

Adopted: March 26, 2013
Revised: August 9, 2016
Revised: April 10, 2018

BY-LAWS
OF
GLENVILLE LOCAL DEVELOPMENT
CORPORATION

ARTICLE I
THE CORPORATION

Section 1. 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 June 12, 2012, which Certificate of Incorporation was amended by a Certificate of Amendment of the Certificate of Incorporation filed in the Office of the New York State Department of State on July 3, 2013 (as so amended, the “Certificate of Incorporation”).

Section 2. Name. The name of the Corporation is “Glenville Local Development Corporation.” The Corporation may conduct its activities under an assumed name in the manner prescribed by Section 130 of the New York General Business Law.

Section 3. Purposes. The Corporation shall have such purposes as are now or hereafter set forth in its Certificate of Incorporation.

Section 4. Seal of Corporation. The seal of the Corporation will be in the form of a circle and will bear the name of the Corporation and the year of its organization.

Section 5. Office of Corporation. The principal office of the Corporation shall be in the Town of Glenville, Schenectady County, New York at a location determined by the Board of Directors of the Corporation.

Section 6. Fiscal Year. The fiscal year of the Corporation shall commence on each January 1st and end on each December 31st.

Section 7. Execution of Instruments. Except as otherwise provided in these By-Laws, instruments and documents of the Corporation may be signed or countersigned, executed, verified or acknowledged by such officer or officers or other person or persons as the Board of Directors may designate by resolution.

Section 8. Books. There shall be kept at the principal office of the Corporation, correct books of account of the activities and transactions of the Corporation, including a minute book, which shall contain a copy of the Certificate of Incorporation, a copy of these By-Laws, and all minutes of meetings of the Board of Directors.

ARTICLE II DIRECTORS, OFFICERS AND COMMITTEES

Section 1. Directors.

(A) Composition. There shall be not less than three (3), nor more than six (6) Directors of the Corporation divided into two (2) classes: (1) voting class Directors, and (2) non-voting class Directors. The initial voting class Directors of the Corporation shall consist of the three (3) Directors named in the Certificate of Incorporation (the “Initial Directors”), together with no more than two (2) additional Directors appointed by the Initial Directors. The initial non-voting class Directors of the Corporation shall consist of the Town Supervisor of the Town of Glenville, or the Town Supervisor’s designee, who shall serve as an *ex officio* Director. Thereafter, except for the Town Supervisor serving *ex officio*, Directors of the Corporation shall be appointed by majority vote of the Board of Directors of the Corporation. All Directors shall, at the time of appointment, and continuously during their term in office, reside within the Town of Glenville. Not less than a majority of Directors shall consist of persons who qualify to be an Independent Director (as hereinafter defined). Persons being considered for Director of the Corporation should represent diverse interests and possess expertise helpful to the purposes of the Corporation.

(B) Director Terms of Office. The term of office for Directors shall be one year, commencing on January 1 and ending on December 31. Vacancies occurring other than by expiration of a term of office shall be filled by appointment for the unexpired terms.

(C) Voting Rights of Directors. Each voting class Director of the Corporation shall be entitled to one vote in person at any annual or special meeting of the Board of Directors of the Corporation. Each non-voting class Director of the Corporation shall have no right to vote at any meeting of the Board of Directors of the Corporation, but shall have all of the other rights of membership Director.

Section 2. Board of Directors.

(A) Composition. There shall be a Board of Directors of the Corporation (also, the “Board”) comprised of each of the Directors of the Corporation.

(B) Independent Directors. Except for Directors who serve as Directors by virtue of holding a civil office of the State, the majority of the remaining Directors will be “Independent Directors.” For purposes of these By-Laws, the term “Independent Director” means a Director who:

- (i) is not, and has not been within the last three years, an employee of the Corporation or an affiliate thereof, and does not have a relative who is, or has been within the last three years, a key employee of the Corporation or an affiliate thereof; and
- (ii) has not received, and does not have a relative who has received, in any of the last three fiscal years, more than \$10,000.00 in direct compensation from the Corporation or an affiliate thereof (other than reimbursement for expenses reasonably incurred as a director or reasonable compensation for service as a director); and
- (iii) is not a current employee of or does not have a substantial financial interest in, and does not have a relative who is a current officer of or who has a substantial financial interest in, any entity that has made payments to, or received payments from, the Corporation or an affiliate thereof for property or services in an amount which, in any of the last three fiscal years, exceeds the lesser of \$25,000.00 or two (2%) percent of such entity’s consolidated gross revenues. (For purposes of this subsection “iii”, membership dues constitute payments; however, charitable contributions do not constitute payments.); and
- (iv) is not, and in the past two years has not been, a lobbyist registered under a state or local law and paid by a client to influence the management decisions, contract awards, rate determinations or any other similar actions of the Corporation (or an “Affiliate” of the Corporation).

For purposes of these by-laws, the term “Affiliate” means a corporate body having substantially the same ownership or control as the Corporation, and the term “Relative” means an individual’s spouse, child, stepchild, stepparent, or any person who is a direct descendent of the grandparents of the individual or of the individual’s spouse.

(C) Role of the Board of Directors. The Board shall constitute the governing body of the Corporation, and shall have and will responsibly exercise all of the powers and authority prescribed by applicable law, including but not limited to by Article 2 and Section 1411 of the New York State Not-for-Profit Corporation Law. Except as otherwise provided in the Certificate of Incorporation or these By-laws, the powers of the Corporation shall be vested in the Board of Directors. The Corporation shall not have any members.

(D) Approval of Financial Reports. Every annual financial report of the Corporation shall be approved by the Board and maintained in the records of the Corporation.

(E) General Duties of Directors. The general duties of Directors of the Corporation shall include, but not be limited to, the following:

- (i) To understand, review and monitor the implementation of fundamental financial and management controls and operational decisions of the Corporation;

- (ii) To adopt a code of ethics applicable to each officer, director and employee that, at a minimum, includes the standards established in § 74 of the New York Public Officers Law;
- (iii) To establish written policies and procedures on 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, investments, travel, the acquisition of real property and the disposition of real and personal property and the procurement of goods and services;
- (iv) To adopt a defense and indemnification policy and disclose such plan to any and all prospective Directors.
- (v) To perform each of their duties as Director in good faith and with that degree of diligence, care and skill which an ordinarily prudent person in like position would use under similar circumstances, and may take into consideration the views and policies of any elected official or body, or other person and ultimately apply independent judgment in the best interest of the Corporation, its mission and the public; and
- (vi) At the time the Director takes his or her oath of office, to execute an acknowledgment in a form to be developed by the New York State Authorities Budget Office and/or Attorney General in which the Director acknowledges that he or she understands his or her role, and fiduciary responsibilities and acknowledges that he or she understands his or her duty of loyalty and care to the organization and commitment to the authority's mission and public interest.

(F) Lending Prohibition. The Board shall 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 Director, officer, or employee (or equivalent thereof) of the Corporation.

(G) Mandatory Training. 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 affairs of the Corporation.

(H) Compensation. Members of the Board shall serve without compensation, but shall, upon prior approval by the Board, be entitled to reimbursement of actual and reasonable expenses incurred in furtherance of the proper business of the Corporation.

(I) Resignation. Any Director may resign his or her office by a written instrument filed

with the Secretary or Chairperson. The resignation shall take effect no later than sixty (60) days after

(J) receipt thereof by the Secretary or Chairperson. A resignation need not be accepted by the Board in order to be effective.

Section 3. Officers of the Board of Directors

(A) Officers of the Board. The officers of the Board shall be elected by a majority vote of the Directors and shall consist of a Chairperson, a Vice Chairperson, a Secretary, and a Treasurer, together with such other offices as may, from time to time, be established by the Board. Officers of the Board shall be elected by the Board at the annual meeting of the Board. Officers will hold office for one year or until their successor is appointed. If the term of a Corporation Director should terminate, his/her term of office as an officer shall also terminate. One person may hold more than one office, except that one person may not at the same time be Chairperson and Secretary. The officers of the Board will perform the duties and functions specified in these By-Laws and such other duties and functions as may from time to time be authorized by resolution of the Board or required to affect the lawful purposes of the Corporation. Should any office of the Board become vacant prior to the expiration of its one year term, the Corporation will appoint a successor from among its Directors, such appointment to be for the unexpired term of the vacant office. No officer of the Board shall hold such office for more than three (3) consecutive full one-year terms. A Director disqualified for re-election on the basis of the previous sentence shall be re-eligible for re-election to such office after the passage of one (1) full term of office since his or her disqualification.

(B) Chairperson. The Chairperson will be a Director of the Corporation and preside at all meetings of the Corporation. The Chairperson will sign all contracts, deeds and any other instruments on behalf of the Corporation, except as otherwise authorized or directed by resolution of the Corporation. The Chairperson will submit his/her recommendations and such information as he/she has deemed pertinent concerning the business, affairs and policies of the Corporation, at each meeting.

(C) Vice Chairperson. The Vice Chairperson will be a Director of the Corporation and perform the duties of the Chairperson in the absence or incapacity of the Chairperson. In the event of the resignation or death of the Chairperson, the Vice Chairperson will become acting Chairperson and perform the duties of the Chairperson until such time as the Corporation elects a new Chairperson as herein provided.

(D) Secretary. The Secretary will be a Director of the Corporation. He/she will keep all records of the Corporation, will act as secretary at the meetings of the Corporation, and will keep a record of all votes thereat. He/she will record the proceedings of the Corporation in a journal of proceedings to be kept for such purpose. He/she will perform all duties incident to this office. He/she will have custody of the seal of the Corporation, and will have the power to affix such seal to all contracts and other instruments authorized by the Corporation to be executed. The Secretary may delegate any of the above-described functions to employees and staff of the Corporation.

(E) Treasurer. The Treasurer will be a Director of the Corporation. Except as otherwise authorized by resolution of the Board, the Treasurer of the Corporation is authorized to sign all checks

for the payment of money of the Corporation; and will pay out and disburse such moneys under the direction of the Board. Except as otherwise authorized by resolution of the Board, all such checks will be countersigned by the Chairperson of the Corporation, or, in the absence of the Chairperson, the Vice Chairperson of the Corporation. The Treasurer will render or cause to be rendered to the Corporation at each regular meeting an account of the financial transactions and the current financial condition of the Corporation.

(F) Resignation. Any Officer may resign his or her office by a written instrument filed with the Secretary or Chairperson. The resignation shall take effect no later than sixty (60) days after receipt thereof by the Secretary or Chairperson. A resignation need not be accepted by the Board in order to be effective.

Section 4. Committees of the Board of Directors

(A) Standing Committees. The Board of Directors shall maintain the following standing committees:

- (i) Governance;
- (ii) Audit and Finance;
- (iii) Loan Review; and
- (iv) Business Development

The membership of and duties of each standing committee shall be as hereinafter set forth, provided, however, that a standing committee may be given such additional duties as may be prescribed by a charter adopted by the Board or resolution of the Board, or as assigned by the Chairperson.

(B) Other Committees. The Board of Directors may establish other committees as they may from time to time see fit and designate the chairperson thereof, giving such committee specific objectives and powers not contrary to law, the Certificate of Incorporation, or these By-laws. Members of any such committees shall be appointed by the Board.

(C) Committee Meetings. Meetings of each Committee shall be held at such dates and times, and at such locations, as the majority of the members thereof may agree. The designated chairperson of each Committee shall be the presiding officer thereof, and shall cause minutes of the proceedings of each Committee to be prepared and timely provided to the Board. In the absence of the Committee chairperson at any Committee meeting, the Committee members in attendance shall appoint from their membership a temporary chairperson to serve as such for the duration of the meeting.

(D) Governance Committee. The Chairperson shall annually appoint a Governance Committee to be comprised of at least three (3) Independent Directors who shall constitute a majority of the Committee. If the Board has less than three (3) Independent Directors, the Chairperson can appoint non-Independent Directors to the Committee provided that the Independent Directors constitute the majority of the Committee. The Chairperson shall designate one member of the Committee to be the chairperson thereof. The Governance Committee will:

- (i) keep the Board informed of current best governance practices;

- (ii) review corporate governance trends;
- (iii) update the Corporation's corporate governance principles;
- (iv) advise the Board of the skills and experiences required of potential Directors of the Board;
- (v) act as a liaison for the Corporation to the various officials and boards of the Town of Glenville; and
- (vi) Perform such other functions as are set forth in the Governance Committee Charter as adopted by the Corporation.

(E) Audit and Finance Committee. The Chairperson shall annually appoint a Finance and Audit Committee to be comprised of at least three (3) Independent Directors who shall constitute a majority of the Committee. If the Board has less than three (3) Independent Directors, the Chairperson can appoint non-Independent Directors to the Committee provided that the Independent Directors constitute the majority of the Committee. The Chairperson shall designate one member of the Committee to be the chairperson thereof. To the extent practicable, Directors of the Committee should be familiar with corporate financial and accounting practices. The purpose of the Finance and Audit Committee shall be to:

- (i) provide assistance to the Board in fulfilling its fiduciary responsibilities relating to accounting, reporting and regulatory compliance practices;
- (ii) maintain, by way of regularly scheduled meetings (at least once prior to commencement and once after completion of the annual audit process), a direct line of communication between the Board and the Corporation's independent accountants and auditors to provide for exchanges of views and information;
- (iii) maintain, as appropriate, a direct line of communication between the Board and the governmental authorities having audit authority or fiscal oversight of the Corporation;
- (iv) approve the budget of the Corporation for submission to the Board;
- (v) recommend to the Board the hiring of a certified independent accounting firm, establish the compensation to be paid to such accounting firm, provide direct oversight of the performance of the independent audit performed by the accounting firm hired for such purposes and receive reports from such accounting firm.
- (vi) report to the Board on a periodic basis, at least annually, the findings of its independent accountants and auditors. These reports shall include careful consideration of the actions taken by management on the independent accountants' and auditors' suggestions for correcting weaknesses, if any, in the Corporation's internal controls, regulatory compliance, organizational structure and operations. These reports may include the adequacy of the audit effort by the Corporation's independent accountants and auditors, the financial and regulatory compliance reporting decisions of management, the adequacy of disclosure of information essential to a fair presentation of the financial affairs and regulatory compliance efforts of the Corporation, and the organization and quality of the Corporation's system of management and internal accounting controls; and
- (vii) perform such other functions as are set forth in the Finance and Audit Committee Charter as adopted by the Corporation.

At such time as the Corporation shall issue any debt, there shall be a separate Finance Committee.

(F) Loan Review Committee. The Board shall appoint a Loan Review Committee. The Committee shall be comprised of Directors and persons not members of the Corporation. Unless the Board determines otherwise, members of the Loan Review Committee will serve three year terms, or until their successors have been appointed. The Board may stagger the terms of the Loan Review Committee's members to ensure continuity. The Committee shall elect its own Chair and set its own procedures. The Committee shall receive and review all applications for loans and loan modifications from the Corporation's loan fund(s) (if any) and shall forward timely recommendations to the Board concerning loan requests or loan modifications. In addition, the Board may authorize the Committee to negotiate conditions attached to loans and loan modifications and to determine whether such conditions have been met prior to execution by the Corporation of legal documents related to such loans or loan modifications.

(G) Town of Glenville Business Development Committee. The Board shall appoint a Business Development Committee. The Committee shall be comprised of Directors and persons not members of the Corporation. Unless the Board determines otherwise, members of the Committee will serve three year terms, or until their successors have been appointed. The Board may stagger the terms of the Committee's members to ensure continuity. The Committee shall elect its own Chair and set its own procedures. The purpose of the Committee is to ensure a high level of community participation in the business development activities of the Corporation. In furtherance thereof, the Committee will:

- (i) Actively recruit new businesses for the Corporation;
- (ii) Interact with the Small Business Economic Development Committee of the Town of Glenville to assure that both organizations are working harmoniously and that information is made available to each as applicable to their respective goals;
- (iii) Support the Glenville Business and Professional Association in community programs as needed; and
- (iv) Maintain a dialogue with existing businesses in the Town of Glenville with respect to Committee activities, Town Board activities and proposed legislation that could impact local businesses.

ARTICLE III MEETINGS

Section 1. Meetings of the Board.

(A) Annual Meeting. The annual meeting of the Board will be held on the first Tuesday of the month of December or such other date fixed by resolution of the Board at a time and place determined by the Board.

(B) Regular Meetings. Regular meetings of the Board shall be held from time to time as determined by the Board at the Town Office of the Town of Glenville or at such other times and places as from time to time may be determined by the Board.

(C) Special Meetings. The Chairperson may, when he/she deems it desirable, and will upon the written request of two Directors, call a special meeting of the Board for the purpose of transacting any business designated in the call. The call for a special meeting may be delivered to each Director or may be emailed or mailed to the business or home address of each Director at least two days prior to the date of such special meeting. Waivers of notice may be signed by any Director failing to receive a proper notice. At such special meeting, no business will be considered other than as designated in the call, but if all Directors are present at a special meeting, with or without notice thereof, and are all agreeable thereto, any and all business may be transacted at such special meeting.

(D) Quorum. At all meetings of the Board, a majority of the voting class Directors will constitute a quorum for the purpose of transacting business; provided that a smaller number may meet and adjourn to some other time or until a quorum is obtained.

(E) Voting Generally. Unless otherwise required by law or set forth in these By-laws, the vote of a majority of the voting class Directors shall be the act of the Board. Each voting class Director present shall have one vote. Where in these By-Laws action is required or permitted by a majority of the entire Board, this shall mean the total number of Directors entitled to vote which the Corporation would have if there were no vacancies.

(F) Independent Director Voting. Any matter to come before the Board, or a committee thereof, which involves the subject of conflict of interest or the Corporation's Code of Ethics, accounting and financial reporting processes, auditor selection or oversight, or the Corporation's whistleblower policy, shall be dealt with exclusively by Independent Directors.

(G) Certain Votes Involving Real Property. A vote to approve the sale, lease, exchange or disposal of all or substantially all of the real property of the Corporation shall be approved by a two-thirds vote of the entire Board.

(H) Related Party Transactions. The Corporation shall not enter into any Related Party Transaction (hereinafter defined) unless the transaction is determined by the Board to be fair, reasonable and in the Corporation's best interest at the time of such determination. Any Director, officer or key employee who has an interest in a Related Party Transaction shall disclose in good faith to the Board or Board committee the material facts concerning such interest.

If a Related Party (hereinafter defined) has a substantial financial interest in a particular transaction the Board or Board committee must:

- a. consider alternatives to the extent available;
- b. approve the transaction by at least a majority vote; and
- c. contemporaneously document in writing the basis for its approval including its consideration of alternative transactions.

Related Parties are not permitted to participate in deliberations or voting on Related Party Transaction matters, provided that:

- a. any director, officer, or key employee who has an interest in a Related Party Transaction must disclose in good faith the material facts concerning such interest to the Board or committee; and
- b. a Related Party may upon request provide information concerning a Related Party Transaction prior to the commencement of deliberations or voting on the Related Party Transaction.

A “Related Party Transaction” is defined as any transaction, agreement or any other arrangement in which a Related Party has a financial interest and in which the Corporation or any affiliate thereof is a participant.

A “Related Party” is:

- a. any director, trustee, officer, or key employee of the Corporation (or any affiliate);
- b. any of their respective relatives; or
- c. any entity in which any individual described above has a 35% or greater ownership or beneficial interest, or, in the case of a partnership or professional corporation, a direct or indirect ownership interest in excess of 5%.

(I) Order of Business. At the regular meetings of the Corporation, the following will be the order of business:

1. Roll Call.
2. Review and approval of the minutes of the previous meeting.
3. Report of the Treasurer.
4. Bills and communications.
5. Reports of Committees.
6. Resolutions and motions.
7. Unfinished business.
8. New business.
9. Adjournment.

Any question as to priority of business shall be decided by the Chairperson. Except where the Certificate of Incorporation, these By-Laws, Board-approved rules of procedure or other applicable law provide otherwise, *Roberts’ Rules of Order* shall govern the conduct of meetings of the Board.

(J) Telephonic/Video Voting. At any meeting of the Board, a Director may be present by telephone conference so long as all persons participating can hear each other at the same time and each director can participate in all matters before the Board. Further, at any meeting of the Board, a Director may be present by video conference so long as all persons participating can hear each other at the same

time and each director can participate in all matters before the Board.

(K) Action by Written Consent. Any action required or permitted to be taken by the Board, or by any committee thereof, may be taken without a meeting if all members of the Board or the Committee consent in writing to the adoption of a resolution authorizing the action. The resolution and the written consents shall be filed with the minutes of the proceedings of the Board or committee.

(L) Open Meetings. The Corporation is subject to the New York Open Meetings Law, and notice of meetings of the Board shall be given as required by that Law.

(M) Electronic Transmission. Facsimile or electronic transmission of meeting notices, waivers of notices and unanimous written consents shall be deemed as originals.

ARTICLE IV INDEMNIFICATION OF MEMBERS, DIRECTORS AND OFFICERS

Any person made a party to any action, suit or proceeding by reason of the fact that he or she is or was a member, director, officer or employee of this Corporation, or of any corporation which he or she served as such at the request of this Corporation, shall be indemnified by this Corporation against the reasonable expenses, including attorneys' fees, actually and necessarily incurred by him or her in connection with the defense of such action, suit or proceeding or in connection with any appeal therein, except in relation to the matters as to which it shall be adjudged in such action, suit or proceeding that (i) such member, officer, director or employee acted in bad faith, (ii) liability resulted from the active and deliberate dishonesty of such individual, or (iii) such individual gained in fact a financial profit or other advantage to which he or she was not legally entitled. Such right of indemnification shall not be exclusive of any other rights to which such director, officer or employee may be entitled apart from the provisions of this Article.

ARTICLE V AMENDMENTS

These By-Laws may be amended by a majority of the voting class of Directors at a regular meeting or at a special meeting of the Board of Directors called for that purpose; but no such amendment will be adopted unless at least ten (10) days written notice thereof has been previously given to all Directors of the Corporation.