

BY LAWS

OF

THE LOCAL DEVELOPMENT CORPORATION

OF

THE CITY OF WATERTOWN, NEW YORK

Amended and Approved Bylaws December 18, 2003
Amended and Approved Bylaws January 15, 2004
Amended and Approved Bylaws April 29, 2005
Amended and Approved Bylaws December 21, 2006

ARTICLE I

INCORPORATION

This corporation was incorporated under Section 1411 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 Department of State on November 24, 1982.

ARTICLE II

PURPOSES

As stated in the Certificate of Incorporation, the purposes for which this Corporation was formed are, to relieve and reduce unemployment, to promote and provide for additional and maximum employment, to better and to maintain job opportunities, to instruct or train individuals to improve or develop their capabilities for jobs, to carry on scientific research for the purpose of aiding a community or geographical area by attracting industry to the community or area or by encouraging the development of, or retention of, an industry, in the community area, to lessen the burdens of government and to act in the public interest and such other purposes as in Section 1411.

The territory in which the operations of this corporation are principally to be conducted is the City of Watertown, New York, and such territory in proximity to that City in which the use of the corporation's funds will have a substantial positive impact on the economic welfare and prosperity of the City of Watertown, New York and its inhabitants.

ARTICLE III

MEMBERS

1. **Membership.** The members of the Corporation shall consist of the following persons:

- a) The Mayor of the City of Watertown, New York

- b) The Executive Director of the Jefferson County Industrial Developmental Agency;
- c) The Senior New York State Empire State Development representative or designee for the district encompassing the City of Watertown, New York;
- d) A person appointed by the City Council of the City of Watertown, New York;
- e) Three persons appointed by the four persons mentioned above, one of which shall be an officer of a bank having an office in the City of Watertown, New York; one of which shall be an officer of a different bank having an office in the City of Watertown, New York; and one of which shall be a person who shall represent, low or middle income groups of the City of Watertown, New York

2. **Term of Office.**

- a) The member appointed by the City Council of Watertown, New York shall serve at the pleasure of such Council and may be removed from membership by the Council at any time without cause.
- b) Members appointed pursuant to paragraph 1 (e) above shall serve for three (3) year terms; but may not serve for more than two consecutive three (3) year terms.

3. **Rights of Members.**

- a) **Property Rights.** No member of the corporation shall have any right or interest in or to the property of 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 for such purpose, and without other affirmative action by the members.

- b) **Voting Rights.** Each member of the corporation shall be entitled to one vote in person at any annual, monthly or special meeting of the members of the corporation. In the event a member is absent from a meeting, he/she may vote via telephone conference call, where all members present can hear the conversation and the vote of that member.

4. **Meetings.** A meeting of the members of the corporation may be held at any time at the call of the President. The notice of such meeting shall be deemed sufficient if deposited in the mail not less than three days before the meeting. Notice of the meeting may be waived by a member, in writing, orally, or by attendance at the meeting. A majority of the whole membership shall constitute a quorum for the transaction of business.

5. **Attendance.** All Board members, or their representative, unless excused by the President, are expected to attend meetings of the Board of Directors on a regular basis each year. Those members with three unexcused absenteeism, who have been elected by the Directors to serve on the Board, will be asked to resign. After the third unexcused absenteeism of those members on the Board by position or appointment by another body, the President will send a letter to the appropriate parties asking for new representation or a replacement.

ARTICLE IV

DIRECTORS

1. **Board of Directors.** The Board of Directors shall consist of the whole membership of the corporation. All power and authority of the corporation shall be vested in the Board of Directors.

2. **Meetings.** The annual meeting of the Board of Directors shall be held in December of each year, at the call of the President. Regular meetings shall be held at least monthly at a time and place to be determined by the Board. Special meetings may be held at any time, at the call of the President, or in the alternative, at the call of two directors. Notice of the annual meeting or of special meetings shall be deemed sufficient if deposited in the mail not less than three days before the meeting. Notice of a meeting may be waived by a member, in writing, orally, or by attendance at the meeting. A majority of the whole membership shall constitute a quorum for the transaction of business.

ARTICLE V

COMMITTEES

3. **Audit Committee.** The Board of Directors shall elect from among its members an audit committee of 3 Directors, to serve at the pleasure of the Board. The Board of Directors shall designate one member of such committee to serve as its chairperson. The members of the audit committee shall be independent members within the meaning of the

Public Authorities and Accountability Act of 2005, and, to the extent practicable, shall possess or obtain familiarity with corporate finances and accounting. The audit committee shall (a) recommend to the Board of Directors the hiring of an independent certified public accounting, (b) establish the compensation to be paid to the said certified public accountant, (c) directly oversee audits performed by any certified public accountant, and (d) have such additional powers, and perform such other and further duties concerting the corporation and its finances as are prescribed by policies and procedures adopted by the Board of Directors.

4. Eligibility and Loan Review Committee. The Board of Directors may elect from its members and Eligibility and Loan Review Committee to serve at the pleasure of the Board. The Committee shall review all applications for loans and grants and report its opinion as to whether or not the applicant is eligible and refer its recommendations to the Board.

5. Administrative/Personnel Committee. The Board of Directors may elect from its members an Administrative/Personnel Committee, to serve at the pleasure of the Board. The Administrative/Personnel Committee will be responsible for the administration of loans and grants and shall periodically report to the Board on its activities and also be responsible for the yearly personnel evaluation of the director of the corporation.

ARTICLE VI

OFFICERS

1. Officers Designated. The officers of the corporation shall be elected by the Board of Directors to serve at the pleasure of the Board. One person may hold more than one office, except that one person may not at the same time by President and Secretary. The officers shall be a President, Vice-President, Treasurer, Secretary and Assistant Secretary, together with such other offices as may, from time to time, be created by the Board.

2. Duties of President. The President shall preside at all meetings of the members and the board of Directors; shall call regular and special meetings of the members and directors in accordance with these by-laws; shall appoint and remove, employ and discharge, and fix the compensation of all servants, agents, employees and clerks of the corporation other than the officers, subject to the approval of the Board of Directors; shall execute all agreements in the name of the corporation, and see that they are properly carried out; shall see that all books, reports, statements and certificates required by statute are properly kept, made and filed according to law; may sign, make and endorse in the name of the corporation, and in accordance with resolutions of the Board of Directors, all checks, drafts, warrants and orders for the payment of money, and pay out and dispose of the same and receipt therefor; and shall enforce these by-laws and perform all other duties incident to the office of President.

3. **Duties of Vice President.** The Vice-President shall, during the absence or disability of the President, perform his duties or exercise his powers, as set forth in these by-laws or in the law under which this corporation is organized, and when so acting, the Vice-President shall have all the powers and be subject to all the responsibilities hereby given to or imposed upon the President.

4. **Duties of Treasurer.** The Treasurer shall have the care and custody of and be responsible for all funds and securities of the corporation and shall deposit the same in the name of the corporation, in such banks, trust companies or safe deposit vaults as the Board of Directors may designate; may sign, make and endorse in the name of the corporation, and in accordance with resolutions of the Board of Directors, all checks, drafts, warrants and orders for the payment of money and pay out and dispose of the same and receipt therefor; shall exhibit at all reasonable times his books and accounts to any Director upon application at the office of the corporation during business hours; shall present a report to the financial condition and of receipts and disbursements for the preceding period at each regular meeting of the Board of Directors, and at such other meetings as shall be required of him; shall keep at the office of the corporation correct books of account of all its business and transactions and such other books of account as the Board of Directors may direct; and shall do and perform or part of the duties incident to the office of Treasurer.

5. **Duties of Secretary and Assistant Secretary.** The Secretary shall keep the minutes of all meetings of the members and of the Board of Directors in appropriate books; shall give and serve all notices required by law or by these by-laws; shall be custodian of the records and seal of the corporation and shall affix the latter when required by the Board of Directors' shall lay before the members and the Board of Directors at their meetings all communications addressed to him officially by the President or any officer or member of the corporation; may sign, make and endorse in the name of the corporation, and in accordance with resolutions of the Board of Directors, all checks, drafts, warrants and orders for the payment of money, and pay out and dispose of the same and receipt therefor; and shall attend to all correspondence and perform all other duties incident to the office of Secretary.

6. **Surety Bond.** Any officer or employee shall, if required by the Board of Directors, give to the corporation such security for the faithful discharge of his duties, as the Board may require.

ARTICLE VII

AMENDMENTS

These by-laws may be amended, altered, repealed or superseded, in whole or in part, by the affirmative vote of a majority of the members present at any meeting of the

members, at which meeting a quorum is present, provided that the proposed amendment is specified in the notice of such meeting.