

BY - LAWS

ARTICLE I

Powers, Organization and Administration

- Section 1. Administration.** The powers, organization and administration of the Development Authority of the North Country (the "Authority") shall be in accordance with the provisions of the Development Authority of the North Country Act, other applicable laws, and these By-laws.
- Section 2. Fiscal Year.** The fiscal year of the Authority shall begin April 1 and end March 31.
- Section 3. Form of Seal.** The seal of the Authority shall be in such form as may be determined, from time to time, by the Authority. The seal on any Authority obligation for the payment of money may be a facsimile.

ARTICLE II

Meetings of the Authority

Section 1. Annual Meeting. The first meeting in each fiscal year shall be the annual meeting of the Authority and shall be held at the time and place, within the State of New York, designated in the notice of same.

Section 2. Regular Meetings. The Authority may establish a schedule of regular meetings to be held, within the State of New York, between the annual meetings. The regular business of the Authority may be transacted at such meetings.

Section 3. Special Meetings. Special meetings of the Authority may be called by the Chairman, or shall be called by the Secretary upon the written request of at least four Authority Members ("Members"). Each special meeting shall be held at the time and place, within the State of New York, as the person calling same shall determine.

Section 4. Notices. Notice of each annual and of each special meeting of the Authority shall be given by mailing the same, at least three days before the day on which the meeting is to be held, to the address of each Member designated by him or her for such purpose (or, if none is designated, to his or her last known address), or by delivering it personally or by telephoning it at least 12 hours in advance of the time for which the meeting is called. Notice of any meeting need not be given to any Member who submits a signed waiver of notice thereof before, at or after the meeting, or to the duly appointed representative of any Member permitted by the Authority Act to have a representative who submits a signed waiver of notice before, at or after the meeting.

The business to be transacted at or the purpose of, any meeting of the Authority shall be specified in the notice thereof, to the extent known at the time of giving such notice; however, such specification shall not constitute a limitation upon the business actually transacted at such meeting or the purposes thereof.

Section 5. Quorum and Exercise of Powers. A majority of the whole number of the voting Members and of the whole number of non-voting Members of the Authority shall constitute a quorum authorized to transact any business presented at any meeting of the Authority. All action shall be taken by vote of a majority of the whole number of the voting Members then in office of the Authority. If at any meeting there is less than a quorum, a majority of those voting Members present may, from time to time, adjourn the meeting without notice to any absent Member.

Section 6. Presiding Officer. At all meetings of the Authority, the Chairman shall be the presiding officer, except as hereinafter provided. In the event that a meeting occurs when the office of Chairman is vacant or in the absence or disability of the Chairman, the Vice-Chairman shall be the presiding officer; except that if, in such event, the office of Vice-Chairman is vacant or the Vice-Chairman is absent or disabled, the voting Members of the Authority shall choose, from among those Members present, a presiding officer to preside at such meeting.

Section 7. Procedure. The order of business and all other matters of procedure at each meeting of the Authority may be determined by the presiding officer, using Robert's Rules of Order as a reference.

ARTICLE III

Officers Generally

- Section 1. Officers.** The officers of the Authority shall be the Chairman, Vice-Chairman, Secretary, Treasurer, Executive Director, and such additional officers as may be designated by resolution of the Authority who shall hold office at the pleasure of the Authority.
- Section 2. Acts of the Authority.** All acts, agreements and documents of the Authority shall be performed or executed in the name of the Authority by an authorized officer. The following are each designated as an authorized officer of the Authority for such purposes: the Chairman, the Vice-Chairman, the Secretary, the Treasurer, the Executive Director, the General Counsel, and any other person authorized, from time to time, by the Authority to perform any specific act or to execute any specific document. The Chairman or Executive Director are each authorized to exercise the powers of the Authority during the periods between regular meetings.
- Section 3. Contracts Requiring Board Approval.** Subject to the provisions of Article IV, Section 5, all contracts for the general corporate purposes of the Authority which are in excess of twenty-five thousand dollars (\$25,000), are for the retention of outside counsel or independent auditors, or are collective bargaining agreements between the Authority and its employees must be approved by the voting Members of the Authority.
- Section 4. Removal and Vacancies.** An officer may be removed or have his or her authority suspended by the Authority at any time, with or without cause. If an office becomes vacant for any reason, the voting Members of the Authority shall have the power to fill such vacancy.
- Section 5. Officers Holding Two or More Offices.** Any two or more offices may be held by the same person, except the offices of Chairman and Secretary, but no officer shall execute or verify any instrument in more than one capacity if such instrument is required by law or otherwise to be executed or verified by two or more officers.
- Section 6. Delegation.** In the event of a vacancy in any office or in the absence or disability of any officer or for any other reason that the Authority may deem sufficient, the voting Members of the Authority, except as otherwise provided by law, may temporarily delegate the powers or duties of any officer to any other officer or to any Member.

ARTICLE IV

Statutory Officers

- Section 1. Statutory Officers.** The voting Members of the Authority shall annually, at the March meeting, choose from among its voting Members a Chairman. The voting Members of the Authority shall also choose at such meeting a Vice Chairman, Secretary and a Treasurer. The voting Members of the Authority may, from time to time, appoint or elect one or more Assistant Treasurers from the Members.
- Section 2. Term of Office.** The Chairman, the Vice-Chairman, the Secretary, and the Treasurer shall, unless otherwise determined by the Authority, hold office for one fiscal year, beginning April 1 and until their successors have been chosen and qualified. Each Assistant Secretary or Assistant Treasurer chosen by the Authority shall hold office for such term as shall be determined, from time to time, by the Authority and until his or her successor has been chosen and qualified.
- Section 3. Chairman.** The Chairman shall:
- (a) preside at all meetings of the Authority at which he or she is present;
 - (b) enforce or cause to be enforced all laws and regulations relating to the administration of the Authority;
 - (c) call meetings of the Authority when he or she deems it necessary;
 - (d) enforce these By-laws and perform all the duties incident to the position of Chairman; and
 - (e) exercise such other powers and perform such other duties as the Authority may determine.
- Section 4. Vice-Chairman.** In the event that the office of Chairman is vacant or in the absence or disability of the Chairman, the Vice-Chairman shall exercise the powers and perform the duties of the Chairman. The Vice-Chairman shall exercise such other powers and perform such other duties as the Authority may determine.
- Section 5. Secretary.** The Secretary shall enter or cause to be entered in the proper record of the Authority all the resolutions and proceedings of meetings of the Authority, conduct or cause to be conducted the correspondence relating to the Authority, issue and cause to be issued all notices of meetings of the Authority and exercise such other powers and perform such other duties as the Authority may determine.

Section 6. Treasurer. The Treasurer shall:

- (a) insure the prompt and proper reporting to the Authority of the management by the Executive Director of all funds and securities of the Authority and the investment and proper deposits thereof;
- (b) render or cause to be rendered a statement of the financial condition of the Authority at the annual meeting and at each regular meeting thereof and at such other meeting as shall be required by the Authority;
- (c) render or cause to be rendered a full financial report to the Authority after the expiration of each fiscal year; and
- (d) exercise such other powers and perform such other duties as the Authority may determine.

ARTICLE V

Staff Officers and Personnel

- Section 1. Staff Officers.** The Authority shall appoint an Executive Director, who shall hold office at the pleasure of the Authority.
- Section 2. Executive Director.** The Executive Director shall be the chief administrative and operating officer of the Authority, and shall: be responsible for the efficient administration and operation of the Authority; carry out the policies and directives of the Authority; be responsible for obtaining and furnishing to the Authority financial and other reports as may be required by the Authority; recommend to the Authority, from time to time, such measures as the Executive Director shall deem necessary or advisable; furnish the Authority with necessary information respecting the Authority; be responsible for the preparation and submission to the Authority of the proposed annual budget for adoption ; keep the Authority informed as to the financial needs and conditions of the Authority; and, exercise such other powers and perform such other duties as the Authority may determine.
- Section 3. General Counsel.** The General Counsel shall be the chief legal officer of the Authority and shall: advise and render opinions to the officers and Members of the Authority as to all legal matters relating to the administration, operations and financing of the Authority, and as to the laws governing the programs of the Authority; draft, examine and approve as to legal compliance all forms, contracts or other documents necessary for all phases of the Authority's work or purposes; coordinate with and assist bond counsel in the preparation of all documents related to the sale of the Authority's obligations and the investment of the proceeds; and, exercise such other powers and perform such other duties as the Executive Director may determine.
- Section 4. Other Personnel.** Subject to the provisions of Article III, Section 3, the Executive Director may, from time to time, within any limits which may be established by the Authority, employ such other personnel as the Executive Director may deem necessary to exercise the powers and perform the duties and functions necessary or convenient in carrying out the objectives and purposes of the Authority, define their duties and functions and set their terms of employment, subject to the terms of any collective bargaining agreement which may be in force.
- Section 5. Professional Services.** The Executive Director may, subject to the provisions of Article III, Section 3 of these By-laws, and any limits which may be established by the Authority, employ or retain such accountants, engineers, legal counsel, and other experts as the Authority or the Executive Director may determine to be necessary or advisable and may fix the terms of such employment or retainer.

ARTICLE VI

Committees

- Section 1. Committees.** The Authority shall create, as standing committees, a Governance Committee, an Audit Committee and a Finance Committee, each consisting of at least three members of the Authority, a majority of whom shall be voting members, for the performance of the duties required under these by-laws and shall create such other committees, consisting of at least two members of the Authority, to perform such duties as the Authority shall determine. Committee meetings shall be open to any Authority member and to the public in accordance with the State Open Meetings Law.
- Section 2. Appointment and Removal.** The Chairman of the Authority shall have the power of appointment and removal, with or without cause, of members of all committees and designation and removal, with or without cause, of the Chairmen of all committees.
- Section 3. Meetings.** Meetings of any committee of the Authority may be held at such places, within the State of New York, as the committee shall determine. Regular meetings of any committee of the Authority shall be held at such times as may be determined by either the Authority or such committee, and no notice shall be required for any regular meeting. Special meetings of any committee shall be called by the Secretary of the Authority upon the request of any two members thereof. Notice of special meetings of any committee of the Authority shall be given by mailing the same, at least three days before the day on which the meeting is to be held, to the address of each member designated by him or her for such purpose (or, if none is designated, to his or her last known address), or by delivering it personally or by telephoning it at least 12 hours in advance of the time for which the meeting is called. Notice of any meeting need not be given to any committee member who submits a signed waiver of notice thereof before, at or after the meeting. Neither the business to be transacted at, nor the purpose of, any meeting of any committee need be specified in any notice or written waiver of notice.
- Section 4. Conduct of Meetings.** The Chairman of the committee or, in the event that the office of committee Chairman is vacant or in the absence or disability of the committee Chairman, the member of the committee present who has the longest period of consecutive membership on the Authority shall preside at each meeting of the committee. The Secretary of the Authority, except as otherwise provided by the Authority, shall act as Secretary at all meetings of the committee, and in the absence of the Secretary, a temporary Secretary shall be appointed by the Chairman of the committee meeting.

Section 5. Quorum and Voting. A majority of the whole number of the members of any committee shall constitute a quorum for the transaction of business, and all action shall be taken by vote of a majority of the whole number of the Members of such committee. Unless specified otherwise by the Board at the time of creation of a committee, each person shall be entitled to vote on all actions taken by the committee to which he or she is appointed. In the absence of a quorum, a Majority of the members of a committee present may adjourn any meeting, from time to time, without further notice to any absent committee member.

Section 6. Minutes. All committees shall keep minutes of their acts and proceedings, which shall be submitted to the Authority.

ARTICLE VII

Governance Committee

Section 1. The Governance Committee shall have responsibility for the following areas of operation and administration:

Executive Function:

- General oversight of Authority operations

Governance Function:

- Establishment of policies to promote honesty and ethical conduct within the Authority and enhance public confidence,
- Review and update codes of conduct and policies concerning conflicts,
- Review regularly and update policies regarding procurement of goods, services and real property,
- Prepare and update the policy for disposition of real and personal property and for the protection of whistleblowers.

Personnel Function:

- Overall responsibility to develop and recommend to the Authority the adoption of the annual organization and compensation plan, which shall serve as the guideline for staffing during the succeeding fiscal year. The plan shall establish an increase in total personnel compensation as a merit pool which may be awarded to such employees and in such amounts as the Executive Director shall determine. The employment of any staff member whose proposed annual rate of compensation exceeds \$50,000 shall be subject to this Committee and Authority approvals only as to the necessity for the position and the range of compensation therefore and only if the position is not provided for in the annual budget.

ARTICLE VIII

Audit Committee

- Section 1.** The Audit Committee shall be comprised of entirely independent members. An “independent member” is defined as one not employed by the Authority or a state or local government and is not employed by an entity, public or private, that is doing or is likely to do, business with the Authority in contravention of the conflict of interest prohibitions set forth in Article 18 of the New York General Municipal Law.
- Section 2.** The Audit Committee shall have responsibilities in the following areas of audit and accountability:
- Reviewing and approving financial statements.
 - Overseeing internal controls and compliance systems.
 - Appointing, compensating and overseeing independent internal auditors retained by the Authority, funded at the sole direction of the Audit Committee and responsible only and directly to the Audit Committee.
 - Overseeing the appointment and performance of independent financial auditors for preparation of annual and interim reports and such other functions associated with this process and who shall report directly to the Executive Director and Fiscal Officer.
 - Resolving disagreements and overseeing compliance concerning accounting principles and policies.
 - Receiving management reports on internal controls and the attestation of such reports by the outside auditors.
 - Investigating compliance with the Authority’s policies and if warranted referring non-compliance instances to the State Inspector General.
- Section 3.** The Audit Committee shall establish procedures for processing complaints regarding accounting, internal controls and auditing and for the reporting by all personnel to the State Inspector General any allegations of corruption, fraud, criminal activity, conflicts of interest or abuse by any Authority personnel or persons doing business with the Authority.

ARTICLE IX

Finance Committee

Section 1. The Finance Committee shall have the following responsibilities:

Finance. The Committee shall have overall responsibility to develop and recommend to the Authority the adoption of the annual budget. Upon its adoption, the Executive Director, in his discretion, may expend funds for the purposes included in and to the amount, or adjusted amount, of any line item except direct expenditures from the line item for contingencies, which shall require board approval, and may transfer funds from any line item(s), including the contingency line item, into a non-personnel item in an amount not to exceed the greater of \$5,000.00, or 10% of such line item as budgeted. Transfers in excess thereof shall be approved by this Committee and the Authority. The Committee shall perform such other duties as the Authority shall direct.

Section 2. The Treasurer shall be an ex-officio member of this committee. The committee shall perform such other duties as the Authority from time to time shall direct.

ARTICLE X

Indemnification of Members, Officers, and Employees

Section 1. Right of Defense and Indemnification. Each present and former Member, officer, and employee of the Authority, his estate or personal representative shall be entitled to defense against, and indemnification in the amount of, any judgment or claim arising while such person was acting within the scope of his public employment or duties, including actions brought under the provisions of civil rights laws, provided by the Authority all in accordance with Section 2718 of the Public Authorities Law and the rights, procedures and restrictions contained in Section 18 of the Public Officers Law.

Section 2. Other Rights of Indemnification. The right of indemnification wherein provided shall not be deemed exclusive of any other rights to which any such Member, officer or employee may now or hereafter be otherwise entitled and specifically, without limiting the generality of the foregoing, shall not be deemed exclusive of any rights, pursuant to statute or otherwise, of any such Member, officer or employee in any such action or proceeding to have assess or allowed in his or her favor, against the Authority or otherwise, his or her costs and expenses incurred therein or in connection therewith or any part thereof.

ARTICLE XI

Development Authority of the North Country **Role and Responsibilities of Members**

Members of the Development Authority of the North Country (Authority) shall:

- (a) execute direct oversight of the Authority's chief executive and other management in the effective and ethical management of the Authority;
- (b) understand, review and monitor the implementation of fundamental financial and management controls and operational decisions of the Authority;
- (c) establish policies regarding the payment of salary, compensation and reimbursements to, and establish rules for the time and attendance of, the chief executive and management;
- (d) adopt a code of ethics applicable to each officer, director and employee that, at a minimum, includes the standards established in section seventy-four of the public officers law;
- (e) establish written policies and procedures on; (1) personnel, including policies protecting employees from retaliation for disclosing information concerning acts of wrongdoing, misconduct, malfeasance, or other inappropriate behavior by an employee or board member of the Authority; (2) investments; (3) travel; (4) the acquisition of real property; (5) the disposition of real and personal property; and (6) the procurement of good and services;
- (f) adopt a defense and indemnification policy and disclose such plan to any and all prospective board members, and
- (g) prohibit the extension of credit, arranging for the extension of credit, or renew an extension of credit, in the form of a personal loan to or for any officer, board member or employee of the Authority.

ARTICLE XII

Procedure for Amending By-laws

Section 1. By-laws of the Authority may be adopted, amended or repealed at any meeting of the Authority by vote of a majority of the whole number of the voting Members of the Authority.