

**BY-LAWS**  
**of the**  
**TOWN OF PLATTSBURGH**  
**LOCAL DEVELOPMENT CORPORATION, INC**

[Revised June 7, 2016]

**ARTICLE I – INCORPORATION**

This corporation was incorporated under Section 402 of the Not-for-Profit Corporation Law of the State of New York by the filing of a Certificate of Incorporation in the Office of the New York State Department of State on March 1, 2005.

**ARTICLE II – PURPOSES**

As stated in the Certificate of Incorporation, the purposes for which this corporation was formed are:

- to promote and to provide for additional and maximum employment;
- to relieve and to reduce unemployment;
- to add and to maintain job opportunities more effectively;
- to instruct or to train individuals to improve or to develop their capabilities for such jobs, for the purpose of aiding the community or geographical area within the Town of Plattsburgh;
- to attract new industry to the Town of Plattsburgh;
- to encourage the development or retention of an industry in the community;
- to further the public objectives of this corporation by aiding the Town of Plattsburgh by attracting industry to the area, and by encouraging the development and the retention of an industry in the area and;

To carry out these purposes, the Corporation serves as a professional association of both public sector and private, not-for-profit economic development organizations operating in its territory.

The territory in which the operations of this Corporation are to be conducted is the Town of Plattsburgh located in Clinton County in which the use of the Corporation's funds will have a substantial positive impact on the economic welfare and prosperity of the aforementioned geographic area and their inhabitants.

### ARTICLE III – MEMBERSHIP

Section 1 – Qualifications. Requirements for membership. Membership in the Corporation shall be limited to individuals living within the Town of Plattsburgh. Employees and volunteers may live outside the Town of Plattsburgh.

Section 2 – Election of Board Members. An individual may be elected a board member upon invitation by the Board of Directors of the Town of Plattsburgh Local Development Corporation, Inc.

Section 3 – New Member Approval. Any new member must be approved by a majority vote of the Board of Directors of the Town of Plattsburgh Local Development Corporation, Inc.

Section 4 – Resignation. Any member may withdraw from the Corporation after fulfilling all obligations to it by giving written notice of such intention to the secretary, which notice shall be presented to the Board of Directors by the Secretary at the first meeting subsequent to its receipt.

Section 5 – Suspension. A member may be suspended for a period or expelled for cause, such as violation of any of the By-Laws or Rules of the Corporation (subject to the amplification described in the next paragraph of this section), or for conduct prejudicial to the best interests of the Corporation. Suspension or expulsion shall be by a three-fourths vote of the membership of the Board of Directors, provided that a statement of the charges shall have been mailed by registered mail to the member or associate member under charges at his/her last recorded address at least 15 days before final action is taken thereon. This statement shall be accompanied by a notice of the time and place where the Board of Directors is to take action and the member shall be provided an opportunity to present a defense at the time and place mentioned in said notice.

A member may be expelled for failing to attend three consecutive Board of Directors' meetings and/or for failing to attend at least fifty percent of the Board of Directors' meetings in a calendar year. Either such failure shall require the President to schedule consideration of expulsion for such attendance failure as an agenda item at the next regularly scheduled Board of Directors meeting. In the event a vote is taken to expel a member for such attendance failure, the vote for expulsion must be approved by a majority vote of the Board of Directors.

Section 6 – Membership Role. The Board is responsible for managing the business affairs, property and policies of the Corporation. The Board shall have no fewer than three or more than six members. The Board receives no compensation other than reasonable and pre-approved expenses. The Board shall be comprised of members from the Town of Plattsburgh with diverse interests and areas of expertise to strengthen the knowledge base of the Corporation.

Section 7 – Rights of Members/Property Rights. No member of the Corporation shall have any right or interest in or to the property or assets of the Corporation. All property and assets of the Corporation shall be solely subject to the direction, control of and expenditure by the Board of Directors. Should the Corporation be liquidated or dissolved or otherwise cease business, the property and assets of the Corporation shall be distributed for the Corporate purposes as

provided in the Certificate of Incorporation in accordance with the direction of a majority of the then qualified and acting directors present at any meeting duly called of such purpose, and without other affirmative action by the members.

#### ARTICLE IV – DIRECTORS

Section 1 – Board of Directors. The Board of Directors shall consist of the Directors appointed by the Local Development Corporation Board. All power and authority of the Corporation shall be vested in the Board of Directors.

Section 2 – Meetings. The annual meeting of the Board of Directors shall be held in January of each year. At the call of the President, meetings may be held at any time or place within the service area, or in the alternative, at the call of two Directors.

Section 3 – Notice of Meetings. Notice of the annual or special meetings shall be deemed sufficient if deposited in the mail not fewer than ten days before the meeting.

Section 4 – Waiver. Notice of meeting may be waived by a member, in writing, orally, or by attendance at the meeting.

Section 5 – Quorum. A majority of the Board of Directors shall constitute a quorum at any meeting of such members and be capable of transacting any business thereof. An individual may vote multiple proxies.

Section 6 – Proxies. Every member of the Corporation entitled to vote at that meeting thereof may vote by proxy. A proxy shall be in writing and revocable at the pleasure of the member executing it. Unless the duration of the proxy is specified, it shall be invalid after one (1) month from the date of its execution. Proxies may be voted by their respective holders only on resolutions included in the meeting's advance agenda. Except as otherwise provided in these by-laws, a majority of those present and voting (including proxies) shall be sufficient to carry any resolution.

Section 7 – Order of Business. The order of business shall be as follows at all the meetings of the Corporation and Board of Directors.

- A. Calling of the roll.
- B. Proof of notice of meeting or waiver of notice
- C. Reading of the minutes.
- D. Receiving communications.
- E. Election of new members.
- F. Reports of officers.
- G. Reports of committees.
- H. Unfinished business.
- I. New business.

Any question as to priority of business shall be decided by the chair.

This order of business may be altered or suspended at any meeting by a majority vote of members of the Board present. *Roberts' Rules of Order* are the parliamentary procedures to be used to conduct meetings of the Board of Directors.

Section 8. Responsibilities of Directors; Training Requirement.

- (A) The Directors of the Corporation constitute the governing body of the Corporation (the "Board"), and will have and will responsibly exercise all of the powers prescribed by Section 1411 of the New York State Not-for-Profit Corporation Law and other applicable law, including but not limited to Chapter 766 of the 2005 Laws of the State of New York (the "PAAA").
- (B) The Board will appoint a Chief Executive Officer and a Chief Financial Officer of the Corporation, neither of whom will be a Director of the Corporation.
- (C) Every annual financial report of the Corporation must be approved by the Board and provided to the Town.
- (D) The Directors of the Corporation will: (1) execute direct oversight of the Chief Executive Officer of the Corporation and other senior management of the Corporation in the effective and ethical management of the Corporation; and (2) understand, review and monitor the implementation of fundamental financial and management controls and operational decisions of the Corporation.
- (E) The Board will not, directly or indirectly, including through a subsidiary, extend or maintain credit or arrange for the extension of credit, or renew an extension of credit, in the form of a personal loan to or for any officer, Director or employee (or equivalent thereof) of the Corporation.
- (F) Individuals newly appointed to the board of the Corporation must participate in state approved training regarding their legal, fiduciary, financial, and ethical responsibilities within one year of appointment to such Board. Directors who have already completed state approved training will participate in such continuing training as may be required to remain informed of best practices, regulatory and statutory changes relating to the effective oversight of the management and financial activities of public authorities and to adhere to the highest standards of responsible governance.

ARTICLE V – EXECUTIVE OFFICERS AND EMPLOYEES

Section 1. Chief Executive Officer.

- (A) The Chief Executive Officer will be appointed by the Board, and will be the chief executive officer of the Corporation.
- (B) The Chief Executive Officer will have general supervision over the administration of the business and affairs of the Corporation, subject to the direction of the Board. Whenever possible, the Chief Executive Officer will attend each meeting of the Board, and will submit such recommendations and information to the Board as the Chief Executive Officer may consider proper concerning the business, affairs, and policies of the Corporation.
- (C) The Chief Executive Officer will be charged with the management of all projects of the Corporation.
- (D) The Chief Executive Officer will also serve as the Contracting Officer (as such term is defined in the PAAA) of the Corporation and, as such, be responsible for (1) the disposition of property of the Corporation, and (2) the Corporation's compliance with the Corporation's property use and disposition guidelines.
- (E) Every annual financial report of the Corporation must be certified in writing by the Chief Executive Officer that based on the Chief Executive Officer's knowledge (1) the information provided therein is accurate, correct and does not contain any untrue statement of material fact; (2) does not omit any material fact which, if omitted, would cause the financial statements to be misleading in light of the circumstances under which such statements are made; and (3) fairly presents in all material respects the financial condition and results of operations of the Corporation as of, and for, the periods presented in the financial statements.

Section 2. Chief Financial Officer.

- (A) The Chief Financial Officer will have the care and custody of all funds of the Corporation and will deposit the same in the name of the Corporation in such bank or banks as the Board may select or, if the Board has not so selected a bank or banks, which the Chief Financial Officer selects.
- (B) The Chief Financial Officer will keep regular books of accounts showing receipts and expenditures, and will render to the Audit Committee at each regular meeting thereof an account of such transactions and also of the financial condition of the Corporation.
- (C) The Chief Financial Officer will give such bond for the faithful performance of his/her duties as the Corporation may determine.

- (D) Every annual financial report of the Corporation must be certified in writing by the Chief Financial Officer that based on the Chief Financial Officer's knowledge (1) the information provided therein is accurate, correct and does not contain any untrue statement of material fact; (2) does not omit any material fact which, if omitted, would cause the financial statements to be misleading in light of the circumstances under which such statements are made; and (3) fairly presents in all material respects the financial condition and results of operations of the Corporation as of, and for, the periods presented in the financial statements.

Section 3. Additional Personnel. The Corporation may from time to time appoint such personnel as it deems necessary to exercise its power, duties, and functions as prescribed by the New York State Not-for-Profit Corporation Law and all other laws of the State of New York applicable thereto. The selection and compensation of all personnel including the Chief Executive Officer will be determined by the Corporation subject to the laws of the State of New York. The Corporation may from time to time employ such personnel as it deems necessary to exercise its statutory powers, duties, and functions. The selection and compensation of all personnel will be determined by the Corporation.

## ARTICLE VI – COMMITTEES

Section 1 – Governance Committee. The Board of Directors will appoint a Governance Committee to oversee the operations of the LDC. The purpose of the governance committee is to assist the Board by:

- Keeping the Board informed of current best practices in corporate governance;
- Reviewing corporate governance trends for their applicability to the Town of Plattsburgh LDC;
- Updating the Town of Plattsburgh LDC's corporate governance principles and governance practices; and
- Advising those responsible for appointing directors to the Board on the skills, qualities and professional or educational experiences necessary to be effective Board members.

The detailed responsibilities, powers, and functions of the Governance Committee are set forth in the Governance Committee Charter adopted on January 25, 2010 by the LDC Board.

Section 2 – Audit Committee Charter. The Board of Directors will appoint an Audit Committee to oversee and review the financial operations of the LDC. The purpose of the audit committee shall be to (1) assure that the authority's board fulfills its responsibilities for the authority's internal and external audit process, the financial reporting process and the system of risk assessment and internal controls over financial reporting; and (2) provide an avenue of communication between management, the independent auditors, the internal auditors, and the board of directors.

The detailed responsibilities, powers and functions of the committee are set forth in Audit Committee Charter adopted by the Board of the LDC on January 25<sup>th</sup>, 2010.

Section 3 - Finance Committee Charter. The Board of Directors will appoint a Finance Committee to oversee and review the financial operations of the LDC.

It shall be the responsibility of the finance committee to:

- Review proposals for the issuance of debt by the Authority and its subsidiaries and to make recommendations concerning those proposals to the board.
- Make recommendations to the board concerning the level of debt and nature of debt issued by the authority.
- Make recommendations concerning the appointment and compensation for bond counsel, investment advisors and underwriting firms used by the Authority, and to oversee the work performed by these individuals and firms on behalf of the Authority.
- Meet with and request information from Authority staff, independent auditors and advisors or outside counsel, as necessary to perform the duties of the committee.
- Retain, at the authority's expense, such outside counsel, experts and other advisors as the finance committee may deem appropriate.
- Review proposals relating to the repayment of debt other long-term financing arrangements by the Authority and its subsidiaries.
- Annually review the Authority's financing guidelines and make recommendations to the board concerning criteria that should govern its financings. These should include security provisions required for a bond financing undertaking, specific requirements of credit enhancements or additional guarantees used, such as a pledge of revenues, financial covenants or debt service reserves.
- Report annually to the authority's board how it has discharged its duties and met its responsibilities as outlined in the charter.
- Conduct an annual self-evaluation of its performance, including its effectiveness and compliance with the charter and request the board approval for proposed changes.

The detailed responsibilities, powers and functions of the committee are set forth in Finance Committee Charter adopted by the Board of the LDC on March 13, 2012 and reviewed May 1, 2012.

Section 4 -- Loan Review Committee. The Board of Directors may elect a Loan Review Committee, to serve at the pleasure of the Board. The Loan Review Committee will have the responsibility for reviewing and recommending action on applications to the Town of Plattsburgh Local Development Corporation's *Revolving Loan Fund* to the Board of Directors. When appropriate the Loan Review Committee should solicit membership and/or the advice of regional bank officers, representatives of the business community, and New York State Department of Economic Development Regional Officials. Unless the Board of Directors determines otherwise, members of the Loan Review Committee will serve three year terms, or until their successors have been appointed. The Board of Directors may vary the terms of the Loan Review Committee's members in order to stagger the members' terms to ensure continuity. The Committee shall elect its own Chair and set its own procedures. The Committee shall keep minutes of its deliberations and forward them to the Board of Directors in a timely manner. The Committee is charged with receiving and reviewing all applications for loans and loan

modifications from the Corporation's loan fund(s) (if any) and with forwarding timely recommendations to the Board of Directors on whether to make or reject loans or loan modifications from the fund(s). In addition, the Board of Directors may authorize the Committee to negotiate conditions attached to loans and loan modifications and to determine whether such conditions have been met prior to advising the President or Closing Agent to execute legal documents related to such loans or loan modifications.

ARTICLE VII – MEETING BY COMMUNICATION EQUIPMENT

Pursuant to Section 708(c) Not-For-Profit Corporation Law as amended, any one or more members of the Board of Directors or any of its committees may participate in a meeting by means of a conference telephone or similar communications equipment allowing all participants to hear each other at the same time. Participation by such means shall constitute presence in person at the meeting.

ARTICLE VIII – INDEMNIFICATION

To the fullest extent now or hereafter provided for or permitted by law, the directors and/or officers of the Corporation shall not be liable to the Corporation or third parties for damages for any breach of their duties as directors and/or officers and the Corporation shall indemnify such directors and/or officers against all reasonable expenses, including but not limited to attorney's fees, which are incurred by such director or officer, actually and necessarily in connection with the defense of any claim against such director or officer which shall arise as a result of that person's actions in the capacity of a director or officer of the Corporation.

ARTICLE IX – AMENDMENTS

These By-laws may be amended, repealed, superseded or altered in whole or in part by a majority vote at any duly organized meeting of the Corporation. The proposed change shall be sent to each member of the Board at least ten (10) days before the time of the meeting which is to consider the change.

[June 7, 2016]