

BY-LAWS
of the
PUTNAM COUNTY
INDUSTRIAL DEVELOPMENT AGENCY

ARTICLE I - THE AGENCY

- Section 1. Name. The name of the Agency shall be “Putnam County Industrial Development Agency [PCIDA].”
- Section 2. Seal of Agency. The Seal of the Agency shall be in the form of a circle and shall bear the name of the Agency and the year of its organization.
- Section 3. Office of Agency. The Office of the Agency shall be at 40 Gleneida Avenue, 2nd Floor, Carmel, NY 10512. The Agency may have other offices at such other places as the Agency from time to time may designate by resolution.

ARTICLE II - THE BOARD

- Section 1. Power of the Board and Qualification of Members. The Agency shall be overseen and governed by its Board acting through its Members who shall exercise oversight and control over the officers and staff of the Agency. The Board and its Members shall have all powers conferred on Board Members of public benefit corporations and local public authorities pursuant to New York State law, including, without limitation, N.Y. General Municipal Law Article 18A (the “IDA Act”), the N.Y. General Municipal Law Section 927f, the Public Authorities Accountability Act of 2005 (the “PAAA”), the Public Authorities Reform Act of 2009 (“PARA”), the New York General Municipal Law (the “N.Y. GML”), the New York Public Officers Law (the “N.Y. POL”), and other New York State Laws that are applicable to the Agency (collectively, with the IDA Act, N.Y. General Municipal Law Section 925, the PAAA, PARA, the N.Y. GML and the N.Y. POL, “Applicable Law”).
- Section 2. Number of Board Members and Term of Office.
- (a) The Board shall consist of not less than three (3) nor more than seven (7) Members, as determined and as appointed by the Appointing Authority. Each Member shall serve at the pleasure of the Appointing Authority and continue to hold office until his or her successor is appointed and has been

- qualified. As used in this Article, “entire Board” means the total number of Members who have been appointed by the Appointing Authority and entitled to vote which the Agency would have if there were no vacancies.
- (b) No Member of the Board, including the Chair, shall serve as the Agency’s Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, Comptroller, or hold any other equivalent executive position or office while also serving as a Member of the Board.
 - (c) As soon as practicable and in compliance with Section 2825 of the Public Authorities Law, the majority of the Members of the Board shall be Independent Members, as such term is defined in paragraph (d) below.
 - (d) Independence. For the purposes of these By-laws, an Independent Member is one who:
 - (i) is not, and in the past two (2) years has not been, employed by the Agency or another corporate body having the same ownership and control of the Agency in an executive capacity;
 - (ii) is not, and in the past two (2) years has not been, employed by an entity that received remuneration valued at more than fifteen thousand dollars (\$15,000.00) for goods and services provided to the Agency or received any other form of financial assistance valued at more than fifteen thousand dollars (\$15,000.00) from the Agency;
 - (iii) is not a relative of an executive officer or employee in an executive position of the Agency or another corporate body having the same ownership and control of the Agency; and
 - (iv) is not, and in the past two (2) 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 Agency or another corporate body having the same ownership and control of the Agency.
 - (e) At each Annual Meeting of the Board, the Members of the Board shall elect the officers of the Board, as set forth in Article III each to hold office until the next Annual Meeting and until their successors have been elected and qualified. Each officer of the Board shall also be a Board Member, except that the Executive Director and the Administrative Assistant of the Agency may be appointed as Assistant Secretaries of the Agency.
 - (f) Each Member shall have one vote.
 - (g) Any Director of the Corporation may resign at any time by giving written notice to the Chair or to the Secretary. Such resignation shall take effect at the time specified therein or, if no time be specified, then on delivery.
 - (i) Any or all of the Directors may be removed with or without cause by vote of the County Legislature subject to the approval of the County Executive.

ARTICLE III – COMMITTEES

- Section 1. Audit Committee. There shall be an Audit Committee consisting of a majority of Independent members, who shall be elected by a plurality of the votes cast by the members of the Agency at each Annual Meeting and shall serve until the next Annual Meeting. To the extent practicable, members of the Audit Committee should be familiar with corporate financial and accounting practices. The Audit Committee shall recommend to the Board the hiring of a certified independent accounting firm in compliance with the Public Authorities Law of New York State to conduct the annual independent audit, establish the compensation to be paid to the accounting firm and provide direct oversight of the performance of the annual independent audit.
- Section 2. Governance Committee. There shall be a Governance Committee consisting of a majority of Independent members, who shall be elected by a plurality of the votes cast by the members of the Agency at each Annual Meeting and shall serve until the next Annual Meeting. The Governance Committee shall keep the Board informed of current best governance practices, review corporate governance trends, update the Agency's corporate governance principles, and advise the Appointing Authority on the skills and experience required of potential members.
- Section 3. Finance Committee. There shall be a Finance Committee consisting entirely of no less than three Independent members, who shall be elected by a plurality of the votes cast by the members of the Agency at each Annual Meeting and shall serve until the next Annual Meeting. The Putnam County Commissioner of Finance shall serve as a member and may serve as Chief Financial Officer by a vote of the board. Members appointed to the committee shall have the background necessary to perform their duties as defined in its Charter.
- Section 4. Other Committees. The Board may from time to time designate other committees as it deems necessary and desirable to assist the Agency to perform its duties in accordance with applicable law, including, without limit, a finance committee and a marketing committee. Each such committee created by the Board shall consist of such persons and shall have such authority as is provided in the resolution designating the committee.
- The standing committees shall have such authority as the Board shall by resolution provide, except that no such committee shall have authority as to the following matters:
- (i) the submission to the Member of any action requiring Member approval under the law;
 - (ii) the filling of vacancies in the Board or in any committee;
 - (iii) the amendment or repeal of the By-Laws, or the adoption of new By-Laws; or

- (iv) the amendment or repeal of any resolution of the Board which by its terms shall not be so amendable or repeal able.

Section 5. Meetings. Meetings of committees, of which no notice shall be necessary, shall be held at such time and place as shall be fixed by the Chair of the Board or the chair of such committee upon the advice and consent of all of the Members of the Board or the Members of such committee.

Section 6. Quorum and Manner of Acting. Unless otherwise provided by resolution of the Board, a majority of all of the Members of a committee shall constitute a quorum for the transaction of business and the vote of a majority of all of the Members of the committee shall be the act of the committee. The procedures and manner of acting of the committees of the Board shall be subject at all times to the directions of the Board.

Section 7. Tenure of Members of Committees of the Board. Each committee of the Board and every member thereof shall serve at the pleasure of the Board.

ARTICLE IV - BOARD OFFICERS

Section 1. Officers. The officers of the Agency shall be a Chair, a Vice Chair, a Secretary and a Treasurer. Any two or more offices, except the office of Chair, Vice Chair and Secretary, may be held by the same person.

Section 2. Chair. The Chair shall preside at all meetings of the Agency. Chair At each meeting the Chair shall submit such recommendations and information that he/she may consider proper concerning the business, affairs and policies of the Agency.

Section 3. Vice Chair. The Vice Chair shall, in the absence or disability of the Chair, perform all the duties and responsibilities of the Chair.

Section 4. Secretary. The Secretary shall keep the records of the Agency, shall act as Secretary of the meetings of the Agency and record all votes, and shall keep a record of the proceedings of the Agency in a journal of proceedings to be kept for such purposes, and shall perform all duties incident to the office. The Secretary shall keep in safe custody the Seal of the Agency and shall have power to affix such Seal to all contracts and other instruments authorized to be executed by the Agency.

Section 5. Treasurer. The Treasurer and any Assistant Treasurer shall, if required by the Board, obtain a bond for the faithful discharge of his or her duties, in such sum and with such sureties as the Board shall require. The Treasurer shall oversee the Chief Financial Officer of the Agency and shall review all the books and accounts of the Agency and shall advise the Chief Financial

Officer of the Agency with respect to the charge, custody and investment of all funds and securities of the Agency, and the Treasurer shall ensure the proper deposit by the Chief Financial Officer of the Agency all such funds in the name of and to the credit of the Agency in such banks, trust companies, or other depositories as shall be selected by the Board. The Treasurer shall also perform all other duties customarily incident to the office of Treasurer and such other duties as from time to time may be assigned by the Board.

- Section 6. Additional Duties. The officers of the Agency shall perform such other duties and functions as may from time to time be authorized by resolution of the Agency or be required by the Agency, by the By-Laws of the Agency, or by the rules and regulations of the Agency.
- Section 7. Election of Officers. All officers of the Agency, except the first Chair, shall be elected at the Annual Meeting of the Agency from among the members of the Agency, and shall hold office for one (1) year or until the successors are elected. Nothing herein shall prevent an individual from succeeding himself or herself in office.
- Section 8. Vacancies. Should any office become vacant, the Chair of the Agency shall appoint (elect) a successor from among its membership at the next regular meeting, and such appointment (election) shall be for the unexpired term of said office.
- Section 9. Additional Personnel. The Agency may from time to time employ such personnel or enter into contracts for consultant services as it deems necessary to exercise its powers, duties and functions as prescribed by Applicable Law. The selection and compensation of all personnel and consultants shall be determined by the Agency subject to Applicable Law.
- Section 10. Removal of Officers. Any officer may be removed by the Board with or without cause at any time.
- Section 11. Resignation. Any officer may resign his or her position as an officer at any time by giving written notice to the Board, to the Chair or to the Secretary. Any such resignation shall take effect at the time specified therein, or, if no time be specified, then upon delivery.

ARTICLE V - EXECUTIVE OFFICERS AND OTHER PERSONNEL

- Section 1. Executive Director/Chief Executive Office. The Agency shall appoint an Executive Director by resolution, who shall also serve as the Chief Executive Officer of the Agency and which resolution shall set the Executive Director's annual compensation.

Section 2.

Duties and Responsibilities of Executive Director and Chief Executive Officer. The Executive Director shall be the Chief Executive Officer of the Agency and he or she shall have general supervision and management of the Agency and all Agency staff and employees shall report directly to the Executive Director/Chief Executive Officer. Except as may otherwise be authorized by a resolution adopted by the Board, the Executive Director/Chief Executive Officer shall execute all agreements, bonds, notes, contracts, agreements, deeds, leases and any other instruments of the Agency. Except as otherwise authorized by resolution of the Board, the Executive Director/Chief Executive Officer shall sign all purchase orders and instruments and checks for the payment of money, and shall pay out and disburse such moneys under the direction of the Board. All such purchase orders and instruments and checks over certain dollar thresholds as may be established from time to time by the Board, shall be countersigned by the Chair or the Deputy Executive Director/Chief Financial Officer of the Board, or other officer or Board Member as shall be designated by the Board. The Executive Director/Chief Executive Officer shall assist the Chair with such matters as the Chair or the Board may request in furtherance of the Agency's public purposes. The Executive Director/Chief Executive Officer shall be charged with leading the Agency in fulfilling its public purposes under the IDA Act, the PAAA, PARA and Applicable Laws. The Executive Director/Chief Executive Officer shall also perform all other duties customarily incident to the office of a Chief Executive Officer of a public benefit corporation and public authority of the State of New York and such other duties as from time to time may be assigned by the Board. The Executive Director shall also hold the title of and perform the duties of an Assistant Secretary of the Agency. The Executive Director of the Agency, in consultation with the Chair and the Chief Financial Officer of the Agency, shall prepare the annual budget of the Agency for submission to the Board for approval; and he or she shall distribute all copies of the annual budget of the Agency to all persons required by the IDA Act, the PAAA and PARA. The Executive Director of the Agency, if so designated by the Board, shall be the Contracting Officer of the Agency for the disposition of real and personal property in accordance with the provisions of the PAAA and PARA, and serve as Chief Compliance Officer of the Agency for purposes of ensuring that the Agency is in full compliance with all provisions of the IDA Act, the PAAA, PARA and Applicable Law..

The Executive Director of the Agency, in consultation with the Chair and the Comptroller of the Agency, shall prepare the annual budget of the Agency for submission to the Board for approval; and he or she shall distribute all copies of the annual budget of the Agency to all persons required by the IDA Act, the PAAA and PARA.

The Executive Director of the Agency, if so designated by the Board, shall be the Contracting Officer of the Agency for the disposition of real and personal property in accordance with the provisions of the PAAA and PARA, and the Chief Compliance Officer of the Agency for purposes of ensuring that the Agency is in full compliance with all provisions of the IDA Act, the PAAA and PARA applicable to the Agency.

The Executive Director shall be authorized, upon receipt of an application or other request for benefits, to schedule and to give notice of the public hearing in respect of such prospective project under Section 859-a of the IDA Act, to each local municipality in which a part or parts of the prospective project is, or is to be, located.

Section 3. Deputy Executive Director. A Deputy Director may be appointed by the Board and have such powers and perform such duties as the members may from time to time prescribe.

Section 4. Chief Financial Officer. The Agency shall appoint the Chief Financial Officer of the Agency.

Section 5. Duties and Responsibilities of Chief Financial Officer. The Chief Financial Officer of the Agency shall assist the Chief Executive Officer in the fulfillment of the Agency's public purposes under the IDA Act and the PAAA. The Chief Financial Officer shall keep and maintain the books and accounts of the Agency and shall have charge and custody of, and be responsible for, all funds and securities of the Agency, and shall deposit all such funds in the name of and to the credit of the Agency in such banks, trust companies, or other depositories as shall be approved by the Board. The Chief Financial Officer shall also perform all other duties customarily incident to the office of a Chief Financial Officer of a public benefit corporation and public authority of the State of New York and such other duties as from time to time may be assigned by the Board. The Chief Financial Officer shall prepare and distribute all annual reports required by the IDA Act and the PAAA and as may otherwise be required by the Office of the Comptroller of the State of New York. The Chief Financial Officer of the Agency, in consultation with the Chair and the Executive Director/Chief Executive Officer of the Agency, shall prepare the annual budget of the Agency for submission to the Board for approval and he or she shall distribute all copies of the annual budget of the Agency to all persons required by the IDA Act and the PAAA. The Chief Financial Officer shall assist the Audit and Finance Committees of the Board in carrying out their functions.

Section 6. Compliance Officer. The Agency shall appoint a Compliance Officer by resolution, who may be an employee of the Agency. The Compliance Officer shall be responsible for insuring that the Agency complies with all best practices, state legislation, related Agency resolutions and policies and all reporting requirements imposed by structure, including those requirements of the Applicable Law.

Section 7. Additional Personnel. The Agency may from time to time employ such personnel as the Agency, upon the recommendation of the Executive Director/Chief Executive Officer, deems necessary to exercise the Agency's powers, duties and functions as prescribed by the IDA Act, the PAAA, PARA and all other laws of the State of New York applicable thereto. The selection and compensation of all personnel shall be determined by the Agency subject to the laws of the State of New York.

Section 8. The Agency may, with the consent of the Board and the Board of the Directors of the Putnam County Economic Development Corporation, use the agents, employees and facilities of the Corporation. In such event, the Agency will, by resolution, enter into a contract with the Corporation, providing the terms upon which the Corporation will provide the use of its agents, employees and facilities to the Agency and the compensation, if any, that the Agency shall pay to the Corporation for the use by the Agency of the Corporation's agents, employees and facilities.

Section 9. The Agency may, with the consent of the Board, and the Putnam County Executive and Board of Legislators may use the agents, employees and facilities of the County of Putnam. In any event, the Agency will by resolution enter into a contract with the County providing the terms upon which the County of Putnam will provide the use of its agents, employees and facilities to the Agency and the compensation, if any that the Agency shall pay to the County of Putnam for use by the Agency of the County agents, employees and facilities.

ARTICLE VI - MEETINGS

Section 1. Annual Meeting. The Annual Meeting of the Agency shall be held during the month of January of each year at a time and place prescribed by the Chair.

Section 2. Regular Meetings. Regular meetings of the Agency may be held on the third Tuesday of the month.

Section 3. Special Meetings. The Chair of the Agency may, when he (she) deems it desirable, and shall, upon the written request of two (2) members of the

Agency, call a special meeting of the Agency for the purpose of transacting any business designated in the call. The call for a special meeting may be delivered to each member of the Agency personally, by email or by Fax Number designated by the member at least twenty-four (24) hours prior to the date of such meeting, or may be mailed to the business or home address of each member of the Agency at least three (3) days prior to the date of such special meeting. Waivers of Notice may be signed by any members failing to receive a proper notice. At such special meeting, no business shall be considered other than as designed in the call, but if all the members of the Agency are present at a special meeting, with or without notice thereof, any and all business may be transacted at such special meeting.

Section 4. Quorum.

- (a) A majority of the entire Board of Directors shall constitute a quorum for the transaction of business.
- (b) A majority of the Directors present, whether or not a quorum is present, may adjourn any meeting to another time and place without notice to any Director.

Section 4. Order of Business. At the regular meetings of the Agency, the following shall be the order of business:

1. Roll Call
2. Proof of Meeting Notice
3. Reading and Approval of the Minutes of the Previous Meeting
4. Bills and Communications
5. Report of the Treasurer
6. Reports of Committees
7. Unfinished Business
8. New Business
9. Adjournment

All Resolutions shall be in writing and shall be copied in or attached to a Journal of the Proceedings of the Agency.

Section 5. Voting. The voting on all questions coming before the Agency shall be by Roll Call, and the yeas and nays shall be entered on the minutes of such meeting, except in the case of (appointment) election of officers when the vote may be held by ballot. Four (4) affirmative votes shall be necessary to pass a resolution.

Section 6. Agency Website. The Agency shall maintain a website in conformance with requirements of the Authorities Budget Office and Open Meetings Law of the State of New York and Applicable Laws.

ARTICLE VII - ANNUAL INDEPENDENT AUDIT

Section 1. Annual Independent Audit: The Audit Committee shall present to the Board upon its completion, the annual independent audit report performed in accordance with the requirements of the IDA Act, the PAAA, the NYS GML and generally accepted government auditing standards certified by a firm of independent public accountants selected by the Board. The certified independent public accounting firm that performs the annual independent audit shall timely report to the Audit Committee the following:

- (a) the assets and liabilities, including the status of reserve, depreciation, special or other funds including the receipts and payments of such funds, of the Agency as of the end of the fiscal year;
- (b) the principal changes in assets and liabilities, including trust funds, during said fiscal period;
- (c) the revenue or receipts of the Agency, both unrestricted and restricted to particular purposes during said fiscal period;
- (d) the expenses or disbursements of the Agency for both general and restricted purposes, during said fiscal period; and
- (e) a schedule of the bonds and notes of the Agency outstanding during said fiscal period, including all refinancing's, calls, refunding's, defeasements, and interest rate exchange or other such agreements, and for any debt issued during the fiscal period, together with a statement of the amounts redeemed and incurred during such fiscal period as a part of a schedule of debt issuance that include the date of issuance, term, amount, interest rate, means of repayment and cost of issuance.

Section 2. Independent Audit Report.

- (a) The certified independent public accounting firm that performs the annual independent audit shall timely report to the Board the following:
 - (i) all critical accounting policies and practices to be used;
 - (ii) all alternative treatments of financial information within generally accepted accounting principles that have been discussed with the management of the Agency, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the certified independent public accounting firm;
 - (iii) other material written communications between the certified independent public accounting firm and the management of the Agency, such as the management letter

along with management's response or plan of corrective action, material corrections identified or schedule of unadjusted differences, where applicable.

ARTICLE VIII – CONTRACTS, CHECKS, DRAFTS AND BANK ACCOUNTS

- Section 1. Execution of Contracts. The Board, except as in these By-Laws otherwise provided, may authorize any officer or officers, agent or agents, in the name of and on behalf of the Agency to enter into any contract or execute and deliver any instrument, and such authority may be general or confined to specific instances; but, unless so authorized by the Board, or expressly authorized by these By-Laws, no officers, agent or employee shall have any power or authority to bind the Agency by any contract or engagement or to pledge its credit or to render it liable peculiarly in any amount for any purpose.
- Section 2. Loans. No loans shall be contracted on behalf of the Agency unless permitted by Applicable Law and authorized by the Board.
- Section 3. Checks, Drafts, Etc. All checks, drafts and other orders for the payment of money out of the funds of the Agency, and all notes or other evidences of indebtedness of the Agency, shall be signed on behalf of the Agency in such manner as shall from time to time be determined by these By-Laws or by resolution of the Board
- Section 4. Deposits. All funds of the Agency not otherwise employed shall be deposited from time to time to the credit of the Agency in such banks, trust companies or other depositories as the Board may select or in the absence of such selection by the Board, as selected by the Chief Executive Officer in consultation with the Chief Financial Officer.

ARTICLE IX – INDEMNIFICATION AND INSURANCE

- Section 1. Authorized Indemnification. Unless clearly prohibited by law or Section 2 of this Article IX, the Agency shall indemnify any person (“Indemnified Person”) made, or threatened to be made, a party in any action or proceeding, whether civil, criminal, administrative, investigative or otherwise, including any action by or in the right of the Agency, by reason of the fact that he or she (or his or her Testator or intestate), whether before or after adoption of this Section, (a) is or was a Director or officer of the Agency, or (b) in addition is serving or served, in any capacity, at the request of the Corporation, as a Director or officer or any other corporation, or any partnership, joint venture, trust, employee benefit plan or enterprise. The indemnification shall be against all judgments, fines, penalties, amounts paid in settlement (provided the Agency shall have consented to such settlement) and reasonable expenses, including

attorneys' fees and costs of investigation, incurred by an Indemnified Person with respect to any such threatened or actual action or proceeding, and any appeal thereof.

- Section 2. Prohibited Indemnification. The Agency shall not indemnify any person if a judgment or other final adjudication adverse to the Indemnified Person (or to the person whose actions are the basis for the action or proceeding) establishes, or the Board in good faith determines, that such person's acts were committed in bad faith or were the result of active and deliberate dishonesty and were material to the cause of action so adjudicated or that he or she personally gained in fact a financial profit or other advantage to which he or she was not legally entitled.
- Section 3. Advancement of Expenses. The Agency shall, on request of any Indemnified Person who is or may be entitled to be indemnified by the Agency, pay or promptly reimburse the Indemnified Person's reasonably incurred expenses in connection with a threatened or actual proceeding prior to its final disposition. However, no such advancement of expenses shall be made unless the Indemnified Person makes a binding, written commitment to repay the Agency, with interest, for any amount advanced for which it is ultimately determined that he or she is not entitled to be indemnified under the law or Section 2 of this Article IX. An Indemnified Person shall cooperate in good faith with any request by the Agency that common legal counsel be used by the parties to such action or proceeding who are similarly situated unless it would be inappropriate to do so because of actual or potential conflicts between the interests of the parties.
- Section 4. Indemnification of Others. Unless clearly prohibited by law or Section 2 of this Article IX, the Board may approve Agency indemnification as set forth in Section 1 of this Article IX or advancement of expenses as set forth in Section 3 of this Article IX, to a person (or the Testator or intestate of a person) who is or was employed by the Agency or who is or was a volunteer for the Agency, and who is made, or threatened to be made, a party in any action or proceeding, by reason of the fact of such employment or volunteer activity, including actions undertaken in connection with service at the request of the Agency in any capacity for any other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise.
- Section 5. Determination of Indemnification. Indemnification mandated by a final order of a Court of competent jurisdiction will be paid. After termination or disposition of any actual or threatened action or proceeding against an Indemnified Person, if indemnification has not been ordered by a Court the Board shall, upon written request by the Indemnified Person, determine whether and to what extent indemnification is permitted pursuant to these By-Laws. Before indemnification can occur the Board must explicitly find

that such indemnification will not violate the provisions of Section 2 of this Article IX. No Director with a personal interest in the outcome, or who is a party to such action or threatened action or proceeding concerning which indemnification is sought, shall participate in this determination. If a quorum of disinterested Directors is not obtainable, the Board shall act only after receiving the opinion in writing of independent legal counsel that indemnification is proper in the circumstances under then applicable laws and these By-Laws.

Section 6. Binding Effect. Any person entitled to indemnification under these By-Laws has a legally enforceable right to indemnification, which cannot be abridged by amendment of these By-Laws with respect to any event, action or omission occurring prior to the date of such amendment.

Section 7. Insurance. The Agency shall purchase Directors' and Officers' liability insurance, as authorized and approved by the Board. To the extent permitted by law, such insurance may insure the Agency for any obligation it incurs as a result of this Article IX or operation of law and it may insure directly the Directors, officers, employees or volunteers of the Agency for liabilities against which they are not entitled to indemnification under this Article IX as well as for liabilities against which they are entitled or permitted to be indemnified by the Agency.

Section 8. Nonexclusive Rights. The provisions of this Article IX shall not limit or exclude any other rights to which any person may be entitled under law or contract. The Board is authorized to enter into agreements on behalf of the Agency with any Director, officer, employee or volunteer providing them rights to indemnification or advancement of expenses in connection with potential indemnification in addition to the provisions therefore in this Article IX, subject in all cases to the limitations of Section 2 of this Article IX.

ARTICLE X – CONFLICTS OF INTEREST

Section 1. Definition of Conflicts of Interest. A conflict of interest will be deemed to exist whenever an individual is in the position to approve or influence Agency policies or actions which involve or could ultimately harm or benefit financially: (a) the individual; (b) any family member (spouse, domestic partner, grandparents, parents, children, grandchildren, great grandchildren, brothers or sisters [whether whole or half-blood], and spouses of these individuals); or (c) any organization in which he or a family member is a director, trustee, officer, member, partner or more than 10% of the total (combined) voting power. Service on the Board of another not-for-profit corporation does not constitute a conflict of interest.

Section 2. Disclosure of Conflicts of Interest. A Director or officer shall disclose a conflict of interest: (a) prior to voting on or otherwise discharging his duties with respect to any matter involving the conflict which comes before the Board or any committee; (b) prior to entering into any contract or transaction involving the conflict; (c) as soon as possible after the Director or officers learns of the conflict; and (d) on the annual conflict of interest disclosure form.

The Secretary of the Agency shall distribute annually to all Directors, officers and key employees (as identified by the Agency), a form soliciting the disclosure of all conflicts of interest, including specific information concerning the terms of any contract or transaction with the Agency and whether the process for approval set forth in this policy was used. Such disclosure form may require disclosure of other relationships that may not constitute an actual conflict of interest, but which are required to be disclosed in order for the Agency to comply with its annual reporting requirements.

Section 3. Approval of Contracts and Transactions Involving Potential Conflicts of Interest. A Director or officer who has or learns about a potential conflict of interest should disclose promptly to the Secretary of the Agency the material facts surrounding any potential conflict of interest, including specific information concerning the terms of any contract or transaction with the Agency. All effort should be made to disclose any such contract or transaction and have it approved by the Board before the arrangement is entered into.

Following receipt of information concerning a contract or transaction involving a potential conflict of interest, the Board shall consider the material facts concerning the proposed contract or transaction, including the process by which the decision was made to recommend entering into the arrangement on the terms proposed. The Board shall approve only those contracts or transactions in which the terms are fair and reasonable to the Agency and the arrangements are consistent with the best interests of the Agency. Fairness includes, but is not limited to, the concepts that the Agency shall pay no more than fair market value for any goods or services which the Agency receives and that the Agency should receive fair market value consideration for any goods or services that it furnishes others. The Board shall set forth the basis for its decision with respect to approval of contracts or transactions involving conflicts of interest in the minutes of the meeting at which the decision is made, including the basis for determining that the consideration to be paid is fair to the Agency.

Section 4. Validity of Actions. No contract or other transaction between the Agency and one or more of its Directors or officers, or between the Agency and

any other corporation, firm, association, or other entity in which one or more of its Directors or officers are directors or officers, or have a substantial financial interest, shall be either void or voidable for this reason alone or by reason alone that such Director or Directors or officer or officers are present at the meeting of the Board of Directors, or of a committee thereof, which authorizes such contract or transaction, or that his or their votes are counted for such purpose, if the material facts as to such Director's or officer's interest in such contract or transaction and as to any such common directorship, officership or financial interest are disclosed in good faith or known to the Board or committee, and the Board or committee authorizes such contract or transaction by a vote sufficient for such purpose without counting the vote or votes of such interested Director or officers. Common or interested Directors may be counted in determining the presence of a quorum at a meeting of the Board of Directors or committee which authorizes such contract or transaction. At the time of the discussion and decision concerning the authorization of such contract or transaction, the interested Director or officer should not be present at the meeting.

Section 5. Employee Conflicts of Interest. An employee of the Agency with a potential conflict of interest in a particular matter shall promptly and fully disclose the potential conflict to his supervisor. The employee shall thereafter refrain from participating in deliberations and discussions, as well as any decisions, relating to the matter and follow the direction of the supervisor as to how the Agency decisions which are the subject of the conflict will be determined. The Chief Executive Officer shall be responsible for determining the proper way for the Agency to handle Agency decisions which involve unresolved employee conflicts of interest. In making such determination, the Chief Executive Officer may consult with legal counsel. The Chief Executive Officer shall report to the Board at least annually concerning employee conflicts of interest which have been disclosed and contracts and transactions involving employee conflicts which he or she has approved.

ARTICLE XI – COMPENSATION

Section 1. Reasonable Compensation. It is the policy of the Agency to pay no more than reasonable compensation for personal services rendered to the Agency by officers and employees. The Directors shall not receive compensation for fulfilling their duties as Directors, although Directors may be reimbursed for actual out-of-pocket expenses, which they incur in order to fulfill their duties as Directors. Expenses of spouses will not be reimbursed by the Agency unless the expenses are necessary to achieve an Agency purpose.

Section 2. Approval of Compensation. The Board must approve in advance the amount of all compensation for officers of the Agency.

Before approving the compensation of an officer, the Board shall determine that the total compensation to be provided by the Agency to the officer is reasonable in amount in light of the position, responsibility and qualification of the officer for the position held, including the result of an evaluation of the officer's prior performance for the Agency, if applicable. In making the determination, the Board shall consider total compensation to include the salary and the value of all benefits provided by the Agency to the individual in payment for services. At the time of the discussion and decision concerning an officer's compensation, the officer should not be present in the meeting. The Board shall obtain and consider appropriate data concerning comparable compensation paid to similar officers in like circumstances.

The Board shall set forth the basis for its decisions with respect to compensation in the minutes of the meeting at which the decisions are made, including the conclusions of the evaluation and the basis for determining that the individual's compensation was reasonable in light of the evaluation and the comparability data.

ARTICLE XII – GENERAL

Section 1. Books and Records. All Books and Records of the Agency shall be kept at the office of the Agency in compliance with the Applicable Law.

Section 2. Loans to Directors and Officers. No loans shall be made by the Agency to its Directors or offices, or to any other company, corporation, firm, association or other entity in which one or more of the Directors or officers of the Agency are members, directors or officers or hold a substantial financial interest except as allowed by law.

Section 3. Fiscal Year. The fiscal year of the Agency shall commence on January 1 in each calendar year and shall end on December 31 of each calendar year.

Section 4. Training. All Directors shall participate in training approved by the State of New York regarding their legal, fiduciary, financial and ethical responsibilities as Directors within one (1) year of appointment to the Board. All Directors of the Board shall 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 the Agency and adhere to the highest standards of responsible governance.

ARTICLE XIII - AMENDMENTS

Section 1. Amendments to the By-Laws. The By-Laws of the Agency shall be amended only with the approval of at least a majority of all of the members of the Agency at a regular or special meeting, but no such amendment shall be adopted unless at least seven (7) days' written notice thereof has been previously given to all members of the Agency.

Adopted March __, 2017