

# **PAWTUCKET'S BUSINESS DEVELOPMENT CORPORATION BYLAWS**

## **ARTICLE I – NAME & PURPOSE**

Section 1: Name. The name of the Corporation shall be the Pawtucket's Business Development Corporation. (PBDC).

Section 2: Purpose. The PBDC is organized as a 501(c)(3) corporation and serves as an alternative financing resource for businesses in the City. The PBDC encourages businesses to increase or retain employment, renovate existing commercial buildings, expand the tax base and maximize private investment. PBDC acts as a stimulus for economic development, while prudently managing the financial resources available to businesses. Additionally, the Corporation shall implement and manage the Corporation's lending and grant programs in conjunction with the United States Department of Housing and Urban Development and other relevant organizations under rules established by the Corporation or granting agency, review lending policies from time to time and introduce new lending and grant programs as the need arises.

## **ARTICLE II -- OFFICES**

The principal office of the Corporation shall be in the City of Pawtucket. The Corporation may have such other offices as may be deemed necessary or convenient to the carrying on of the purposes for which the Corporation is organized and such other offices may be established or discontinued at the pleasure of the Board.

## **ARTICLE III -- DIRECTORS**

### Section 1. Number and Composition.

The Corporation shall have no capital stock and no stockholders and in lieu thereof shall have as its Directors a self-perpetuating group consisting of not less than twenty-five (25) or more than thirty (30) to be known as the "Board of Directors" who are either residents of the City or who work in the City and are to be selected in accordance with these Bylaws.

The Board of Directors of the PBDC must contain at least two people from each of the following groups:

- (a) Local Government
- (b) Private Sector Lending Institutions
- (c) Community Organizations
- (d) Business

### Section 2. Appointment and Term.

The incorporators are the Directors of the Pawtucket Redevelopment Agency, and the first Board of Directors of the PBDC shall be the incorporators. Their terms will run concurrent with the terms they hold as Pawtucket Redevelopment Agency Members.

After said first meeting of the Corporation, succeeding Directors shall be appointed by the Mayor of the City of Pawtucket for five year staggered terms at the Annual Meeting of the Board of Directors with no more than one fifth of the Directors coming up for reappointment each year. The number of Directors to be appointed in any particular year shall be determined by the Mayor of the City of Pawtucket but not so as to change the total maximum and minimum provided above. A Director may serve one or more terms.

Section 3. Powers of the Directors.

The Directors shall have the powers conferred upon Directors and stockholders by the provisions of the Rhode Island General Laws as now or hereafter amended. They shall have power to amend the Charter and Bylaws of the Corporation by two-thirds vote of the Directors and to elect or remove officers as hereinafter provided.

Section 4. Election of Officers and Board of Directors

The first President, Treasurer, and Secretary of the Corporation and the first Board of Directors of not less than three nor more than nine Directors shall be elected by the incorporators.

Thereafter, the Directors shall elect from among themselves by a majority vote the following officers: a President, Vice-President, Treasurer, and Secretary of the Corporation. The Directors may also elect from themselves additional officers, such as Vice-Presidents, Assistant Treasurers or other officers, as the Directors may deem necessary or appropriate for carrying on the activities and affairs of the Corporation. The officers serve at the pleasure of the Directors. Elections of officers shall occur as provided in Article V below.

Section 5. Expiration of Term and Vacancies.

Any Director whose term expires shall continue to hold office until his or her successor is appointed by the Mayor. Any vacancy in the Directors shall be filled by the same method described above. Any Director appointed to fill a vacancy shall be appointed for the unexpired term of his or her predecessor.

Section 6. Termination of the Corporation.

The Mayor of the City of Pawtucket shall have the power to terminate the Corporation and to determine to whom the property of the Corporation shall be turned over after the payment of all its deeds and obligations so long as such determination is in accord with applicable laws.

Section 7. Compensation for Directors.

Directors shall not be compensated for performance of their duties except that Directors may be reimbursed for reasonable out-of-pocket expenses incurred in performance of their duties. No Director shall be precluded from serving the Corporation in any other capacity and receiving reasonable compensation therefore so long as such services are deemed necessary and are in furtherance of the Corporation's purpose. Any compensation paid to Directors for services unrelated to their duties as Directors shall comport with Article XIV Section 1.

## ARTICLE IV - MEETINGS

### Section 1. Annual Meeting of Directors.

The Annual Meeting of the Directors shall be held on the second Thursday of January each year if not a legal holiday, and if a legal holiday, then on the day following, or at such other time as the Corporation deems appropriate. The meeting shall be held at such place within the City of Pawtucket to be designated in the notice of the meeting or if no such place is designated, then at the principal office of the Corporation. Written notice of the Annual Meeting, stating the day, hour and place thereof, shall be delivered by first-class or electronic mail by the Secretary at least seven (7) days before the meeting, addressed to each Director at his or her address or email address as it appears on the books of the Corporation. Such notice shall state the purpose for which the meeting is called. In the event that the Annual Meeting is omitted by oversight or otherwise on the date herein provided for, a subsequent meeting may be held in place thereof, and any business transacted or elections held at such meeting shall be as valid as if transacted or held at the Annual Meeting.

### Section 2. Special Meetings of Directors.

Special meetings of the Directors may be called by the President or by a majority of the Directors and shall be so called by the Secretary upon written application of one-third of the Directors. Notice of such special meeting stating the time, purpose and place shall be sent to each Director in the same manner as in the case of the Annual Meeting.

### Section 3. Regular Meetings of the Directors.

Meetings of the Directors shall be held no less than bimonthly at a date, time, and place fixed by the President of the Corporation. The Secretary shall deliver to each Director at his or her address or email address as it appears on the books of the Corporation a written notice of each meeting at least two (2) days prior to the date of each such regular meeting. Notices of meetings of the Directors shall be accompanied with an agenda for each meeting of the Board of Directors which shall be prepared by the Corporation's staff in conjunction with the Officers. The agenda shall be distributed and posted in compliance with the State "Open Meetings Law." The agenda shall include any matter which the Board of Directors has previously voted to include thereon, any old business, and any item requested in writing by a Director to the President at least three (3) days prior to the date of the meeting. The written meeting notice should also be accompanied with the minutes of the previous meeting if available at the time the meeting notice is sent.

### Section 4. Quorum.

At any meeting of the Board of Directors, twenty-five percent (25%) of the then-current Directors shall constitute a quorum for the transaction of business. The Directors representing less than the quorum may adjourn any meeting from time to time until the attendance of a quorum is secured. No notice of such adjournment shall be required to be given to the Directors.

### Section 5. Waiver of Notice.

Any notice required by these Bylaws to be given to a Director may be waived by the person entitled thereto either before or after such notice was required to have been given, provided such waiver is in writing and filed with the Records of the Meeting. The presence of a Director at any meeting shall constitute a waiver of notice of such meeting as effectually in all respects as if a written waiver were executed and filed.

Section 6. Open Meetings.

Meetings of the Corporation and its Committees are open to the public. The Corporation shall comply with R.I.G.L. §42-64-1 et. seq. (the “Open Meetings Law”) and shall only close meetings to the public when permitted to do so pursuant to the Open Meetings Law.

**ARTICLE V - OFFICERS**

Section 1. Officers.

The officers of the Corporation shall be President, Vice-President, Treasurer, and Secretary. The Corporation may have such additional officers, such as Vice-Presidents, Assistant Treasurers or other officers, as the Directors may deem necessary or appropriate for carrying on the activities and affairs of the Corporation.

Section 2. Elections.

The Officers shall be elected by a majority vote cast at the Annual Meeting. The Directors may call for an election at any other time with a two-thirds vote.

Section 3. Term.

The Officers of the Corporation serve at the pleasure of the Directors.

Section 4. Removal.

The Directors may for cause and by a majority vote remove at any time any Officers or other persons elected or appointed by them.

Section 5. Resignation.

Any Officer may resign in writing, such resignation to take effect from the time of its acceptance by the Board of Directors unless some time be fixed in the resignation, and in that case such resignation shall take effect from the time so designated therein.

Section 6. Vacancies.

Any vacancies in any office, however occasioned, may be filled by the Board of Directors for an unexpired term of his or her predecessor by a majority vote.

**ARTICLE VI -- POWERS AND DUTIES**

Section 1. Board of Directors.

The Board of Directors shall have the active management and supervision of the affairs of the Corporation, and of investment and reinvestment of its funds from whatever source derived (whether they be contributions, donations, current earnings, the income or increase thereof or otherwise), and shall have control over the appropriation and expenditure of said funds for such of the Corporation's purposes and in such proportions, whether from capital, income or otherwise, as the Board of Directors may from time to time determine. If the investment of such of the Corporation's funds as are not needed or appropriated from time to time for the carrying out of the objectives of the Corporation, the Board of Directors shall not be limited to investment ordinarily proper for Directors in Rhode Island, but in addition to the Board's usual powers of investment, it shall have the power to make such investments and in such proportions as they may in their uncontrolled discretion think proper, no Director to be accountable except for his or her willful default. In the management and control of property, business and affairs of the Corporation, the Board of Directors is hereby vested with all the powers possessed by the Corporation itself insofar as this delegation of authority is not inconsistent with the laws of the State of Rhode Island, the Charter of the Corporation and these Bylaws. The Board of Directors is vested with full authority to buy, sell, lease, mortgage, and pledge or otherwise encumber or transfer any and all real estate of the Corporation, or to buy, sell, lease or otherwise acquire additional real estate.

#### Section 2. President.

The President shall preside at all meetings of the Directors, provided however, that in his or her absence a Vice-President, or other Officer, as hereinafter provided, may preside, and in the absence of the President or other Officer, a Chairman shall be selected by those present at the meeting.

The President may sign, execute and deliver all deeds, mortgages and other instruments in writing requiring the Corporate Seal of the Corporation and all contracts in writing for and in the name and behalf of the Corporation unless the Directors vote otherwise.

The President shall perform all other duties incident to the office prescribed by law, by these Bylaws, or by vote of the Directors.

#### Section 3. Treasurer.

The Treasurer shall be the General Financial Officer. He or she shall keep full and accurate accounts of receipts and disbursements and shall deposit all monies and other valuables in the name and to the credit of the Corporation, and in such depositories as may be designated by the Board of Directors or in the absence of such designation as he or she may select. The Treasurer shall be accountable to the Board of Directors for all matters pertaining to the office or the conduct thereof.

The Board of Directors shall have authority to delegate to an Assistant-Treasurer the duties of taking charge of the details of the financial management of the Corporation.

The Treasurer shall perform all other duties which may be delegated by these Bylaws or by the Board of Directors.

Section 4. Secretary.

The Secretary shall attend all meetings of the Directors and shall record the minutes of all meetings and all votes of the Directors in a book to be kept for that purpose.

The Secretary shall give or cause to be given the required notice of all meetings of the Directors.

In the absence of the Secretary, a Secretary pro-tempore may be appointed by the presiding officer and shall be duly sworn and shall perform all the duties of the regular Secretary.

Section 5. Vice-President(s).

The Vice-President(s) shall preside at meetings in the absence of the President and shall perform such other duties as shall be delegated to them by the President or the Directors.

Section 6. Assistant Treasurer(s).

The Assistant Treasurer(s) shall perform such duties as may be delegated to them by the Board of Directors.

**ARTICLE VII -- REPORTS**

Section 1. Board of Directors.

The Board of Directors shall ensure at each Annual Meeting that a Report of the condition and affairs of the Corporation is promulgated.

Section 2. Other Officers.

All other officers shall render Reports to the Board of Directors at such time and in such detail as the Directors may require.

**ARTICLE VIII --FISCAL YEAR**

The fiscal year of the Corporation shall be from July 1 to June 30.

**ARTICLE IX --EMPLOYEES, AGENTS, AND ATTORNEYS**

The Board of Directors may appoint such employees, agents, and attorneys as it may deem necessary, who shall have such authority and shall perform such duties as from time to time may be prescribed by the Directors. The Directors shall determine the qualifications of such persons and their tenure and compensation.

**ARTICLE X --LIABILITY OF DIRECTORS**

No Officer or Director of the Corporation shall be subject to any liability or assessment for the debts or obligations of the Corporation. Every person who is or has been an Officer or Director shall be indemnified by the Corporation against all expenses reasonably incurred by him or her in connection with any action, suit or proceeding to which he or she may be a party defendant, or with which he or she may be threatened by reason of or growing out of or in

relation to his or her being or having been an Officer or Director of the Corporation. The term "expenses" includes amounts paid in satisfaction of judgments or in settlements, other than amounts paid to the Corporation itself. The Corporation shall not, however, indemnify any Officer or Director in relation to matters as to which he or she shall be adjudged liable for negligence or misconduct in the performance of his or her duties as such Officer or Director. Further, the Corporation shall not indemnify any Officer or Director in case of settlement unless such settlement shall be approved by, first, a majority of the Directors of the Corporation then in office other than those involved (regardless of whether or not such majority constitutes a quorum); or second, if there are not at least two Directors then in office other than those involved by a majority of a committee (selection by the Board of Directors) of two or more Directors of the Corporation who are not the Directors or Officers involved, as being in the interest of the Corporation that such settlements be made. The foregoing right of indemnification shall not be exclusive but shall be in addition to any and all other rights and remedies to which any such Director or Officer may be entitled as a matter of law.

#### **ARTICLE XI -- SEAL**

If the Corporation elects to maintain a seal, the Corporate Seal shall have inscribed thereon "Pawtucket's Business Development Corporation".

#### **ARTICLE XII – AMENDMENTS**

These Bylaws may be amended, altered, added to or repealed at any meeting of the Directors by a two-third vote of the Directors provided that notice of the proposed amendment, addition, alteration, or repeal is given in the notice of such meeting.

#### **ARTICLE XIII - COMMITTEES**

##### **Section 1. Executive Committee.**

The Executive Committee shall consist of the four Officers designated in Article V, Section 1, plus any other Officers or Directors deemed necessary by the Board of Directors. When the Board of Directors is not in session, the Executive Committee shall have and may exercise the authority to act on behalf of the Board of Directors to address reasonable and customary matters occurring in the normal course of Corporation business. The Executive Committee shall act by a vote of a majority of the Committee. The Executive Committee shall not take action concerning matters typically within the province of the Board of Directors. The Executive Committee shall report any action taken by it to the Board of Directors at its next meeting. The designation of the Executive Committee and the delegation thereto of authority shall not operate to relieve any director of any responsibility imposed by law.

##### **Section 2. Establishment of Committees.**

The Corporation may establish by resolution approved by majority vote such committees as the Directors may deem necessary or appropriate for carrying on the activities and affairs of the Corporation. Any committee so established shall have such powers as granted by the Directors and shall convene only so long as the Directors determine.

In the event the Corporation establishes any committee, it shall be made up of at least three (3) Directors. The Directors serving on any committee should, to the extent practical, come from a cross section of those representing the categories specified in Article III Section 1.

## **ARTICLE XIV – MISCELLANEOUS**

### **Section 1. Conflicts of Interest.**

No contract or transaction between the Corporation and one or more of its Directors or Officers, or between a corporation and any other corporation, partnership, association, or other organization in which one or more of its directors or officers are directors or officers or have a financial interest, is void or voidable nor are the directors or officers liable regarding the contract or transaction solely for this reason, or solely because the director or officer is present at or participates in the meeting of the board or committee of the board which authorizes the contract or transaction, or solely because his, her, or their votes are counted for the purpose, if:

- (1) The material facts as to his, her, or their interest or relationship are disclosed or are known to the Directors or the committee, and the Directors or committee authorizes, approves, or ratifies the contract or transaction by the affirmative votes of a majority of the disinterested directors, even though the disinterested directors are less than a quorum; or
- (2) The material facts as to his, her, or their interest or relationship are disclosed or are known to the members entitled to vote on the contract or transaction, and the contract or transaction is specifically authorized, approved, or ratified by vote of the members; or
- (3) The contract or transaction is fair and reasonable to the corporation.

Common or interested directors may be counted in determining the presence of a quorum at a meeting of the board of directors or of a committee which authorizes the contract or transaction.

### **Section 2. Operations and Internal Controls.**

The Board of Directors shall adopt an internal control policy, which provides adequate direction to the Corporation for effective control over and accountability for operations, programs and resources. The Board's adopted internal control policy must, at a minimum, address procedures for: (i) issuing checks; (ii) periodic review of financial statements and reports; (iii) ensuring that required documentation is maintained for each loan file; (iv) ensuring the periodic review of existing loan portfolio and updating of borrower financial statements as needed.

### **Section 3. No Proxy Votes.**

Voting by proxy shall not be allowed.

**CERTIFICATION**

This is a true copy of the Bylaws of Pawtucket's Business Development Corporation approved by the Directors on September 22, 1980, and as amended on October 28, 1980, January 29, 1981, February 13, 1986, May 5, 1995, and February 24, 2016.

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Secretary