

BYLAWS OF THE COUNTY OF FRANKLIN INDUSTRIAL DEVELOPMENT AGENCY

ARTICLE I. THE AGENCY

1. **NAME.** The name of the Agency is the "County of Franklin Industrial Development Agency" but it may be referred to as the "Franklin County Industrial Development Agency."
2. **CORPORATE SEAL OF AGENCY.** The corporate 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. The corporate seal of the Agency may be used by causing it to be impressed directly upon an instrument of writing, upon adhesive substance affixed thereto, or by facsimile, whether engraved, printed, stamped or reproduced by a photographic process.
3. **OFFICE OF AGENCY.** The office of the Agency shall be at 10 Elm Street, Suite 2, Malone, New York 12953, however, the Agency may have such other offices at such other places as the Agency may from time to time designate by resolution.
4. **EXECUTION OF INSTRUMENTS.** Except as otherwise provided in these bylaws, instruments and documents of the Agency may be signed or countersigned, executed, verified or acknowledged by such officer or officers or other person or persons as the Agency may designate by resolution.

ARTICLE II. MEMBERS

1. **MEMBERS OF THE AGENCY.**
 - (A) The Agency shall consist of seven members, each of whom shall be appointed by the Franklin County Legislature (the "Appointing Authority") in accordance with the New York State Industrial Development Act, each of whom 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.
 - (B) No Member, including the Chairman, 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.
 - (C) Each Member shall have one vote.
2. **AUTHORITY OF THE MEMBERS.** The Agency shall be governed by its Members who shall constitute the governing body of the Agency (the "Board") and shall exercise oversight and control over the officers and staff of the Agency. The Members shall be vested with all of the rights, and shall be subject to all of the obligations, conferred upon Industrial Development Agencies pursuant to applicable New York State law, as may be amended from time to time, including, without limitation, the New York State Industrial Development Act, the Public Authorities Law (the "PAL"), the General Municipal Law and the Public Officers law.
3. **INDEPENDENT MEMBERS.** The majority of the Members of the Agency shall be Independent Members. For purposes of the bylaws, an Independent Member:

1. is not, and in the past two (2) years has not been, employed by the Agency or an affiliate in an executive position;
 2. is not, and in the past two (2) years has not been, employed by an entity that received a payment valued at more than fifteen thousand dollars for goods and services provided to the Agency, or received any other form of financial assistance valued at more than fifteen thousand dollars from the Agency;
 3. is not a relative of an executive officer or employee in an executive position of the Agency or an affiliate; and
 4. 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 Agency or an affiliate.
4. **TRAINING.** All Members appointed after July 1, 2007 shall participate in training approved by the State of New York regarding their legal, fiduciary, financial and ethical responsibilities as Members within one year of their respective appointments to the Agency. All other Members of the Agency 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
5. **ORGANIZATION.** At each meeting of the Board, the Chairman, or, in the absence of the Chairman, a Vice Chairman shall preside, or in the absence of either of such officers, a chair chosen by a majority of the Members present shall preside. The Secretary shall act as secretary of the Board. In the event the Secretary shall be absent from any meeting of the Board, an Assistant Secretary shall act as the secretary for such meeting.

6. RESIGNATIONS AND REMOVAL OF MEMBERS.

(A) Any Member of the Agency may resign at any time by giving written notice to the Chairman or to the Secretary. Such resignation shall take effect at the time specified therein or, if no time be specified, then on delivery.

(B) Any or all of the Members may be removed for cause by vote of the Appointing Authority, or by vote of the Members provided there is a quorum of not less than a majority of the Members present at the meeting of Members at which such action is taken. Any or all of the Members may be removed without cause by vote of the Appointing Authority.

7. **ACTION BY THE BOARD.** Except as otherwise provided by law or in these bylaws, the act of the Board means action taken at a meeting of the Board by vote of a majority of the Members present at the time of the vote either in person or via video-conference, if a quorum is present at such time.
8. **COMPENSATION.** Members shall receive no compensation for their services but may be reimbursed for the expenses reasonably incurred by them in the performance of their duties.
9. **ANNUAL INDEPENDENT AUDIT.** The Agency Members shall present to the County the annual independent audit report performed in accordance with the requirements of the PAL and generally accepted government auditing standards certified by a firm of independent public

accountants selected by the Board.

10. **ANNUAL BUDGET.** The Agency Members shall present to the County the annual budget prepared in accordance with the PAL.
11. **OPEN MEETINGS LAW.** The Agency shall comply with the Open Meetings Law.

ARTICLE III. OFFICERS

1. **OFFICERS, DUTIES, APPOINTMENT AND VACANCIES.** The officers of the Agency shall be a Chairman, a Vice Chairman, a Secretary, a Treasurer an Assistant Secretary and an Assistant Treasurer. Any two or more offices, except the office of Chairman and Secretary, may be held by the same person.
 - (A) The officers of the Agency shall perform the duties and functions specified in these bylaws and such other duties and functions as may from time to time be authorized by resolution of the Board or required to affect the statutory purposes of the Agency.
 - (B) All officers of the Agency shall be elected at the annual meeting of the Agency from among the Members of the Agency. All officers shall remain in office for one year.
 - (C) Should any office become vacant, the Board shall appoint a successor from among its membership at the next regular meeting, and such appointment shall be for the unexpired term of said office.
2. **REMOVAL OF OFFICERS.** Any officer may be removed by the Board with or without cause at any time. **RESIGNATION.** Any officer may resign his or her position as an officer at any time by giving written notice to the Board, to the Chairman or to the Secretary. Any such resignation shall take effect at the time specified therein, or, if no time be specified, then upon delivery.
3. **ADDITIONAL OFFICERS.** Additional officers may be elected for such period, have such authority and perform such duties, either in an administrative or subordinate capacity, as the Board may from time to time determine.
4. **VACANCIES.** A vacancy in any office shall be filled by the Board.
5. **CHAIRMAN.** The Chairman shall preside at all meetings of the Agency. Except as otherwise authorized by resolution of the Board, the Chairman shall execute all instruments and documents of the Agency. At each meeting, the Chairman shall submit such recommendations and information as he or she may consider proper concerning the business, affairs and policies of the Agency. The Chairman shall have the authority, at all times, to execute, on behalf of the Agency instruments and documents of a ministerial or procedural nature which he or she deems expedient in order to further the statutory purposes of the Agency provided the execution of such instruments and documents does not contravene any provision of these bylaws or any resolution of the Board.
6. **VICE CHAIRMAN.** The Vice Chairman shall perform duties of the Chairman in the absence or incapacity of the Chairman; and in case of the resignation or death of the Chairman, the Vice Chairman shall perform such duties as are imposed on the Chairman until such time as the Board shall appoint a new Chairman.
7. **SECRETARY.** The Secretary shall keep the records of the Agency, shall act as Secretary at the

meetings of the Agency and record all votes, 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 his or her office. The Secretary shall keep in safe custody the corporate seal of the Agency and shall have the power to affix such corporate seal to all instruments and documents authorized to be executed by the Agency. When a facsimile corporate seal is authorized to be used, the Secretary shall have the power to approve the manner and fashion of such facsimile and authorize such minor variations as are expedient to implement the process by which such facsimile is created.

8. **ASSISTANT SECRETARY.** The Assistant Secretary shall perform the duties of the Secretary in the absence or incapacity of the Secretary; and in case of the resignation or death of the Secretary, the Assistant Secretary shall perform such duties as are imposed on the Secretary until such time as the Board shall appoint a new Secretary.
9. **TREASURER.** The Treasurer shall have the care and custody of all funds of the Agency and shall deposit the same in the name of the Agency in such bank or banks as the Board may select or, if the Agency has not so selected a bank or banks, which the Treasurer selects. The Treasurer shall keep regular books of accounts showing receipts and expenditures, and shall render to the Board at each regular meeting an account of his or her transactions and also of the financial condition of the Agency. He or she shall give such bond for the faithful performance of his or her duties as the Board may determine.
10. **ASSISTANT TREASURER.** The Assistant Treasurer shall perform the duties of the Treasurer in the absence or incapacity of the Treasurer; and in the case of the resignation or death of the Treasurer, the Assistant Treasurer shall perform such duties as are imposed on the Treasurer until such time as the Board shall appoint a new Treasurer. He or she shall give such bond for the faithful performance of his or her duties as the Board may determine.

ARTICLE IV. MEETINGS

1. **ANNUAL MEETING.** The Chairman shall announce the day and time for the Annual Meeting, to be held in January and at a place designated by the Agency. The notice of the Annual Meeting shall comply with the rules and regulations outlined in Public Officers Law, Article 7 and Agency policy. The agenda shall include, at minimum, the nomination and election of officers, the appointment committee members, and the adoption of all required policies.
2. **REGULAR MEETINGS.** Regular Meetings of the Agency shall be determined by the CEO in conjunction with the Chairman. All members of record entitled to vote at the meeting shall be notified by mail, facsimile or electronic mailing not less than seven (7) days before such meeting. The notices of Regular meetings shall comply with the rules and regulations outline in Public Officers Law, Article 7, and Agency policy.
3. **SPECIAL MEETINGS.** The Chairman of the Agency may, when he or she deems it desirable, and the Chairman or the Secretary shall, upon the request written or oral, of any two members of the Agency, call a special meeting of the Agency for the purpose of transacting any business designated in the call or upon request of the Chief Executive Officer to transact extra-ordinary business that requires immediate Board attention. The call for a special meeting may be delivered to each Member of the Agency or given orally, in person or by telephone, one

day prior to the date of such special meeting, or may be mailed, or electronically mailed, to the business or home address of each Member of the Agency at least two days prior to the date of such special meeting. Waivers of notice may be signed prior to, at, or subsequent to any such meeting, by any members failing to receive a proper notice. At such special meeting no business shall be considered other than as designated 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. Pursuant to the Public Officers Law, notice of any special meeting shall be given to the news media.

4. **QUORUM.** At all meetings of the Agency, a majority of the Members of the Agency shall constitute a quorum for the purpose of transacting business. A majority of the Members present, whether or not a quorum is present, may adjourn a meeting to another time and place without notice to any Member provided that a smaller number may meet and adjourn to some other time or until the quorum is obtained.
5. **RESOLUTIONS.** All resolutions shall be in writing and shall be copied in or attached to a journal of the proceedings of the Agency. Notwithstanding the foregoing, if a recorded transcript of any meeting is prepared, resolutions may be oral, provided that a transcription of such recording is made and attached to such journal of proceedings.
6. **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 elections when the vote may be by ballot. Except as otherwise provided by Article IV of these bylaws, all resolutions of the Board shall be passed by a majority of the Members of the Agency present at a meeting.

ARTICLE V. COMMITTEES

1. **AUDIT & FINANCE COMMITTEE.** There shall be an Audit & Finance Committee consisting entirely of Independent Members, who shall be appointed by the Chairman at each annual meeting and shall serve until the next annual meeting. To the extent practicable, members of the Audit & Finance Committee should be familiar with corporate financial and accounting practices. The Audit & Finance Committee shall recommend to the Board the hiring of a certified independent accounting firm in compliance with PAL 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. In addition, it will be the responsibility of the Audit & Finance Committee to review proposals for the issuance of debt by the Agency and make recommendations. The Audit & Finance Committee shall keep the Board informed of best practices in connection with the use of payment in lieu of tax agreements to protect and promote the health, economic welfare, cultural and historic resources, recreation opportunities, and prosperity of the community.
2. **GOVERNANCE COMMITTEE.** There shall be a Governance Committee consisting entirely of Independent Members, who shall be appointed by the Chairman 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, advise the Appointing Authority on the skills and experience required of potential Members, examine ethical and conflict of interest issues, perform Board self-evaluations and recommend bylaws which include rules and procedures for conduct of Board business.

3. **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 Marketing Committee, a Lease Committee, a Personnel Committee and an Executive 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.
4. **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.
5. **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 are non-binding and shall be subject at all times to the directions of the Board.
6. **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.
7. **ALTERNATE MEMBERS.** The Board may designate one (1) or more Members as alternate members of any standing committee of the Board, who may replace any absent member or members at any meeting of such committee.

ARTICLE VI. EXECUTIVE OFFICERS AND OTHER PERSONNEL

1. **CHIEF EXECUTIVE OFFICER.** The Board shall appoint a Chief Executive Officer by resolution. The Chief Executive Officer shall not be a Member of the Board.
2. **DUTIES AND RESPONSIBILITIES OF CHIEF EXECUTIVE OFFICER.** The Chief Executive Officer shall report to the Chairman and he or she shall have general supervision and management of the Agency and all Agency staff and employees shall report directly to the Chief Executive Officer. Except as may otherwise be authorized by a resolution adopted by the Board, the Chief Executive Officer shall:
 - A. execute all agreements, bonds, notes, contracts, agreements, deeds, leases and any other instruments of the Agency;
 - B. sign all financial instruments and checks;
 - C. cosign all purchase orders and instruments and checks over certain dollar thresholds as may be established from time to time by the Board (said instruments may be countersigned by the Chief

Financial Officer, or other officer or Member as shall be designated by the Board);

D. prepare the annual budget of the Agency with the consultation and cooperation of the Audit & Finance Committee and the Chief Financial Officer for submission to the Board for approval; and

E. sign all purchase orders, under the direction of the Board by resolution and the Chief Financial Officer.

Furthermore, the Chief Executive Officer shall assist the Chairman with such matters as the Chairman or the Board may request in furtherance of the Agency's public purposes. The Chief Executive Officer shall be charged with leading the Agency in carrying out and fulfilling its public purposes. The Chief Executive Officer shall also perform all other duties customarily incident to the office of a Chief Executive Officer of an Industrial Development Agency and such other duties as from time to time may be assigned by the Board. The Chief Executive Officer of the Agency shall be the "Contracting Officer" (as such term is defined in Section 2895 of PAL) of the Agency for the disposition of real and personal property in accordance with the provisions of the PAL.

3. **CHIEF FINANCIAL OFFICER.** The Agency shall appoint a Chief Financial Officer. In the absence or incapacity of the Chief Financial Officer, the Chief Executive Officer shall exercise the duties and responsibilities of the Chief Financial Officer.

4. **DUTIES AND RESPONSIBILITIES OF CHIEF FINANCIAL OFFICER.** In the absence or incapacity of the Chief Executive Officer, the Chief Financial Officer shall exercise the duties and responsibilities of the Chief Executive Officer. Except as may otherwise be authorized by a resolution of the Board, if the office of the Chief Executive shall be vacant the Chief Financial Officer of the Agency shall be the Acting Chief Executive Officer of the Agency until such time as the Board has appointed a replacement Chief Executive Officer. The Chief Financial Officer of the Agency shall assist the Chief Executive Officer in the carrying out of the Agency's purposes and in fulfillment of the Agency's public purposes. Except as may otherwise be authorized by a resolution adopted by the Board, the Chief Financial Officer shall:

- A. oversee the maintenance of the books and accounts of the Agency.
- B. 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.
- C. prepare and distribute all annual reports required by the PAL and as may otherwise be required by the Office of the Comptroller of the State of New York.
- D. assist the Chief Executive Officer and Chairman in preparing 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 PAL.
- E. assist the Audit & Finance Committee of the Board in carrying out their functions. The Chief Financial Officer shall be the Freedom of Information Officer of the Agency in accordance with the provisions of the New York State Freedom of Information Law, Article 6 of the New York Public Officers Law.

5. **COMPLIANCE OFFICER.** The Chief Financial Officer shall be the Compliance Officer of the Agency. The Compliance Officer shall be responsible for insuring that the Board complies with all financial and other reporting requirements imposed on the Agency by law, including those

requirements in the General Municipal Law and the Public Authorities Law of New York State.

- 6. ADDITIONAL PERSONNEL.** The Agency may from time to time employ such personnel as the Board, upon the recommendation of the Chief Executive Officer, deems necessary to exercise the Agency's powers, duties and functions as prescribed by the PAL and all other laws of the State of New York applicable thereto. The duties, responsibilities and compensation of all personnel shall be determined by the Board subject to the laws of the State of New York.

ARTICLE VII. CONTRACTS, CHECKS, DRAFTS AND BANK ACCOUNTS

- 1. EXECUTION OF CONTRACTS.** The Board, except as in these bylaws 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 bylaws, 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 pecuniarily in any amount for any purpose.
- 2. LOANS.** No loans shall be contracted on behalf of the Agency unless specifically authorized by the Board.
- 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 bylaws or by resolution of the Board.
- 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 the Chief Executive Officer in consultation with the Chief Financial Officer shall select.

ARTICLE VIII. INDEMNIFICATION AND INSURANCE

- 1. AUTHORIZED INDEMNIFICATION.** Unless clearly prohibited by law or Section 2 of this Article, 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 Member or officer of the Agency, or (b) in addition is serving or served, in any capacity, at the request of the Agency, as a Member or officer of any other corporation, or any partnership joint venture, trust, employee benefit plan or other 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.
- 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.

- 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 action or 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. 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.
- 4. INDEMNIFICATION OF OTHERS.** Unless clearly prohibited by law or Section 2 of this Article, the Board may approve Agency indemnification as set forth in Section 1 of this Article or advancement of expenses as set forth in Section 3 of this Article, 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 Agency, partnership, joint venture, trust, employee benefit plan or other enterprise.
- 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 bylaws. Before indemnification can occur, the Board must explicitly find that such indemnification will not violate the provisions of Section 2 of this Article. No Member with a personal interest in the outcome, or who is a party to such actual or threatened action or proceeding concerning which indemnification is sought, shall participate in this determination. If a quorum of disinterested Members 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 law and these bylaws.
- 6. BINDING EFFECT.** Any person entitled to indemnification under these bylaws has a legally enforceable right to indemnification, which cannot be abridged by amendment of these bylaws with respect to any event, action or omission occurring prior to the date of such amendment.
- 7. INSURANCE.** The Agency is not required to purchase directors' and officers' liability insurance, but the Agency may purchase such insurance if 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 or operation of law and it may insure directly the Members, officers, employees or volunteers of the Agency for liabilities against which they are not entitled to indemnification under this Article as well as for liabilities against which they are entitled or permitted to be indemnified

by the Agency.

8. **NONEXCLUSIVE RIGHTS.** The provisions of this Article 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 Member, 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, subject in all cases to the limitations of Section 2 of this Article.

ARTICLE IX. CONFLICTS OF INTEREST

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 she 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.
2. **DISCLOSURE OF CONFLICTS OF INTEREST.** A Member or officer shall disclose a conflict of interest: (a) prior to voting on or otherwise discharging his or her 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 Member or officer learns of the conflict; and (d) on the annual conflict of interest disclosure form.

The Secretary of the Agency shall distribute annually to all Members, 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 Section 3 of this Article 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.

3. **APPROVAL OF CONTRACTS AND TRANSACTIONS INVOLVING POTENTIAL CONFLICTS OF INTEREST.** A Member 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 should 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.

4. **VALIDITY OF ACTIONS.** No contract or other transaction between the Agency and one or more of its Members or officers, or between the Agency and any other corporation, firm, association or other entity in which one or more of its Members 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 Member or Members or officer or officers are present at the meeting of the Board, or of a committee thereof, which authorizes such contract or transaction, or that his, her or their votes are counted for such purpose, if the material facts as to such Member'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 Member or officers. Common or interested Members may be counted in determining the presence of a quorum at a meeting of the Board 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 Member or officer should not be present at the meeting.
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 or her supervisor. The employee shall thereafter refrain from participating in deliberations and discussion, 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 determinations, 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 the Chief Executive Officer has approved.

ARTICLE X. COMPENSATION

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 employees. The Members shall not receive compensation for fulfilling their duties as Members, although Members may be reimbursed for actual out-of-pocket expenses, which they incur in order to fulfill their duties as Members. Expenses of spouses will not be reimbursed by the Agency unless the expenses are necessary to achieve an Agency purpose.
2. **APPROVAL OF COMPENSATION.** The Board must approve in advance the amount of all compensation for employees of the Agency. Before approving the compensation of an employee, the Board shall determine that the total compensation to be provided by the Agency to the employee is reasonable in amount in light of the position, responsibility and qualification of the employee for the position held, including the result of an evaluation of the employee'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 employee's compensation, the employee should not be present in the meeting. The Board shall obtain and consider appropriate data concerning comparable compensation paid to similar employees 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 XI. GENERAL

- 1. BOOKS AND RECORDS.** These shall be kept at the office of the Agency: (1) correct and complete books and records of accounts; (2) minutes of the proceedings of the Board and the standing and special Committees of the Agency; (3) a current list of the Members and the officers of the Agency and their residence addresses ; (4) a copy of these bylaws; (5) a copy of the Agency's application for recognition of exemption with the Internal Revenue Service (if applicable); and (6) copies of the past three (3) years' information returns to the Internal Revenue Service (if applicable).
- 2. LOANS TO MEMBERS AND OFFICERS.** No loans shall be made by the Agency to its Members or officers, or to any other company, corporation, firm, association or other entity in which one or more of the Members or officers of the Agency are members, directors or officers or hold a substantial financial interest except as allowed by law.
- 3. FISCAL YEAR.** The fiscal year of the Agency shall be the calendar year, unless otherwise provided by the Agency.

ARTICLE XII. AMENDMENTS

- 1. AMENDMENTS TO BYLAWS.** The bylaws of the Agency may be amended only at a meeting for which at least seven days written notice has been previously given to all members of the Agency.

Adopted: November 30, 2011.

Revised: December 12, 2017.

Adopted: December 12, 2017.