

BY-LAWS
of
ACTION BAYBROOK, INC.

1. OFFICE AND PURPOSES

- a. Corporate Purposes. The purposes of the Corporation are as set forth in the Articles of Incorporation of the Corporation as may be changed from time to time but shall be exclusively charitable, religious, educational and nonprofit as defined under section 501(c)(3) of the Internal Revenue Code of 1986, as amended (or any corresponding provisions of any future United States Internal Revenue Law or Regulations thereunder, hereinafter collectively referred to as the Internal Revenue Code).
- b. Corporate Principal Office. The principal office of the Corporation shall be 511 East Patapsco Avenue, Baltimore, Maryland.
- c. Other Corporate Offices. The Corporation may also have offices and places of business at such other places within the State of Maryland as the Board of Directors may from time to time designate, or as the business of the Corporation may require.
- d. Resident Agent. The name and address of the Resident Agent of the corporation in Maryland is: Janet L. Eveland, Esq., whose address is 511 East Patapsco Avenue, Baltimore, Maryland 21225. Said Resident Agent must be a citizen of the State of Maryland and actually reside in Maryland.
- e. Baybrook. The Baybrook area is defined as the neighborhoods of Brooklyn, Curtis Bay, and Brooklyn Park, which are the geographic areas bounded on South side by Route 695, on the west side by Route 895B, and on the north and east sides by the water (the Patapsco River and Curtis Bay) per the attached Exhibit A.

2. MEMBERS

- a. Classes of Membership. The Corporation shall have three classes of members as follows:
 - i. Resident Member: Any person over the age of sixteen years and a resident of Baybrook who submits a written application with the Corporation on a form prescribed by the Board of Directors for membership and makes payment of the minimum Resident Member membership fee as determined from time to time by the Board of Directors, shall be recorded on the membership rolls as a Resident Member with one vote.
 - ii. Business Member: Any business or nonprofit entity located in Baybrook which

submits a written application with the Corporation on a form prescribed by the Board of Directors for membership and makes payment of the minimum Business Member membership fee as determined from time to time by the Board of Directors, shall be recorded on the membership rolls as a Business Member with one vote.

- iii. Supporting Member: Any person, entity, association, or governmental unit, which wishes to actively support the mission and purpose of the Corporation and which submits a written application with the Corporation on a form prescribed by the Board of Directors and pledges appropriate support as determined from time to time by the Board of Directors, shall be recorded on the membership rolls as a Supporting Member, without voting rights. Entities and governmental units must appoint an individual to represent their interest with the Corporation.
- b. Application for Membership. All applications for all membership types shall be submitted to the Corporation together with the payment of the then applicable current minimum membership fee, and shall show at least the following information unless otherwise modified by the Board: (a) that the applicant desires to become a member of the Corporation; (b) that the membership, when issued by the Corporation, shall be non-transferable and that the applicant agrees that the applicant will not attempt to transfer same to any other person, entity, association, or governmental unit; (c) that the membership interest shall have no pecuniary value and shall be nonredeemable, either during the life of the Corporation or at or after the termination thereof; (d) that the member will abide by such rules and regulations of the Corporation as the Board of Directors shall promulgate from time to time; and (e) that the member will provide current contact information at all times including at least an e-mail address or a post office mailing address for purposes of receiving legal notifications from the Corporation. A member may hold two or more membership types simultaneously by application for, and payment of, membership fees for each such membership categories. No member shall have more than one vote even if more than one membership is held.
 - c. Membership Roll. The membership rolls and records of the Corporation shall be maintained by the Board of Directors.
 - d. Use of Membership Fees. Each member agrees that all membership fees are unrestricted and may be used for the general purposes of the Corporation.
 - e. Termination of Membership. The Board of Directors may terminate any membership in the Corporation for any cause which would render any member ineligible for membership under the provisions of these Bylaws as may be amended from time to time, for any action taken by the member which conflicts with the mission and purposes of the Corporation, for any action which involves dishonesty, unethical conduct, or offensive

public behavior, or for any action which the Board of Directors may reasonably determine makes a member antithetical to the Corporation. All rights, privileges and interests of a member in or to the Corporation shall cease on termination of membership or upon the termination of the Corporation whichever occurs first. The Board of Directors will notify any member whose membership interest has been terminated at the most recent email or post office address of the member in the books and records of the Corporation. Any member may withdraw from membership by giving written notice of withdrawal. Withdrawals shall be effective at recordation of termination on the books and records of the Corporation. No terminated or withdrawing member shall be entitled to receive a refund or rebate, in whole or in part, of any membership fee or support previously paid or provided by such member.

3. MEMBERSHIP MEETINGS

- a. Annual Membership Meetings. There shall be an annual meeting of the members on the first Tuesday of March each year at such time and place in Baybrook or such other location and time as may be determined by the Board of Directors, for the election of directors, receiving of directors' reports, and the transaction of other business. The program for the annual meetings shall be arranged by the officers after conference with, and subject to the approval of the Board of Directors, and shall be devoted to subjects of general interest to the membership.
- b. Periodic Membership Meetings. The Board of Directors will determine periodic meetings of the members which may be monthly and otherwise when the business of the Corporation will best be dealt with by a meeting of the members. The location and program for the periodic membership meetings shall be determined by the officers after conference with, and subject to the approval of the Board of Directors, and shall be devoted to subjects of interest to the membership.
- c. Special Meetings. Special meetings of the members may be called by the CEO, the President, or by a majority of the Board of Directors. The request shall state the date, time, place and purpose or purposes of the special meeting.
- d. Place of Meetings. The annual meeting of the members of the Corporation shall be held in Baybrook at such location as shall be determined by the Board of Directors. The Board of Directors may designate any place within Baybrook as the place of meeting for any special meeting called by the Board of Directors. If the place of any meeting (annual, periodic, or special) is not fixed as otherwise set forth in these Bylaws it shall be held at the principal office of the Corporation in Baybrook.

- e. Notice of Meetings. Notice stating the place, date and time of meetings of the members may be by periodic posting on the website of the Corporation or by e-mail to email addresses provided by each member in their membership application or by such other methods which are deemed appropriate by the Board of Directors. In case of a special meeting when required by statute or by these By-Laws, the purpose or purposes for which the meeting is called will be stated in the notice.
- f. Quorum. Twenty-five percent (25%) of the eligible voting members of this Corporation present in person at any membership meeting, shall constitute a quorum for the transaction of any and all business unless otherwise required by law.
- g. Order of Business. The Board shall determine the substance and order of business at any meeting not an annual meeting or special meeting if the Board determines a more efficient meeting method. The order of business at any annual meeting or special meeting may be altered or suspended if the presiding officer determines by a majority vote of the members present having voting rights. The usual parliamentary rules as laid down in "Robert's Rules of Orders, Newly Revised" shall govern, when not in conflict with these By-Laws.
- h. Presiding Officers and Conduct of Meetings. The President or CEO and the Secretary of the Corporation shall act as chairman and secretary, respectively, at all meetings of the members of the Corporation. If the President and the CEO are absent, the Vice President shall act as chairman of the meeting. If the Secretary is absent, any person appointed by the chairman of the meeting shall act as secretary of the meeting and shall keep the minutes thereof.
- i. Voting.
 - i. Each member who has been entered on the membership rolls of the Corporation with full voting rights, who has paid the current membership fees, who has attended at least three (3) membership meetings in the immediately prior six (6) months, and is otherwise in good standing shall be entitled to vote. Each voting member shall have only one vote on each matter presented for voting. The authorized person recorded on the membership rolls of the Corporation for each Business Member may cast the vote for any Business Member. A member may vote only in person. No member shall have the right to vote by proxy. Except as otherwise provided in these By-Laws, any action to be taken by a vote of the members shall be authorized by not less than a majority of the votes cast at a meeting of the members present and entitled to vote thereon.
 - ii. Voting for the election of directors shall be by secret paper ballot, unless done by acclamation. In voting in all other matters the chairperson of the meeting shall have the authority to conduct voting by voice, show of hands, or paper ballot. A candidate

for the Board of Directors shall have the right to an observer during the vote count. The actual paper ballots cast shall be retained for a period of ten (10) days, during which any interested person may review them and note a challenge to an election.

- iii. Each member of the Corporation who is entitled to vote in accordance with the provisions of these By-Laws shall have the right to vote for as many individuals as there are directors to be elected. In illustration of the immediately foregoing provision, if three (3) directors are to be elected, no voting member has the right to vote three (3) times or two (2) times for any one individual to serve as a director; rather, each voting member has the right to cast a vote for up to three (3) different individuals to serve as a director (that is, there shall be no cumulative voting for the election of directors).

4. DIRECTORS

- a. **Qualifications.** Directors shall be elected by the members at the annual meeting. The majority of the Directors must be resident members of the Corporation. The Board will establish other criteria for board membership from time to time and will inform the membership of the board criteria.
- b. **General Powers and Tenure.**
 - i. The business and affairs of the Corporation shall be vested in, controlled and conducted by a Board of Directors, comprised of no less than three (3) members and no more than fifteen (15) members, the majority of whom shall be residents of Baybrook and all of whom shall be members of the Corporation or authorized representatives of members of the Corporation.
 - ii. The term of office for each member of the Board of Directors shall be for three (3) years each time elected, except that of the Board of Directors elected at the first annual meeting (and specifically excluding the directors identified in the Articles of Incorporation) one third (1/3) shall be elected for a one (1) year term, one third (1/3) shall be elected for a two (2) year term, and one third (1/3) shall be elected for a three (3) year term, thereby establishing staggered terms of office for directors. The term of office of Directors shall begin on March 15th of the calendar year unless otherwise determined by the Board of Directors prior to the annual meeting of the members electing Directors. The original directors identified in the Articles of Incorporation shall serve until the first annual meeting of the members of the Corporation and until their successors are elected and qualified.
 - iii. Each director must attend no less than three quarters (3/4) of the meetings of the Board of Directors held in the year, including regular meetings, annual meetings, and special meetings. The Board of Directors may, by vote of a majority of the Directors, remove from office any Director who is absent from three (3) consecutive meetings.

- iv. The Board of Directors shall have vested in it and shall exercise all of the corporate powers to conduct the business of the Corporation, except as limited by the Laws of the State of Maryland, the Articles of Incorporation, the Internal Revenue Code, and these By-Laws. It shall be the duty of the Board of Directors: to carry on and conduct the business of the Corporation; to act as the nominating committee as it may be deemed necessary; to perform all other acts necessary and proper to carry out the objectives and purposes of the Corporation. No Director, Officer, or Member of the Corporation shall have any right, title, or interest whatsoever in or to any property or assets which the Corporation may have or hereafter acquire. In the event of or upon dissolution of the Corporation, the Officers or persons in charge of the liquidation shall distribute any assets remaining after payment or discharge of all of the Corporation's duties or obligations in accordance with the Articles of Incorporation.
- c. Acceptance of Position. Each member of the Board of Directors when accepting his or her role as a Director must:
 - i. Acknowledge his or her duties to the Corporation of:
 - A. Duty of Care - Board members must act (1) in good faith; (2) with the care an ordinarily prudent person in a like position would exercise under similar circumstances; and (3) in a manner the director reasonably believes to be in the best interests of the Corporation.
 - B. The Duty of Loyalty - Board members must pursue the Corporation's best interest. The Duty of Loyalty prohibits a director from engaging in self-dealing unless there is full disclosure to the Board and the transaction is clearly in the Corporation's best interest and consistent with its charitable purposes and the requirements of the section 501(c)(3) of the Internal Revenue Code and Maryland law.
 - C. Duty of Obedience - Board members must act in compliance with the Corporation's governing documents and statements as may be amended from time to time. Donors have a right to rely on these documents and statements and Directors will be held to them.
 - ii. Acknowledge and execute the Conflict of Interest policy of the Corporation as may be determined by the Board from time to time. Each Director and officer shall also execute the Conflict of Interest policy no less often than once per year.
 - iii. Agree to participate in appropriate board governance engagement, evaluation, and capacity building as the Board may determine from time to time.
- d. The Board of Directors shall elect the CEO, President, Vice-President, Secretary, and Treasurer and each other officer of the Corporation from their own number as prescribed by their own rules.

- e. All meetings of the Board of Directors shall be open to the public unless the Board of Directors determines that it is necessary to fulfill a specific Board function and sets forth a justification for the necessity in the minutes of the Board of Directors. A Director may participate in a meeting of the Board of Directors by telephone or similar communication method which permits all persons participating in the meeting to hear each other at the same time and such participation shall constitute attendance at the meeting.
- f. Removal. Any director may be removed at any time from office with or without cause by a two-thirds vote of the remaining members of the Board of Directors except if the number of directors is less than four by a majority of the remaining members of the Board of Directors or by a majority of the voting membership at a meeting duly called for such purpose. If the Board of Directors is not able to act by a majority of remaining members then the matter shall be submitted to the membership for a vote.
- g. Resignation. Any director may resign at any time by giving written notice of resignation to the Corporation. A resignation shall take effect at the time specified therein or, if the time when it shall become effective shall not be specified therein, immediately upon its receipt. Unless otherwise specified therein, the acceptance of a resignation shall not be necessary to make it effective.
- h. Notice of Removal. Notice of a vote for the removal of any Director may be at a regularly scheduled meeting of the Board of Directors or, upon written notice, at a special meeting of the Board called for the purpose.
- i. Replacement. In case of the resignation, removal, death, or withdrawal of any Director then the remaining members of the Board of Directors may by majority vote nominate and elect a replacement to serve the remaining term of the resigned, removed, deceased, or withdrawn Director.
- j. Compensation. The directors shall not receive any compensation for their services as such, but, by resolution of the Board of Directors, directors may be reimbursed for their actual and necessary expenses incurred in the performance of their duties.
- k. Conduct of Meetings.
 - i. Annual Meetings. The annual meeting of the Board of Directors shall be either (i) without notice, immediately after the annual meeting of members and in the same place, or (ii) upon notice, as soon as practicable after the annual meeting of members on such date and at such time and place as the Board of Directors determines.
 - ii. Regular Meetings. Regular meetings of the Board of Directors shall be held on such dates and at such places and at such times as the Board of Directors may from time to time determine but shall be no less than five (5) times per year in addition to

- the annual meeting.
- iii. Special Meetings. Special meetings of the Board of Directors shall be held whenever called by the CEO or the President and shall be called by the CEO or President or Secretary upon the written request of a majority of the Board of Directors. The request shall state the date, time, place and purpose or purposes of the special meeting.
 - l. Notice. Notice of each special meeting of the Board of Directors and of each annual meeting shall be given by e-mail and be posted on the website of the Corporation by the Secretary no less than forty eight (48) hours before the commencement of the meeting. The notice shall state the time, place, principle items of business to be transacted and, at a special meeting, the purpose or purposes of such meeting. This notice requirement may be waived at any time by written agreement of all directors either prior to or at the meeting to be held.
 - m. Quorum. A majority of the Board of Directors shall constitute a quorum to transact business of the Corporation, except as otherwise provided in these By-Laws.
 - n. Conducting Meetings. At each meeting of the Board of Directors, the CEO or, in the absence of the CEO, the president or, in the absence of the CEO and president, a director chosen by a majority of the directors present shall act as Chairman of the meeting. The secretary or, in the secretary's absence, any person appointed by the Chairman of the meeting shall act as secretary of the meeting and keep the minutes thereof. The order of business for meetings of the Board of Directors shall be established by the Chairman.
 - o. Consent to Action. Any action required or permitted to be taken at any meeting of the Board of Directors or of any committee or task force may be taken without a meeting if all members of the Board of Directors or committee or task force as the case may be, consent thereto in writing, and the writing or writings are filed with the minutes of proceedings of the Board of Directors or committee or task force, as the case may be. No member of the Corporation or chairperson of the Corporation's standing committees requested by the applicable committee or task force to assist it in performing and accomplishing its purpose in accordance with these Bylaws, shall be required to consent to achieve unanimity.
 - p. Vacancies. Vacancies in the Board of Directors arising from an increase in the number of directors or otherwise, shall be filled by the vote of a majority of the remaining directors, although less than a quorum. Subject to such member's death, resignation or removal as provided herein, each director so elected shall hold office until such member's successor shall have been duly elected and shall have qualified or for the unexpired term of such member's predecessor as the case may be. In the event the entire Board of

Directors resigns or the entire Board of Directors otherwise becomes vacant, their successors shall be elected at a special meeting of the membership duly called for such purpose.

- q. Regulations. The Board of Directors may adopt such additional regulations and rules for the management of the affairs of the Corporation or as the conduct of its business may require, but such rules and regulations shall not be inconsistent with these By-Laws, the Articles of Incorporation, the statutes and laws of the State of Maryland, or cause any alteration to the Section 501(c)(3) tax-exempt status of the Corporation.

5. COMMITTEES AND TASK FORCES.

The Board of Directors may appoint from among its members standing committees, ad hoc committees, and task forces except that the executive committee and the nominating committee are specifically created in these Bylaws.

- a. Committees. The Board may delegate to committees any or all of the powers of the Board of Directors in the management of the business and affairs of the Corporation, except the power to recommend to members any action requiring members' approval. In the absence of any member of the Board of Directors at any such committee meeting or proceeding, the members thereof present, whether or not they constitute a quorum, may appoint a member or members of the Board of Directors to act in the place of the absent member(s). Committees may be either ad hoc or standing committees.
 - i. Ad hoc committee. An ad hoc committee is appointed for a temporary purpose with a defined end point, including in time or by assigned duties. The temporary purpose of the ad hoc committee shall be defined by the Board of Directors when the ad hoc committee is created and shall include at least the purpose of the committee and a time schedule. After the ad hoc committee completes its purpose or its time expires, then the committee will be deemed dissolved.
 - ii. Standing committee. A standing committee is appointed for an ongoing purpose of the Corporation. The purpose of the standing committee shall be defined by the Board of Directors when the standing committee is created and shall include at least a list of the purpose(s) of the committee. The standing committee will only be dissolved by vote of the Board of Directors.
 - iii. Each committee may request members of the Corporation to assist it in performing and accomplishing its purpose. The only voting members of committees are members of the Board of Directors and only Directors shall be counted in computing whether a quorum is present or have any right to vote in connection with any action to be taken by the committee.
 - iv. A majority of all the voting members of a committee shall constitute a quorum for the transaction of business. The vote of a majority of the voting members of a

committee present at a meeting at which a quorum is present shall be the act of the applicable committee. Each committee shall adopt whatever other rules of procedure it determines for the conduct of its activities. No member of the Corporation or chairperson of the Corporation's standing committees requested by the applicable committee to assist it in performing and accomplishing its purpose shall be counted in quorum determinations or shall be entitled to vote on any committee matter.

- b. **Task Forces.** A task force is appointed for a defined purpose which may include a defined end point, including in time or by assigned duties. The purpose of the task force shall be defined by the Board of Directors when the task force is created and shall include at least the purpose of the task force and a time schedule. The Board of Directors may create a task force which will be deemed dissolved when its defined purpose is accomplished or may continue until dissolved by the Board of Directors. All members of a task force may vote on decisions of the task force. Each task force may request others, including but not limited to, members of the Corporation to assist it in performing and accomplishing its purpose.
- c. **Committees and Task Forces.**
 - i. The committees and task forces shall keep minutes of their proceedings and shall report the same to the Board of Directors within ten (10) days after any meetings or proceedings are held or actions are taken.
 - ii. Any action by the committees and task forces shall be subject to revision and alteration by the Board of Directors.
 - iii. All meetings of committees and task forces shall be open to the public unless the Board of Directors determines that it is necessary to fulfill the committee or task force function and sets forth a justification for the necessity in the minutes of the Board of Directors.
 - iv. Members of a committee or task force who are not also members of the Board of Directors shall have no right or authority to take any action to bind the committee, the task force, the Board of Directors, or the Corporation with respect to the business, management, or affairs of the Corporation.
- d. **Executive Committee.** The Board of Directors may appoint from among its members an executive committee.
 - i. The executive committee shall be composed of an officer of the Corporation and up to three (3) members appointed by the CEO from among the Board of Directors of the Corporation.
 - ii. The Board of Directors may delegate to such executive committee any or all of the powers of the Board of Directors in the management of the business and affairs of the Corporation, except the power to recommend to members any action requiring members' approval.

- iii. In the absence of any member of the executive committee, the members thereof present at any meeting, whether or not they constitute a quorum, may appoint a member of the Board of Directors to act in the place of such absent member.
 - iv. The executive committee shall keep minutes of its proceedings and shall report the same to the Board of Directors within ten (10) days after any proceedings are held or actions are taken or when otherwise required, and any action by the executive committee shall be subject to revision and alteration by the Board of Directors.
 - v. The executive committee may request the chairperson of each standing committee of the Corporation to assist it in performing and accomplishing its purpose; but such chairperson shall not be counted in computing whether a quorum is present or have any right to vote in connection with any action to be taken by the executive committee. In addition, such chairpersons shall have no right or authority to take any action to bind the executive committee, the Board of Directors or the Corporation with respect to the business, management or affairs of the Corporation.
- e. Nominating Committee. The Board of Directors shall appoint a nominating committee, consisting of at least three (3) persons who may but need not be members of the Board of Directors but may not be candidates for election or re-election that year, to serve as a nominating committee to nominate candidates for the Board of Directors. The nominating committee shall consider diverse representation and key stakeholders when recommending nominees for the Board of Directors. In addition, at the actual meeting, nominations of any qualified person may be made from the floor. A person nominated from the floor must accept the nomination before his or her name will be placed on the ballot.

6. OFFICERS AND DUTIES

- a. Qualifications. Except with respect to the initial officers of the Corporation elected by the Board of Directors at the organizational meeting of the Board of Directors, all officers of the Corporation shall be elected for a one-year term of office by the members of the Corporation from among the members of the Corporation. All officers shall be members of the Board of Directors of the Corporation. Election of officers shall be held at the annual meeting of the members following the election of new members to the Board of Directors. The initial officers of the Corporation elected by the Board of Directors at the organizational meeting of the Board of Directors shall serve until the later of the qualification of their successors or the first annual meeting of the members at which time all of the officers of the Corporation shall be elected for a one-year term of office.
- b. Designation. The officers of the corporation shall be a Chief Executive Officer (CEO), President, Vice-President, Secretary and Treasurer. The Board of Directors may also

elect or appoint any other officers, including, but not limited to, one or more Vice Presidents, Assistant Secretaries and Assistant Treasurers, as the Board deems necessary or desirable for the conduct of the business of the Corporation, each of whom shall have such powers and duties as the Board of Directors determines. Any officers may hold any other office in the Corporation at the same time, except that the President may not also hold the office of Vice President, should such an office be created by the Board of Directors.

- c. Chief Executive Officer. The CEO shall be the chief executive and operating officer of the Corporation and as such shall:
 - i. Sign all instruments in writing as authorized or directed by the Board of Directors;
 - ii. Have, subject to the advice and control of the directors, general supervision and management of the business affairs of the Corporation, and such other powers and duties as the Board of Directors assigns to the CEO.

- d. President. The President shall be the funding and program operating officer of the Corporation and as such shall:
 - i. Preside at all meetings of the directors and members;
 - ii. Sign all instruments in writing as authorized or directed by the Board of Directors;
 - iii. Have, subject to the advice and control of the directors, general supervision and management of the business affairs of the Corporation, such other powers and duties as the Board of Directors assigns to the President.

- e. Vice-President. The Vice-President or, if there shall be more than one, the Vice-Presidents, in the order of their seniority or in any other order determined by the Board of Directors, shall perform, in the absence or disability of the CEO and the President, the duties and exercise the powers of the CEO and the President and shall have such other powers and other duties as the Board of Directors or the CEO or President shall assign to the Vice-President.

- f. Secretary. The Secretary shall:
 - i. Attend all meetings of the members and of the Board of Directors and keep full and complete minutes of all proceedings of them;
 - ii. Have custody and control of the corporate seal of the Corporation, issue all Certificates of Membership, and when authorized by the Board of Directors affix the corporate seal to all instruments requiring the same.
 - iii. Keep proper and detailed accounts and records in relation to the issuance of Certificates of Membership; and
 - iv. Perform and discharge such other powers and duties as may be required by law or

by the By-Laws or as the Board of Directors or the CEO or the President shall assign to the Secretary.

- g. Treasurer. The Treasurer shall:
 - i. Subject to the control of the Board of Directors, receive and keep all funds of the Corporation, deposit the same in such bank or banks as may be designated by the Board of Directors and have the care and custody of the books relating thereto. The Treasurer shall have authority to sign checks alone for up to One Hundred Dollars (\$100). Any checks in excess of One Hundred Dollars (\$100) shall require the prior written authorization of the Board of Directors, which may be given by email;
 - ii. Perform and discharge such other powers and duties as may be required by law or by the By-Laws, or as the Board of Directors or the CEO or the President shall assign to the Treasurer.
- h. Election; Removal. Subject to the officer's earlier death, resignation or removal as hereinafter provided, each officer shall hold office until the officer's successor shall have been duly elected and shall have qualified. Any officer may be removed with or without cause by the Board of Directors if the Board of Directors believes that the best interests of the Corporation will be served by such removal.
- i. Limitation of Powers. The officers shall have no power to borrow money on behalf of the Corporation unless approved by a majority of the Board of Directors in writing under such terms and conditions as the Board of Directors may determine.
- j. Resignations. Any officer may resign at any time by giving written notice of the officer's resignation to the Corporation. A resignation shall take effect at the time specified therein or, if the time when it shall become effective shall not be specified therein, immediately upon its receipt, and, unless otherwise specified therein, the acceptance of a resignation shall not be necessary to make it effective.
- k. Compensation. The officers shall not receive any compensation for their services as such, but, by resolution of the Board of Directors, officers may be reimbursed for their actual and necessary expenses incurred in the performance of their duties.
- l. Vacancies. If an office becomes vacant for any reason, the Board of Directors may fill the vacancy, and each officer so elected shall serve for the remainder of his or her predecessor's term.

7. EMPLOYEES AND STAFF

The Board of Directors may hire an executive director ("ED") who shall perform all of the

executive and administrative functions of the Corporation, and such other duties as may be assigned by the Board of Directors from time to time. The ED shall be an “at will” employee and may be hired and terminated with or without cause in the sole discretion of the Board of Directors. The ED shall attend all Board meetings unless otherwise determined by the Board of Directors but shall not have a vote at such meetings. The Corporation shall create a written job description for the ED and for all employees and staff of the Corporation prior to hiring each such person.

8. DEPOSITORY

The official depository for the funds of the Corporation shall be determined by the Board of Directors from time to time and under such terms and conditions as the Board of Directors may determine.

9. FISCAL YEAR

The fiscal year of the Corporation shall be determined by the Board of Directors.

10. KEEPING OF BOOKS AND RECORDS

- a. **Obligation to Keep.** The Corporation shall keep correct and complete books and records of account and keep minutes of the proceedings of its members and Board of Directors; and shall keep at its registered office or principal place of business, a record of its members and the number and type of membership of each.
- b. **Rights of Members.** Any member who shall have been a member for at least three (3) months immediately preceding such member’s request, upon written request shall have the right to examine, in person or by agent or attorney, at any reasonable time or times, for any proper purpose, the Corporation's public books, records of account, minutes and membership list. Upon written request of any member, the Corporation shall mail to the member its most recent published annual report showing in reasonable detail its assets and liabilities and the results of its operations.

11. CONFLICT OF INTEREST

The Board of Directors shall adopt a conflict of interest policy that covers Directors, officers, employees, and volunteers as may be deemed appropriate by the Board of Directors, in essentially the form attached hereto as Exhibit B or in such other form as the Board of Directors shall determine from time to time. The conflict of interest policy should identify the types of conduct or transactions that raise conflict of interest concerns, set forth procedures for disclosure of actual or potential conflicts, and should provide for review of individual transactions by the

uninvolved Directors. Approval by the disinterested Directors shall be by vote of a majority of Directors in attendance at a meeting at which a quorum is present. An interested party shall not be counted for purposes of determining whether a quorum is present, nor for purposes of determining what constitutes a majority vote of Directors in attendance. The policy should also require that the minutes of the meeting shall reflect that the conflict disclosure was made, the vote taken and, where applicable, the abstention from voting and participation by the interested party.

12. INDEMNIFICATION

The Corporation shall indemnify its directors and officers to the fullest extent permitted by state and federal law including the payment of related legal expenses. To the fullest extent of Maryland law no member, director or officer of the Corporation shall be liable to the corporation or to its members for money damages except (a) to the extent that it is proved that such director or officer actually received an improper benefit or profit in money, property or services, but only to the extent of the amount of the benefit or profit in money, property or services actually received, or (b) to the extent that a judgment or other final adjudication adverse to such director or officer is entered in a proceeding based on a finding in the proceeding that such director's or officer's action, or failure to act, was material to the cause of action adjudicated in the proceeding and was (i) the result of active and deliberate dishonesty, or (ii) intentionally wrongful, willful, or malicious. No change to these Articles or the bylaws of the Corporation shall change in any way the applicability of this provision with respect to any act or failure to act which occurred prior to such change.

13. NON-DISCRIMINATION

The Corporation shall not discriminate against any person on the basis of age (40 and older), marital status, sex (including pregnancy, childbirth, and related medical conditions), race, color, national origin, citizenship status, ethnicity, sexual orientation, gender identity, physical disability, mental disability, genetic information, or political or religious opinion or affiliation in any of its policies, procedures or practices.

14. CORPORATE SEAL

The Corporation's seal shall be in such form as is required by law or as shall be approved by the Board of Directors.

15. SPONSORS

The Board of Directors may, from time to time, create rules, regulations, and policies regarding sponsors as it may in its sole discretion deem appropriate to the operations of the Corporation.

16. AMENDMENTS

- a. By the Board of Directors. The Board of Directors shall have the power, at any regular meeting or at any special meeting (if notice thereof be included in the notice of such special meeting), to alter or repeal any By-Laws of the Corporation and to make new By-Laws, provided, however, that not less than two-thirds of the directors present at such meeting at which a quorum is present vote for such alteration, repeal or adoption and no such amendment shall be inconsistent with the law of Maryland or impact the tax-exempt status of the Corporation pursuant to Section 501(c)(3) of the Internal Revenue Code.
- b. By the Members. The members having the right to vote in accordance with these By-Laws shall have the power, at any annual meeting or any special meeting (if notice thereof be included in the notice of such special meeting), to alter or repeal any By-Laws of the Corporation and to make new By-Laws, provided, however, that (i) at least fourteen (14) days before the date of the meeting at which there shall be a vote by the members with respect to an alteration or repeal of the By-Laws or adoption of the new By-Laws, there shall be submitted to the Board of Directors a memorandum or other writing explaining in detail the proposed alteration or repeal of the By-Laws or adoption of the new By-Laws, (ii) not less than two-thirds of the voting members present at such meeting at which a quorum is present vote for such alteration, repeal or adoption, and (iii) no such amendment shall be inconsistent with the law of Maryland or impact the tax-exempt status of the Corporation pursuant to Section 501(c)(3) of the Internal Revenue Code.

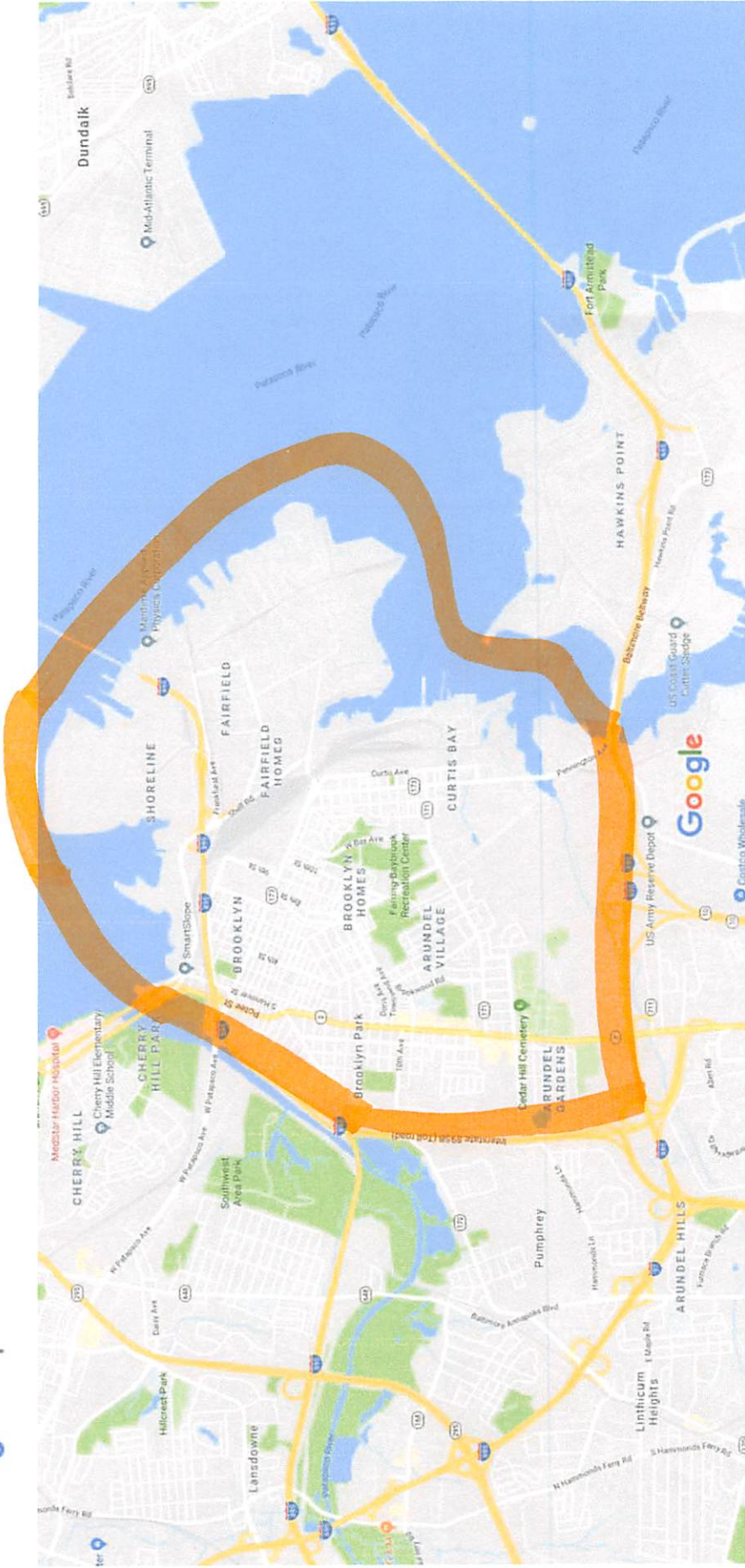


EXHIBIT B

Action Baybrook, Inc. Conflict of Interest Policy

1. Application of Policy

This Policy applies to board members, staff and certain volunteers of Action Baybrook, Inc. A volunteer is covered under this Policy if that person has been granted significant independent decision making authority with respect to financial or other resources of the organization. Persons covered under this Policy are referred to in this Policy as “interested parties.”

2. Conflict of Interest

A conflict of interest may exist when the interests or concerns of an interested party may be seen as competing with the interests or concerns of the organization. There are a variety of situations which raise conflict of interest concerns including, but not limited to, the following.

- a. Financial Interests - A conflict may exist where an interested party, or a relative or business associate of an interested party, directly or indirectly benefits or profits as a result of a decision made or transaction entered into by the organization. Examples include situations where:
 - i. the organization contracts to purchase or lease goods, services, or properties from an interested party, or a relative, or business associate of an interested party;
 - ii. the organization purchases an ownership interest in or invests in a business entity owned by an interested party, or by a relative or business associate of an interested party;
 - iii. the organization offers employment to an interested party, or a relative, or business associate of an interested party, other than a person who is already employed by the organization;
 - iv. an interested party, or a relative or business associate of an interested party, is provided with a gift, gratuity or favor, of a substantial nature, from a person or entity which does business, or seeks to do business, with the organization; and
 - v. an interested party, or a relative or business associate of an interested party, is gratuitously provided use of the facilities, property, or services of the organization.
- b. Other Interests - A conflict may also exist where an interested party, or a relative or business associate of an interested party, obtains a non-financial benefit or advantage that he/she would not have obtained absent his/her relationship with the organization, or where his/her duty or responsibility owed to the organization conflicts with a duty or responsibility owed to some other organization. Examples include where:

- i. an interested party seeks to obtain preferential treatment by the organization for himself, or relative, or business associate;
- ii. Due to the nature of the work of ABC Nonprofit, it is possible and even probable that board members or staff members may be in a position where their family members receive services from ABC Nonprofit. Typically an employee should not work directly in the program where his/her family member is receiving services.
- iii. All employees should exercise care to ensure that they are not using their position to improperly influence or intervene to advocate for a member of their family that is receiving services (or on a waiting list to receive services).
- iv. an interested party seeks to make use of confidential information obtained from the organization for his/her own benefit, or for the benefit of a relative, business associate, or other organization; and
- v. an interested party seeks to take advantage of an opportunity, or enable a relative, business associate or other organization to take advantage of an opportunity, which he/she has reason to believe would be of interest to the organization.

3. Disclosure of Actual or Potential Conflicts of Interest

- a. Continuing Obligation. An interested party is under a continuing obligation to disclose any actual or potential conflict of interest as soon as it is known, or reasonably should be known.
- b. Questionnaire. An interested party shall complete a questionnaire, in the form attached to this Policy, to fully and completely disclose the material facts about any actual or potential conflicts of interest. The disclosure statement shall be completed upon his/her association with the organization, and shall be updated annually thereafter. An additional disclosure statement shall be filed at such time as an actual or potential conflict arises.
- c. Books and Records. For board members, the disclosure statements shall be provided to the Secretary of the organization and the President (Chairman) of the Board, or in the case of the President's (Chairman's) disclosure statement shall be provided to the Secretary of the Board. Copies shall also be provided to the Chief Executive Officer of the organization. The Secretary of the board of directors shall file copies of all disclosure statements with the official corporate records of the organization.
- d. Volunteers. In the case of staff or volunteers with significant decision-making authority, the disclosure statements shall be provided to the Chief Executive Officer of the organization, or in the case of the Chief Executive Officer's disclosure statement shall be provided to the President (Chairman) of the Board.

4. Procedures for Review of Actual or Potential Conflicts - Generally

- a. Board Action. Whenever there is reason to believe that an actual or potential conflict of interest exists between Action Baybrook, Inc. and an interested party, the Board of Directors shall determine the appropriate organizational response. This shall include, but not necessarily be limited to, invoking the procedures described in Section IV, below, with respect to a specific proposed action or transaction.
- b. Employees. Where the actual or potential conflict involves an employee of the organization other than the Executive Director, the Executive Director shall, in the first instance, be responsible for reviewing the matter and may take appropriate action as necessary to protect the interests of the organization. The Executive Director shall report to the President (Chairman) the results of any review and the action taken. The President (Chairman), in consultation with the Executive Committee, shall determine if any further board review or action is required.

5. Procedures for Addressing Conflicts of Interest - Specific Transactions

- a. Preliminary Action - Refrain. Where an actual or potential conflict exists between the interests of Action Baybrook, Inc. and an interested party with respect to a specific proposed action or transaction, Action Baybrook, Inc. shall refrain from the proposed action or transaction until such time as the proposed action or transaction has been approved by the disinterested members of the board of directors of the organization. The following procedures shall apply:
 - b. Deliberations.
 - i. An interested party who has an actual or potential conflict of interest with respect to a proposed action or transaction of the organization shall not participate in any way in, or be present during, the deliberations and decision making of the organization with respect to such action or transaction. The interested party may, upon request, be available to answer questions or provide material factual information about the proposed action or transaction.
 - ii. The disinterested members of the board of directors may approve the proposed action or transaction upon finding that it is in the best interests of Action Baybrook, Inc. The board shall consider whether the terms of the proposed transaction are fair and reasonable to the organization and whether it would be possible, with reasonable effort, to find a more advantageous arrangement with a party or entity that is not an interested party.
 - iii. Approval by the disinterested members of the board of directors shall be by vote of a majority of directors in attendance at a meeting at which a quorum is present. An interested party shall not be counted for purposes of determining whether a quorum is present, or for purposes of determining what constitutes a majority vote of directors in attendance.

- iv. The minutes of the meeting shall reflect that the conflict disclosure was made, the vote taken and, where applicable, the abstention from voting and participation by the interested party.

6. Conflicts of Interest and Compensation

- a. **Voting - Board.** A voting member of the board who receives compensation, directly or indirectly, from Action Baybrook, Inc. for services is precluded from participating in discussion about, or voting on, matters pertaining to that member's compensation. In the case where the highest ranking staff person is also a voting member of the board, that staff person is precluded from participating in discussion about, or voting on, matters related to his or her own performance evaluation, benefits, and grievances against that staff person.
- b. **Voting - Committee.** A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Organization for services is precluded from participating in discussion about, or voting on, matters pertaining to that member's compensation.
- c. **Information.** Any voting member of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Organization, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

7. Violations of Conflict of Interest Policy

- a. **Failure to Disclose.** If the board of directors has reason to believe that an interested party has failed to disclose an actual or potential conflict of interest, it shall inform the person of the basis for such belief and afford the person an opportunity to explain the alleged failure to disclose.
- b. **Investigation.** If, after hearing the response of the interested party and making such further investigation as may be warranted in the circumstances, the board determines that the interested party has in fact failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

**Action Baybrook, Inc.
Conflict of Interest Policy
Initial and Annual
Affirmation of Compliance and
Disclosure Statement**

Affirmation of Compliance

I have received and carefully read the Conflict of Interest Policy for board members, staff and volunteers of Action Baybrook, Inc. and have considered not only the literal expression of the Policy, but also its intent. By signing this affirmation of compliance, I hereby affirm that I understand and agree to comply with the Conflict of Interest Policy. I further understand that Action Baybrook, Inc. is a charitable organization and that in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

Except as otherwise indicated in the Disclosure Statement and Disclosure Statement attached I hereby state that I do not, to the best of my knowledge, have any conflict of interest that may be seen as competing with the interests of Action Baybrook, Inc., nor does any relative or business associate have such an actual or potential conflict of interest.

If any situation should arise in the future which I think may involve me in a conflict of interest, I will promptly and fully disclose the circumstances to the President (Chairman) of the Board of Directors of Action Baybrook, Inc or to the Chief Executive Officer, as applicable.

I further certify that the information set forth in this Affirmation and the attached Disclosure Statement is true and correct to the best of my knowledge, information and belief.

Sign on this line

Print name on this line

Date

Disclosure Statement

Please complete the questionnaire, below, indicating any actual or potential conflicts of interest. If you answer “yes” to any of the questions, please provide a written description of the details of the specific action or transaction in the space allowed. Attach additional sheets as needed.

Financial Interests - A conflict may exist where an interested party, or a relative or business associate of an interested party, directly or indirectly benefits or profits as a result of a decision made or transaction entered into by the organization.

Please indicate, during the past 12 months:

1. Has the organization contracted to purchase or lease goods, services, or property from you, or from any of your relatives or business associates?

Yes

No

If yes, please describe:

2. Has the organization purchased an ownership interest in or invested in a business entity owned by you, or owned by any of your relatives or business associates?

Yes

No

If yes, please describe:

3. Has the organization offered employment to you, or to any of your relatives or business associates, other than a person who was already employed by the organization?

Yes

No

If yes, please describe:

4. Have you, or have any of your relatives or business associates, been provided with a gift, gratuity or favor, of a substantial nature, from a person or entity which does business, or seeks to do business, with the organization?

Yes

No

If yes, please describe:

5. Have you, or any of your relatives or business associate, been gratuitously provided use of the facilities, property, or services of the organization?

- Yes
- No

If yes, please describe:

Other Interests - A conflict may also exist where an interested party, or a relative or business associate of an interested party, obtains a non-financial benefit or advantage that he/she would not have obtained absent his/her relationship with the organization, or where his/her duty or responsibility owed to the organization conflicts with a duty or responsibility owed to some other organization.

Please indicate if at any time during the past twelve months:

6. Did you obtain preferential treatment by the organization for yourself, or for any of your relatives or business associates?

- Yes
- No

If yes, please describe:

7. Did you make use of confidential information obtained from the organization for your own benefit, or for the benefit of a relative, business associate, or other organization?

- Yes
- No

If yes, please describe:

8. Did you take advantage of an opportunity, or enable a relative, business associate or other organization to take advantage of an opportunity, which you had reason to believe would be of interest to the organization?

- Yes
- No

If yes, please describe:

Family and Business Relationships and Interested Person Independence

Attached is a listing of officers, directors, trustees, key employees, the five highest compensated employees, and the five highest compensated professional and independent contractors. The IRS Form 990 requires that the organization report if any of these individuals are related to each other through family or business relationships. The IRS definitions are:

- Family relationships includes an individual's spouse, ancestors, children, grandchildren, great-grandchildren, siblings (whether by whole or half-blood), and the spouses of children, grandchildren, great-grandchildren, and siblings.
- Business relationships are employment and contractual relationships, and common ownership of a business where any officers, directors, or trustees, individually or together, possess more than a 35% ownership interest in common. Ownership means voting power in a corporation, profits interest in a partnership, or beneficial interest in a trust.

9. Check one box:

- I have no family or business relationship with anyone on the attached list.
- I have a family or business relationship with someone on the attached list.
- Name of related person: _____
- Nature of relationship: _____
- _____
- _____

(Use reverse of this form if more than one related person.)

10. Please check all that apply regarding the independence of you or your family for Action Baybrook, Inc.

- I have received compensation as an officer or other employee of the organization or of a related organization except as provided in a religious organization exception.
- I have received compensation or other payments exceeding \$10,000 during the organization's tax year from the organization or related organizations as an independent contractor, other than reimbursement of expenses under an accountable plan or reasonable compensation for services provided in the capacity as a member of the governing body.
- I or a member of my family was involved in a transaction with ABC Nonprofit (directly or indirectly through affiliation with another organization) including one of the following: excess benefit transactions, loans to or from interested persons, grants or assistance benefiting interested persons, or business transactions involving interested persons).
- None of the above statements apply to me or my family members.

I further certify that the information set forth in this Disclosure Statement is true and correct to the best of my knowledge, information and belief.

Sign on this line

Print name on this line

Date

Action Baybrook, Inc.
a Maryland nonprofit corporation

Mission and Vision Statement

Mission: The mission of Action Baybrook is to improve the safety and well-being of Baybrook residents by drastically reducing the number of problem properties, tackling public blight, and expanding economic opportunity.

Vision: To create a Baybrook community in which residents can safely enjoy their community's location, natural resources, and economic prosperity.

Contact Information:
Jan Eveland 410-707-07851
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511 East Patapsco Avenue, Baltimore, MD 21225

Action Baybrook