directors hereinafter referred to as the board. Said board, which is hereby established, shall consist of not less than five members who shall be residents of said town and who shall be appointed by the board of selectmen for staggered three year terms as designated by said board of selectmen. Such appointments shall be made on or before June 30. Members shall serve until their successors are appointed and qualified. Continuing members may act despite a vacancy in said board and, for this purpose, shall be deemed to constitute a full board. A vacancy in the board, however occurring, may be filled by said board of selectmen for the remainder of the unexpired portion of the term.

The board shall exercise its powers and perform its duties for the purpose of investigating and implementing alternatives for the provision of and providing affordable housing for persons of low, moderate and middle income and others whose needs may be identified from time to time in said town. The powers and duties of said board shall be alternative and supplemental to, and not in limitation of, the powers and duties of the Wellesley Housing Authority, established pursuant to chapter 121B of the General Laws. The liability of said board and its members shall be limited to the same extent as the liability of a public employer and public employees as provided in section 2 of chapter 258 of the General Laws.

SECTION 2. The board shall have the powers conferred by the provisions of paragraphs (a) to (i), inclusive, and paragraph (k) of section 9 of chapter 156B of the General Laws and the following powers; provided, however, that no such power shall be exercised either in a manner inconsistent with this act or any other general or special law or to carry on any activity which is not in furtherance of the purposes set forth herein:

(a) to adopt, amend and repeal corporate by-laws for the regulation and conduct of its business including, but not limited to, the call and conduct of its meetings, the number of members which shall constitute a quorum and the mode of voting by proxy;

(b) to elect a chairman and vice-chairman, each of whom shall be members of said board, and a secretary and a treasurer, who need not be members of said board and who may be the same person. The treasurer shall give bond for the faithful performance of his duties in a form and amount approved and affixed by the board of selectmen, the cost of which bond shall be paid from funds of said board. The chairman and, in his absence, the vice-chairman shall chair meetings of said board. The secretary shall be the custodian of all books, documents and papers filed with said board and of the minute book or journal of said board;

(c) with the approval of the board of selectmen, to make and execute all contracts and all other instruments necessary or convenient for the exercise of its power and functions, subject to approval of the town counsel as to form;

(d) with the approval of the board of selectmen, to acquire or lease, by

purchase, gift or otherwise, and to own, hold and use, on such terms and conditions and in such manner as it may deem proper, and to exchange, grant options on, sell, transfer, convey, assign, lease, pledge, mortgage, encumber, grant liens on and security interests in, or to otherwise dispose of, on such terms and conditions as it may deem proper, real, personal or mixed real and personal property or any interest, easements or rights therein and assets or revenues of said board, as may be necessary or appropriate to carry out its purposes, it being understood that said board's right to acquire or sell town owned real estate shall be subject to town meeting vote authorizing the same;

(e) with the approval of the board of selectmen, to enter into agreements or other transactions with the commonwealth or a political subdivision or public instrumentality thereof, the United States government or a federal, state or other governmental agency;

(f) with the approval of the board of selectmen, to borrow money and to execute notes therefor which shall not be deemed to be debts or obligations of said town, to hold mortgages and to invest any funds not required for immediate disbursement in such investments as may be lawful for fiduciaries in the commonwealth; provided, however, that said board shall have no stock;

(g) with the approval of the board of selectmen, to enter into contracts or agreements with, and to employ from time to time, contractors, architects, engineers, consultants, attorneys, accountants, construction, financial and other experts, superintendents, managers and such other agents and employees as may be necessary in its judgment and to fix their compensation;

(h) with the approval of the board of selectmen, to receive and hold funds appropriated by the town and other funds, property, labor and other things of value from any source, public or private, by gift, grant, bequest, loan or otherwise, either absolutely or in trust, and to expend or utilize the same on behalf of said board for any of its purposes or to act as an agent or conduit in administering or disbursing funds or financial or other aid from any source; provided, however, that all revenues collected or received by said board in connection with its activities, investments or transactions shall be expended only with the approval of said board of selectmen;

(i) to appear in its own behalf before boards, commissions, departments or other agencies of government, municipal, state or federal;

(j) to procure insurance against any loss in connection with the property or activities of said board, in such amounts and from such insurers as it may deem necessary or desirable and, with the approval of the board of selectmen, to indemnify its members or agents if and to the extent specified from time to time in the by-laws of said board and subject to and in the manner provided in section 6 of chapter 180 of the General Laws;

(k) to formulate and, with the approval of the board of selectmen, carry out or monitor plans for projects involving the acquisition or operation of housing facilities of any kind or nature and to construct, reconstruct, renovate, expand, extend, improve, repair, remodel, equip, furnish, maintain, manage and operate such facilities;

(l) with the approval of the board of selectmen, to fix and revise from time to time and to charge and collect rates, fees, rentals and other charges and sales prices for or in connection with the use, occupancy or other disposition of any housing facility or other property or portion

thereof under its ownership or control;

(m) with the approval of the board of selectmen, to establish, impose, grant or amend, by deed, lease or other means or method, and to hold the benefit of, monitor, exercise and enforce lawful restrictions on the rental, sale, resale, use or occupancy of housing facilities or other property under its ownership or control or other facilities or property designated by said board of selectmen or restrictions with respect to the income of owners, tenants or occupants of such housing facilities or other property or options and rights of first refusal with respect to such facilities or property and to waive, release or discharge any such rights or restrictions; provided, however, that the foregoing shall not apply to any town owned real estate or facilities except upon the vote of the town meeting so voting;

(n) with the approval of the board of selectmen, to enter into, perform or monitor agreements or other transactions with contractors, developers, brokers or other real estate professionals or any other person relating to the providing of affordable housing for persons of low and moderate income in the town;

(o) to do any and all things necessary or convenient to carry out its purposes and exercise the powers conferred by this act.

Said board may delegate to any subcommittee or member of the committee any action which said board is authorized to do or make. Said board may be a partner in any business enterprise which it would have power to conduct by itself.

SECTION 3. Notwithstanding the provisions of any general or special law to the contrary, the income, assets and activities of the board shall be exempt from all taxes and assessments and said board shall not be subject to any of the provisions of chapter 63 of the General Laws or to any taxes based upon or measured by property or income imposed by the commonwealth or by any political subdivision thereof. Said board may enter into agreements with the assessor of the town of Wellesley, with the approval of the board of selectmen, wherein said board shall undertake to make to said town annual payments in lieu of taxes in connection with any real property acquired and owned by said board, the amounts of such payments to be reasonable sums stipulated in such agreement or agreements or determined in accordance with a reasonable formula so stipulated.

SECTION 4. Without limiting the powers of the board, said board may receive, expend and utilize for its purposes all interests in town owned real estate and proceeds of the sale by the town of Wellesley of certain lands, properties, and surplus buildings, as voted by said town but not otherwise. In addition, said town may appropriate other funds for the carrying out by said board of its purposes as set forth herein. Any appropriation therefor may be raised by said town by taxation. At least annually, said board shall cause independent audits to be made of its books and records of said board, which annual audits shall be filed with the board of selectmen.

SECTION 5. In the event that the board shall be dissolved in accordance with law at any time, all property and interests therein, assets and rights of said board existing at such time shall be transferred to the town of Wellesley and title to all such property and all such rights shall vest in said town automatically without the need for further action or instrument, and said town shall, to the maximum extent permitted by law and acting by and through its board of selectmen, assume, hold and exercise the powers and duties of said board set forth herein with respect to such property and

rights so transferred to said town.

SECTION 6. This act shall take effect upon its passage.

Approved August 28, 1998.

WELLESLEY HOUSING DEVELOPMENT CORPORATION
a Massachusetts Nonprofit Housing Corporation

BYLAWS

dated as of December 6, 2000

I.
ARTICLES OF ORGANIZATION

The name and purposes of the corporation (the "Corporation") shall be as set forth in Chapter 311 of the Massachusetts Acts of 1998 ("Chapter 311"). All references in these Bylaws to the Articles of Organization shall be construed to mean Chapter 311, as the same may from time to time be amended. These Bylaws, the powers of the Corporation and of its directors and officers, and all matters concerning the conduct and regulation of the business of the Corporation, shall be subject to such provisions in regard thereto, if any, as are set forth in the Articles of Organization, which are hereby made a part of these Bylaws.

II.
MEMBERSHIP

The Corporation shall have no members or membership body, *provided, however*, that the Board of Selectmen of the Town of Wellesley (the "Board of Selectmen") shall have the right to exercise with respect to the Corporation all of the statutory and common law rights, powers and privileges afforded from time to time to members of nonprofit corporations under Massachusetts law. In addition to such powers as members and to the right to appoint the directors of the Corporation as provided in the Articles of Organization and Article IV, Section 1 of these Bylaws, the Board of Selectmen shall have such other specific rights and powers as are vested in the Board of Selectmen by the Articles of Organization and these Bylaws. The Board of Selectmen shall follow its own internal policies and procedures in exercising such rights, powers and privileges.

III.
SPONSORS, BENEFACTORS, CONTRIBUTORS,
ADVISERS, AND FRIENDS OF THE CORPORATION

The Corporation's Board of Directors (the "Board") may designate certain persons or groups of persons as sponsors, benefactors, contributors, advisers or friends of the Corporation, or such other title as the Board deems appropriate. Such persons shall serve in an honorary capacity and shall have such rights and privileges as the Board may from time to time designate, *provided, however*, that in no event shall such persons ever be considered members or directors of the Corporation for the purposes of establishing a quorum at any meeting, or voting, or exercising any statutory or common law rights or privileges afforded to members or directors of nonprofit corporations.

IV.
BOARD OF DIRECTORS

1. Number, Qualifications and Appointment of Directors. The Board shall consist of not fewer than five and not more than nine directors, each appointed by the Board of Selectmen. The initial number of directors shall be five; thereafter the number of directors shall be fixed by the Board of Selectmen from time to time. Each director shall be a resident of the Town of Wellesley. Except for the initial five directors appointed by the Board of Selectmen who shall hold terms of one, two, or three years as determined by the Board of Selectmen, the directors shall serve staggered three-year terms, as designated by the Board of Selectmen. Each director shall hold office until his or her term expires and thereafter until his or her successor has been chosen and qualified or until such director's seat on the Board has been sooner eliminated or such director sooner dies, resigns or is removed in accordance with these Bylaws. If no successor is chosen on or prior to the date on which a director's term of office expires as a result of (a) the failure of the Board of Selectmen to have designated such successor by such date, (b) inadvertence, or (c) otherwise, such director shall remain in office until his or her seat on the Board is eliminated or his or her successor is chosen and qualified. There shall be no limit as to the number of terms that a particular director may serve, but no director shall have any entitlement or expectation to serve more than one term.

2. Vacancies. Vacancies created by (a) the death, removal or resignation of one or more directors, (b) an increase in the number of directors, or (c) otherwise, may be filled by written appointment of the Board of Selectmen. Continuing members may act despite a vacancy in the Board and, for this purpose, shall be deemed to constitute a full Board, *provided, however*, that no more than one director may at any time be a "disqualified person" within the meaning of that term as used in Section 4946 of the Internal Revenue Code of 1986, as amended from time to time (the "Code") (other than by reason of being a "foundation manager") with respect to the Corporation, if the Corporation were a "private foundation" within the meaning of that term as used in Section 509(a) of the Code. If any director becomes a disqualified person so as to cause the number of directors to exceed such limit, then such director shall be deemed to have resigned and a vacancy in the office formerly held by such director shall exist.

3. Powers. The management of the affairs of the Corporation shall be vested in and exercised by the Board, subject, however, to the specific rights and powers of the Board of Selectmen as provided in the Articles of Organization and these Bylaws. The Board shall pursue such policies and principles as shall be in accordance with law, the provisions of the Articles of Organization and these Bylaws. To the extent permitted by law, the Board may, by general resolution, delegate to officers of the Corporation such powers as it sees fit.

4. Compensation and Expenses. The directors shall receive no salary or compensation for their services as such, but the Corporation shall reimburse the directors for all reasonable and appropriate expenses incurred by the directors in performing their duties for the Corporation.

5. Resignation of Directors. Any director may resign from the Board by delivering a written resignation to the Board of Selectmen, the Chairman, or the Secretary.

6. Removal. The Board of Selectmen may remove any director from office with or without cause.

7. Meetings of the Board. Meetings of the Board shall be held at such place within the Town of Wellesley, Massachusetts as may be named in the notice of such meeting.

An annual meeting of the Board shall be held in the month of July each year, following the annual appointment of new directors by the Board of Selectmen in the month of June each year. Such annual meeting shall be held on such particular date in July as is determined by the Board. At such annual meeting, the Board shall elect the Chairman, Vice-Chairman, Secretary, Treasurer and such other officers, if any, as the Board determines. In the event the annual meeting is not held during July, a special meeting in lieu of the annual meeting may be held with all the force and effect of an annual meeting.

Regular meetings of the Board may be held without call or formal notice to the directors at such places and at such times as the Board may from time to time determine.

Special meetings of the Board may be held at any time and at any place when called by the Chairman or by two or more directors, upon reasonable notice, stating the time and place of said meeting, given to each director by the Secretary or, in the case of the death, absence, incapacity or refusal of the Secretary, by the officer or directors calling the meeting, or at any time without call or formal notice, provided that all the directors are present or waive notice thereof before or after the meeting by a writing which is filed with the records of the meeting. A written notice of the date, place and hour of all meetings of the Board shall be given at least forty-eight (48) hours before the meeting to each member of the Board and to each officer by delivering such notice by hand, by mail (postage prepaid), or by telegram, to the addresses of the directors and the officers as they appear on the books of the Corporation, unless shorter notice is necessary and adequate under the circumstances; such written notice may also be given by electronic mail (i.e., e-mail) or by facsimile, but only if such particular director or particular officer has an electronic mail (e-mail) address or a fax machine, and such director or such officer has directed that his or her electronic mail (e-mail) address and/or facsimile number shall be added to the books of the Corporation. A courtesy notice of all meetings of the Board may, but is not required to, be given to the Board of Selectmen. A notice or waiver of notice need not specify the purpose of any meeting. Whenever notice of a meeting is required to be given under applicable law, under the Articles of Organization or under these Bylaws, a written waiver thereof, executed before or after the meeting by such director or such officer and filed with the records of the meeting shall be deemed equivalent to such notice. Notice of a meeting need not be given to any director or officer who attends the meeting without protesting, prior thereto or at its commencement, the lack of notice to him or her.

8. Public Notice of Meeting. Except in emergencies, a notice of each of the Board's meetings shall be filed with the Town Clerk of Wellesley, Massachusetts at least 48 hours (including Saturdays but not Sundays and legal holidays) prior to the time of each such meeting; such notice will include the date, time and place of such meeting.

9. Action by Consent of the Board. Any action required or permitted to be taken in executive session at any emergency meeting of the Board or of any committee thereof may be

taken without a meeting if all members of the Board or committee, as the case may be, consent thereto in writing, and such written consent or consents are filed with the records of the meetings of the Board or committee. Such consent shall be treated as a vote adopted at a meeting for all purposes. Such consents may be executed in one or more counterparts and not every director or committee member need sign the same counterpart.

The members of the Board or any committee thereof may participate in a meeting of the Board or such committee by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other at the same time, and participation by such means shall constitute presence in person at a meeting.

10. Quorum. For so long as the Board consists of five directors, four directors shall constitute a quorum. For so long as the Board consists of six or more directors, a majority of the directors in office at the time a meeting is duly called and held shall constitute a quorum. When a quorum is present at any such meeting, the vote of a majority of the directors present shall be necessary and sufficient for election to any office or for a decision on any matter, except as otherwise required by law, by the Articles of Organization, or by these Bylaws. Whether or not a quorum is present, any meeting may be adjourned from time to time by a majority of the votes cast upon the question, without notice other than by announcement at the meeting, and without further notice to any absent director. At any adjourned meeting at which a quorum shall be present, any business may be transacted which might have been transacted at the meeting as originally called.

11. Committees. The Board may at any time appoint such advisory committees of the Board as are deemed desirable. The Board may from time to time designate or alter, within the limits permitted by this Article IV, the duties and powers of such committees or change their membership or may, at any time, abolish such committees or any of them, *provided, however*, that the Board shall have no authority to delegate to any such committee any of the Board's powers to manage the affairs of the Corporation. No such committee shall have any power to act or enter into any legally binding agreement on behalf of the Corporation. Any such committee shall only have the power to investigate and advise or make recommendations to the Board regarding such matters as the Board may designate in its vote appointing such Committee.

12. No Control By Disqualified Persons. ~~Notwithstanding the foregoing provisions~~ of this Article IV, in no event shall any bylaw, procedure, ~~delegation of authority~~, or other action of the directors have the effect of vesting exclusive control of the ~~activities or affairs~~ of the Corporation in any one or more persons who would be disqualified persons within the meaning of that term as used in Section 4946 of the Code (other than by reason of being a "foundation manager") with respect to the Corporation, if the Corporation were a "private foundation" within the meaning of that term as used in Section 509(a) of the Code.

13. Accounting. The directors shall keep accurate records and minutes of their proceedings and actions. They shall also maintain, or cause to be maintained, accounts showing the operation and condition of the Corporation. At the request of the Board of Selectmen, the Corporation shall render an accounting to the Board of Selectmen showing in reasonable detail the assets and liabilities of the Corporation and a brief account of the operations for the fiscal year. The directors shall prepare or cause to be prepared and filed with the appropriate

governmental agencies all necessary reports, determination requests, information returns, and data required pursuant to the Code, the laws of The Commonwealth of Massachusetts, and any other applicable laws, including, without limitation, the independent audit of the Corporation's books and records to be made and filed with the Board of Selectmen pursuant to Section 4 of the Articles of Organization.

V.
OFFICERS AND EMPLOYEES

1. Officers. The Board shall elect a Chairman, a Vice-Chairman, a Secretary and a Treasurer, and, in its discretion, may elect such other officers as the Board may deem necessary or appropriate. Such officers shall be elected annually by the Board at such meeting as the Board determines, and each shall hold office for the term provided by the vote of the Board, except that each will be subject to removal from office in the discretion of the Board as provided herein. So far as is permitted by law, the powers and duties of more than one office may be exercised and performed by the same person. The Corporation may also have such agents, if any, as the Board may, in its discretion, appoint.

Subject to law, to the Articles of Organization, and the other provisions of these Bylaws, each officer shall have, in addition to the duties and powers herein set forth, such duties and powers as the Board may from time to time designate.

2. Vacancies. If the office of any member of any committee or any other office becomes vacant, the Board may elect or appoint a successor or successors by vote of a majority of the directors then in office. Each successor as an officer shall hold office for the unexpired term and until his or her successor shall be elected or appointed and qualified, or until he or she sooner dies, resigns, is removed or becomes disqualified.

3. Chairman of the Board. The Chairman shall be the chief executive officer of the Corporation. Subject to the directions of the Board, the Chairman shall have and exercise direct charge of and general supervision over the business and affairs of the Corporation and shall perform all duties incident to the office of the chief executive officer of a corporation and such other duties as from time to time may be assigned by the Board. The Chairman shall preside at all meetings of the Board at which he or she is present, except as otherwise voted by the Board. The Chairman shall be elected from among the members of the Board.

4. Vice-Chairman. The Vice-Chairman shall have and exercise such powers and shall perform such duties as from time to time may be assigned by the Board or the Chairman, and in any case, shall be responsible to and shall report to the Chairman. He or she shall keep himself or herself informed of the administration of the affairs of the Corporation and shall advise and counsel with the Chairman. The Vice-Chairman shall be elected from among the members of the Board, and in the absence or disability of the Chairman, the Vice-Chairman, or if there be more than one, the Vice-Chairman in the order of their seniority or as otherwise designated by the Board, shall have the powers and duties of the Chairman and shall preside at the Board's meetings.

5. Secretary. The Secretary shall keep, or cause to be kept, the minutes of all meetings of the Board in books provided for the purpose. In the absence of the Secretary from any such meeting, the Board shall choose a temporary clerk who shall record the proceedings thereof. The Secretary shall see that all notices are duly given in accordance with the provisions of law and these Bylaws; shall be custodian of all books, documents, papers and records and of the corporate seal or seals of the Corporation; may cause copies to be made of all minutes and other records and documents of the Corporation; and may give certificates under the official seal of the Corporation to the effect that such copies are true copies. All persons dealing with the Corporation may rely upon such certificates. In general the Secretary, shall perform all duties incident to the office of secretary of a corporation, and such other duties as from time to time may be assigned by the Board. The Secretary need not be a member of the Board and may also serve as the Treasurer.

6. Treasurer. The Treasurer shall be the chief financial officer of the Corporation and, subject to the Chairman and the Board, shall have charge of and be responsible for all funds, securities, receipts and disbursements of the Corporation; shall deposit, or cause to be deposited, in the name of the Corporation, all monies or other valuable effects in such banks, trust companies or other depositories as shall, from time to time, be selected by the Board; may endorse for collection on behalf of the Corporation checks, notes and other obligations; may sign receipts and vouchers for payments made to the Corporation; may sign checks of the Corporation, singly or jointly with another person as the Board may authorize, and pay out and dispose of the proceeds under the direction of the Board; shall render to the Chairman and to the Board, whenever requested, an account of the financial condition of the Corporation; and, in general, shall perform all the duties incident to the office of treasurer of a corporation, and such other duties as from time to time may be assigned by the Board. The Treasurer shall be responsible to and shall report to the Board, but in the ordinary conduct of the Corporation's business, shall be under supervision of the Chairman. The Treasurer need not be a member of the Board and may also serve as the Secretary.

7. Other Officers. The Board may appoint such other officers as it may deem desirable. Each such officer shall hold office for such period, have such authority and perform such duties as the Board may prescribe. The Board may, from time to time, authorize any officer to appoint and remove subordinate officers and to prescribe the powers and duties thereof.

8. Compensation and Expenses: The officers of the Corporation shall receive no salary or compensation for their services as such, but the Corporation shall reimburse the officers for all reasonable and appropriate expenses incurred by the officers in performing their duties for the Corporation.

9. Resignation. Any officer may resign from his or her office in the Corporation by delivering a written resignation to the Board, the Chairman or the Secretary.

10. Removal. Any officer of the Corporation may be removed from his or her office in the Corporation, with or without cause, by vote of a majority of the directors then in office.

11. Bonds. The Board may require any officer of the Corporation to give a bond to the Corporation, conditional upon the faithful performance of such officer's duties, with one or

more sureties and in such amount as may be satisfactory to the Board. As provided in Section 2(b) of the Articles of Organization, the Treasurer shall give bond for the faithful performance of his or her duties in a form and amount approved and affixed by the Board of Selectmen, the cost of which bond shall be paid from funds of the Board of Selectmen.

12. Employees: The Board may hire such paid employees from time to time as the Board may deem desirable, and shall fix the compensation and the other terms and conditions of employment of all employees, *provided, however*, that any such compensation shall be reasonable and appropriate to the value of the services rendered. All employees shall serve at the pleasure of the Board.

VI. LIABILITY OF DIRECTORS

1. Pursuant to Section 1 of the Articles of Organization, the liability of the Board and of the directors shall be limited to the same extent as the liability of a public employer and public employees, respectively, as provided in M.G.L. ch. 258, Sec. 2.

2. The Corporation shall, subject to the approval of the Board of Selectmen and to the extent legally permissible, and the Town of Wellesley shall, subject to the approval of the Board of Selectmen and to the extent legally permissible, indemnify each person who serves as one of its members, directors or officers, or who serves at its request as a member, trustee, director or officer of another organization or in such capacity with respect to any employee benefit plan (each such person, including such person's heirs, executors and administrators, being herein called a "Person") against all liabilities and expenses, including amounts paid in satisfaction of judgments, in compromise or as fines and penalties, amounts payable in settlements and counsel fees, reasonably incurred by, or imposed upon, such Person in connection with the defense or disposition of any action, suit or other proceeding, whether civil, criminal, investigative or administrative, in which such Person may be involved or with which such Person may be threatened, while in office or thereafter, by reason of being or having been such a Person (other than a proceeding voluntarily initiated by such Person unless he or she is successful on the merits, the proceeding was authorized by the Corporation or the proceeding seeks declaratory judgment regarding his or her conduct), *provided, however*, that no indemnification shall be provided for any Person with respect to any matter as to which such Person shall have been finally 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. Any Person who at the request of the Corporation serves another organization or an employee benefit plan in one or more of the above indicated capacities and who shall have acted in good faith in the reasonable belief that his or her action was in the best interests of such other organization or in the best interests of the participants or beneficiaries of such employee benefit plan shall be deemed to have acted in such manner with respect to the Corporation.

3. Notwithstanding the foregoing, as to any matter disposed of by a compromise payment by any Person, pursuant to a consent decree or otherwise, no indemnification either for said payment or for any other expenses shall be provided unless such compromise shall be approved as in the best interests of the Corporation, after notice that it involves such indemnification: (i) by a majority of the directors then in office, none of whom are interested

directors; or (ii) by a majority of the directors then in office, none of whom are interested directors, *provided, however*, that there has been obtained an opinion in writing of independent legal counsel to the effect that such Person appears to have acted in good faith in the reasonable belief that his or her action was in the best interests of the Corporation; or (iii) by a majority of the members entitled to vote, none of whom are interested members, voting as a single class.

4. Expenses, including counsel fees, reasonably incurred by any Person in connection with the defense or disposition of any such action, suit or other proceeding may be paid from time to time by the Corporation in advance of the final disposition thereof upon receipt of an undertaking by such Person to repay the amounts so paid if such Person ultimately shall be adjudicated to be not entitled to indemnification under this Article VI. Such an undertaking may be accepted without reference to the financial ability of such Person to make repayment.

5. Each Person shall be deemed to have accepted and to have continued to serve in the office to which he or she has been appointed in reliance upon the provisions of paragraphs 1 and 2 of this Article VI. Such provisions shall be separable, and if any portion thereof shall be finally adjudged to be invalid, such invalidity shall not affect any other portion which can be given effect. The indemnification provided hereunder shall inure to the benefit of the heirs, executors and administrators of a Person entitled to indemnification hereunder. Such provisions shall not be exclusive of any other right which any Person or any employee or agent of the Corporation may have or hereafter acquire, whether under any bylaw, vote of members, agreement, judgment, decree, provision of law or otherwise, and such provisions and all other such rights shall be cumulative.

6. The Corporation, by vote of its Board, may 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 with respect to an employee benefit plan or as a trustee, director, officer, employee or other agent of another Corporation of which the Corporation is or was a stockholder, member or creditor, against any liability incurred by him or her in any such capacity or arising out of his or her status as such, whether or not the Corporation would have the power to indemnify him or her against such liability.

7. As used in this Article VI, an "interested" member, director or officer is one against whom in such capacity the proceeding in question, or another proceeding on the same or similar grounds, is then pending.

8. The right of indemnification under this Article VI shall be a contract right inuring to the benefit of the Persons entitled to indemnification hereunder, and no amendment or repeal of this Article VI shall adversely affect any right of any Person existing at the time of such amendment or repeal.

VII. CONTRACTS AND DEALINGS WITH CERTAIN OTHER CORPORATIONS OR FIRMS

1. In General. No contract or transaction between the Corporation and one or more of its directors or officers, or between the Corporation and any other corporation, partnership,

association, or other organization in which one or more of the Corporation's directors or officers, are directors or officers, or have a financial interest, shall be void or voidable solely for this reason, or solely because the director or officer is present at or participates in the meeting of the Board or committee which authorizes the contract or transaction, or solely because his, her or their votes are counted for such purpose, if: (i) the material facts as to his or her relationship or interest and as to the contract or transaction are disclosed or are known to the Board or the committee, and the Board or committee in good faith authorizes the contract or transaction by the affirmative votes of a majority of the disinterested directors, even though the disinterested directors be less than a quorum; or (ii) the contract or transaction is fair as to the Corporation as of the time it is authorized, approved or ratified by the Board or a committee. Common or interested directors may be counted in determining the presence of a quorum at a meeting of the Board or of a committee which authorizes the contract or transaction.

2. Conflicts of Interest. Any director, director, officer or key employee who has an interest in a contract or other transaction presented to the Board or a committee thereof for authorization, approval, or ratification shall make a prompt and full disclosure of his or her interest to the Board or committee prior to its acting on such contract or transaction. Such disclosure shall include any relevant and material facts known to such person about the contract or transaction, which might reasonably be construed to be adverse to the Corporation's interest. The body to which such disclosure is made shall thereupon determine whether the disclosure shows that a conflict of interest exists or can reasonably be construed to exist. If a conflict is deemed to exist, such person shall not vote on, nor use his or her personal influence on, nor participate (other than to present factual information or to respond to questions) in, the discussions or deliberations with respect to such contract or transaction. Such person may be counted in determining whether a quorum is present but may not be counted when the Board or a committee thereof takes action on the transaction. The minutes of the meeting shall reflect the disclosure made, the vote thereon, the abstention from voting and participation, and whether a quorum was present.

VIII. EXECUTION OF PAPERS

Except as the Board may generally or in particular cases authorize or direct the execution thereof in some other manner, all deeds, leases, transfers, contracts, proposals, bonds, notes, checks, drafts, and other obligations made, accepted or endorsed by the Corporation shall be approved as to form by the Town counsel of the Town of Wellesley, Massachusetts and shall be signed or endorsed on behalf of the Corporation by the Chairman or the Treasurer, each acting singly, or their designees.

IX. SOURCE AND INVESTMENT OF FUNDS

Funds for the operation of the Corporation and for the furtherance of its objectives and purposes may be derived from donations from public and private organizations, associations and individuals, grants and allocations from governmental or private agencies or bodies, and such other sources as may be approved by the Board. Except as otherwise provided by law or the Articles of Organization or lawfully directed by any grantor or donor, the Corporation may retain

or dispose of all or any part of any real or personal property acquired by it and invest and reinvest any funds held by it according to the judgment of the Board, without being restricted to the class of investments which fiduciaries are or hereafter may be permitted by law to make.

X.
PROHIBITION REGARDING THE USE OF FUNDS AND
DISTRIBUTION OF ASSETS ON DISSOLUTION

1. Private Benefit. No part of the net earnings or receipts of the Corporation shall inure to the benefit of any director or officer of the Corporation or any private individual, *provided, however*, that this prohibition shall not prevent the payment to any person of such reasonable compensation for services actually rendered to or for the Corporation in conformity with these Bylaws.

2. Dissolution. Pursuant to Section 5 of the Articles of Organization, upon the dissolution or winding up of the affairs of the Corporation, whether voluntary or involuntary, all property and interests therein, assets and rights of the Board existing at such time shall be transferred to the Town of Wellesley for public purposes.

XI.
SEAL

The Corporation may, but need not, have a seal. If the Board elects to have a seal, such seal shall, subject to alteration by the Board, consist of a flat-faced circular die with the words "Massachusetts" together with the name of the Corporation and the year of incorporation cut or engraved thereon.

In connection with the execution and delivery on behalf of the Corporation of any instrument, document, writing, notice or paper, it shall not be necessary to affix the Corporation's seal, if any, thereon, and any such instrument, document, writing, notice or paper when executed without any seal affixed thereon shall be of the same force and effect and as binding on the Corporation as if the Corporation's seal had been affixed thereon in each instance.

XII.
FISCAL YEAR

The fiscal year of the Corporation shall be from the first day of July through the thirtieth day of the following June.

XIII.
LOCATION OF THE PRINCIPAL OFFICE

The location of the principal office of the Corporation shall be:

Wellesley Town Hall
525 Washington Street
Wellesley, MA 02482-5992

XIV.
AMENDMENTS

These Bylaws may be altered, amended, or repealed, in whole or in part, by the affirmative vote of two-thirds (2/3rds) of the directors present and voting at any meeting, the notice of which contains a statement of the proposed alteration or amendment, except with respect to any provision of these Bylaws which by these Bylaws requires action by the Board of Selectmen. At the same time that any such notice of the proposed alteration or amendment of these Bylaws is given to the directors, a notice thereof stating the substance of such proposed change shall be given to the Board of Selectmen. Any alteration or amendment of these Bylaws adopted by the directors may be amended or repealed by the Board of Selectmen, *provided, however*, in no event shall any alteration or amendment be effective if it would cause the Corporation not to be an organization described in Section 509(a)(3) of the Code.

INTERNAL REVENUE SERVICE
P. O. BOX 2508
CINCINNATI, OH 45201

DEPARTMENT OF THE TREASURY

Date: **APR 08 2002**

WELLESLEY HOUSING DEVELOPMENT
CORPORATION
C/O JUDITH G EDINGTON
SULLIVAN & WORCESTER LLP
ONE POST OFFICE SQUARE
BOSTON, MA 02109-0000

Employer Identification Number:
31-1802126
DLN:
17053275038031
Contact Person:
RONALD D BELL ID# 31185
Contact Telephone Number:
(877) 829-5500

Accounting Period Ending:
June 30
Form 990 Required:
No
Addendum Applies:
No

Dear Applicant:

Based on information supplied, and assuming your operations will be as stated in your application for recognition of exemption, we have determined you are exempt from federal income tax under section 501(a) of the Internal Revenue Code as an organization described in section 501(c)(3).

We have further determined that you are not a private foundation within the meaning of section 509(a) of the Code, because you are an organization described in section 509(a)(3).

If your sources of support, or your purposes, character, or method of operation change, please let us know so we can consider the effect of the change on your exempt status and foundation status. In the case of an amendment to your organizational document or bylaws, please send us a copy of the amended document or bylaws. Also, you should inform us of all changes in your name or address.

As of January 1, 1984, you are liable for taxes under the Federal Insurance Contributions Act (social security taxes) on remuneration of \$100 or more you pay to each of your employees during a calendar year. You are not liable for the tax imposed under the Federal Unemployment Tax Act (FUTA).

Since you are not a private foundation, you are not subject to the excise taxes under Chapter 42 of the Code. However, if you are involved in an excess benefit transaction, that transaction might be subject to the excise taxes of section 4958. Additionally, you are not automatically exempt from other federal excise taxes. If you have any questions about excise, employment, or other federal taxes, please contact your key district office.

Grantors and contributors may rely on this determination unless the Internal Revenue Service publishes notice to the contrary. However, if you lose your section 509(a)(3) status, a grantor or contributor may not rely on this determination if he or she was in part responsible for, or was aware

Letter 947 (DO/CG)

WELLESLEY HOUSING DEVELOPMENT

of, the act or failure to act, or the substantial or material change on the part of the organization that resulted in your loss of such status, or if he or she acquired knowledge that the Internal Revenue Service had given notice that you would no longer be classified as a section 509(a)(3) organization.

Donors may deduct contributions to you as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to you or for your use are deductible for federal estate and gift tax purposes if they meet the applicable provisions of Code sections 2055, 2106, and 2522.

Contribution deductions are allowable to donors only to the extent that their contributions are gifts, with no consideration received. Ticket purchases and similar payments in conjunction with fundraising events may not necessarily qualify as deductible contributions, depending on the circumstances. See Revenue Ruling 67-246, published in Cumulative Bulletin 1967-2, on page 104, which sets forth guidelines regarding the deductibility, as charitable contributions, of payments made by taxpayers for admission to or other participation in fundraising activities for charity.

In the heading of this letter we have indicated whether you must file Form 990, Return of Organization Exempt From Income Tax. If Yes is indicated, you are required to file Form 990 only if your gross receipts each year are normally more than \$25,000. However, if you receive a Form 990 package in the mail, please file the return even if you do not exceed the gross receipts test. If you are not required to file, simply attach the label provided, check the box in the heading to indicate that your annual gross receipts are normally \$25,000 or less, and sign the return.

If a return is required, it must be filed by the 15th day of the fifth month after the end of your annual accounting period. A penalty of \$20 a day is charged when a return is filed late, unless there is reasonable cause for the delay. However, the maximum penalty charged cannot exceed \$10,000 or 5 percent of your gross receipts for the year, whichever is less. For organizations with gross receipts exceeding \$1,000,000 in any year, the penalty is \$100 per day per return, unless there is reasonable cause for the delay. The maximum penalty for an organization with gross receipts exceeding \$1,000,000 shall not exceed \$50,000. This penalty may also be charged if a return is not complete, so be sure your return is complete before you file it.

You are required to make your annual information return, Form 990 or Form 990-EZ, available for public inspection for three years after the later of the due date of the return or the date the return is filed. You are also required to make available for public inspection your exemption application, any supporting documents, and your exemption letter. Copies of these documents are also required to be provided to any individual upon written or in person request without charge other than reasonable fees for copying and postage. You may fulfill this requirement by placing these documents on the Internet. Penalties may be imposed for failure to comply with these requirements. Additional information is available in Publication 557, Tax-Exempt Status for Your Organization, or you may call our toll free number shown above.

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WELLESLEY HOUSING DEVELOPMENT

You are not required to file federal income tax returns unless you are subject to the tax on unrelated business income under section 511 of the Code. If you are subject to this tax, you must file an income tax return on Form 990-T, Exempt Organization Business Income Tax Return. In this letter we are not determining whether any of your present or proposed activities are unrelated trade or business as defined in section 513 of the Code.

You need an employer identification number even if you have no employees. If an employer identification number was not entered on your application, a number will be assigned to you and you will be advised of it. Please use that number on all returns you file and in all correspondence with the Internal Revenue Service.

If we have indicated in the heading of this letter that an addendum applies, the enclosed addendum is an integral part of this letter.

Because this letter could help resolve any questions about your exempt status and foundation status, you should keep it in your permanent records.

We have sent a copy of this letter to your representative as indicated in your power of attorney.

If you have any questions, please contact the person whose name and telephone number are shown in the heading of this letter.

Sincerely yours,



Steven T. Miller
Director, Exempt Organizations