BY LAWS

OF

CLAYTON LOCAL DEVELOPMENT CORPORATION

January 4, 2024

Previous Amended Versions:
November 26, 2002
September 2, 2004
December 4, 2008
January 5, 2012
July 3, 2014
August 6, 2014
May 5, 2015
September 1, 2016
January 4, 2018
Janaury 6, 2022

ARTICLE I

INCORPORATION

The 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 September 24, 2003.

ARTICLE II

PURPOSES

The Clayton Local Development Corporation seeks to:

- Promote, provide and enhance employment opportunities and business development in the Town and Village of Clayton;
- Act in the public interest to improve the area's quality of life, to lessen the burdens of government, and to improve the economic welfare and prosperity of all residents.

The territory in which the operations of the Corporation are principally to be conducted is the Town of Clayton and the Village of Clayton, Jefferson County, New York, and such territory in proximity to those municipalities in which the use of the Corporation's funds will have a substantial positive impact on the economic welfare and prosperity of the Town of Clayton and the Village of Clayton, New York and their inhabitants.

ARTICLE III

MEMBERS

1. **Membership.** The Members of the Corporation shall consist of the following persons:
   (a) Supervisor of the Town of Clayton
   (b) Mayor of the Village of Clayton
   (c) Seven (7) persons appointed jointly by the Clayton Town Board and the Clayton Village Board
   (d) Jefferson County Legislator for District #1
   (e) Superintendent of Schools for Thousand Islands Central School District
   (f) Chairman of the Clayton Joint Planning Board
   (g) President of the Clayton Chamber of Commerce

2. **Term of Office.** The members mentioned in subparagraphs (a), (b), (d), (e), (f), and (g) above shall serve at the pleasure of persons who appointed or elected them and may be removed from membership by such persons at any time without cause. Notwithstanding the above, such persons appointed shall be for a 3-year term and vacancies shall be filled for the remainder of the term. Appointments will be staggered so that 1/3 of the Board shall be eligible for appointment or reappointment each year. Appointed members are subject to reappointment by the appointing authority and as reflected in the minutes of the Town of Clayton and Village of Clayton Boards.

   (a)Term Limits. Each of the seven (7) members appointed by the Clayton Town Board and Clayton Village Board shall be appointed to no more than three consecutive three-year terms of office. If a member originally fills a vacant position for the balance of a three-year term, the three term limitation shall not begin until the member's first full term. Provided, however, any member who reaches this three term limit who is an officer of the corporation shall be exempted from such limit until he or she no longer holds such office. A board member who has completed three consecutive terms may be eligible again after a one-year hiatus from the board.

3. **Rights of Members.**
   (a) Property Rights. No member of the Corporation shall have any right or interest in or to the property or assets of the Corporation. All property and assets of the Corporation shall be solely subject to the direction, control of, and expenditure by the members.

   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 then qualified and acting members 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 tele/video conference, where all members present can hear conversation and the vote of that member. A member may also vote via written or electronic communication.

   (c) Alternates. In the event the Supervisor and/ or Mayor will be absent from a meeting, they may inform the Chair of the designation of a non-voting representative to attend and participate in such meeting in their stead.

4. **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.

   (a) Directors shall not receive compensation for the performance of their duties, but shall be reimbursed only for reasonable and necessary expenses which they may incur in the performance of their duties.

5. **Meetings.** The annual meeting of the Board of Directors shall be held on the first Thursday in December of each year., Regular meetings shall be held on the first Thursday of the month, with the exception of August, at 4:00 pm in the CLDC conference room, unless otherwise

noted by the Chair. Special meetings shall be held at any time, at the call of the Chair, or in the alternative, at the call of two Directors. Notice of special meetings shall be published in the T. I. Sun and shall be deemed sufficient if deposited in the mail or electronically conveyed not less than three days before the meeting.

(a) A majority of the whole membership, either in person or via Tele/video conference, shall constitute a quorum for the transaction of business.

(b.) All issues coming to a vote must be decided upon by a true majority (7 votes).

6. **Attendance.** Board members, unless excused by the Chair, are expected to attend meetings of the Board of Directors on a regular basis each year. Those members with three unexcused absences, who have been appointed jointly by the Town and Village Boards to serve on the Clayton Local Development Board (CLDC) will be asked to resign. After the third unexcused absence of those members serving on the Board by position or appointment by another body, the Chair of the CLDC will send a letter to the appropriate parties asking for new representation or a replacement.

7. All Board members are expected to avoid any situation that would be, or could be, perceived to be a conflict of interest. All members are expected to strictly adhere to the CLDC Ethics Policy that was adopted by the Board on September 6, 2012.

8. Fiduciary Training. Upon initial appointment or election, each Board Member is expected to familiarize themselves with the Board's Financial Internal Control Policy. Thereafter, each Member must receive such additional fiduciary training as may reasonably be determined necessary.

ARTICLE IV

STANDING COMMITTEES

1. **Governance Committee.** The Board will appoint from its members a Governance Committee, as required by the NYS Authorities Budget Office. The committee will be responsible for tasks outlined in the Governance Committee Charter. The Governance Committee will update the CLDC's corporate governance principles and governance practices; advise those responsible for appointing members to the Board on the skills, qualities and professional or educational experiences necessary to be effective Board members; and negotiate the terms and conditions of any contractual relationship and present such contracts to the Board for approval.

2. **Audit Committee.** The Board of Directors will appoint from its members an Audit Committee, to serve at the pleasure of the Board. The Audit Committee shall be responsible for tasks outlined in the Audit Committee Charter.

3. **Loan and Grant Review Committee.** The Board shall appoint from its members the Loan and Grant Review Committee, to serve at its pleasure. The Loan and Grant Review Committee shall review all applications for loans and grants and report to the Board with its recommendations. The Loan and Grant Review Committee shall be responsible for the administration of such loans and grants and shall periodically report to the Board on its activities.

4. **Nominating Committee.** The board shall appoint from its members the Nominating Committee to serve at its pleasure. The Committee shall consist of three individuals, who will meet in November of each year, to recommend to the Board a slate of officers to serve the following calendar year. Their recommended slate of officers will be acted upon by the Board at the December Annual Meeting.
   (a.) Whenever a vacancy occurs among the seven appointed positions, the Nominating Committee shall identify possible candidates for appointment to the vacant positions(s). If the

candidates are deemed acceptable to the Board of Directors, the candidates' names will be forwarded to the Town and Village Boards as potential Board members.

5. **Executive Committee.** The Executive Committee shall consist of all of the Officers of the Board as named in Article VI, Paragraphs 2 through 6.

ARTICLE V

ADVISORY COMMITTEES

From time to time the Board of Directors may appoint Advisory Committees to assist in the conduct of business. These committees are to be temporary in nature and may consist of members of the Board of Directors and/or members of the public. Advisory Committee members may advise and may make recommendations to the Board of Directors. They shall not have any decision making authority.

Advisory Committee members shall appoint a Chair from within its membership. The Chair will make periodic reports, written and/or oral to the Board of Directors at its scheduled monthly meetings or special meetings as provided for in Article III (5) of these By-Laws.

In making appointments to Advisory Committees, the Board of Directors must be cognizant of any potential, real, or perceived conflicts of interest that may arise from such appointments. Similarly, those being considered for appointment to Advisory Committees must be equally aware of any conflicts before accepting such appointment.

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 not hold more than one office. The officers shall be a Chair, Vice-Chair, Treasurer, Secretary, and Assistant Secretary, together with such other officers as may, from time to time, be created by the Board.
2. **Duties of Chair.** The Chair shall preside at all meetings of the Board of Directors, shall call regular and special meetings of the 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 therefore; and shall enforce these by-laws and perform all other duties incident to the Office of Chair.
3. **Duties of Vice Chair.** The Vice-Chair shall, during the absence or disability of the Chair, perform the duties or exercise the powers of the Chair, as set forth in these by-laws or in the law under which this Corporation is organized. When so acting, the Vice-Chair shall have all the powers and be subject to all the responsibilities hereby given to or imposed upon the Chair.
4. **Duties of Treasurer.** The Treasurer shall have the responsibility for the care and custody of 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 the approvals 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 therefore; shall exhibit at all

reasonable times the books and accounts to any Director upon application at the office of the Corporation during business hours; shall present a report of 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; 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 all other duties incident to the office of Treasurer.

5. **Duties of Secretary.** The Secretary shall keep the minutes of all meetings 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; shall present to the Board of Directors at their meetings all communications received by the Corporation or addressed to the Secretary officially by the Chair or any officer or member of the Corporation; and shall attend to all correspondence and perform all other duties incident to the office of Secretary.
6. **Duties of the Assistant Secretary.** The Assistant Secretary shall, during the absence or disability of the Secretary, perform the duties or exercise the powers of the Secretary, as set forth in these by-laws or in the law under which this Corporation is organized. When so acting, the Assistant Secretary shall have all the powers and be subject to all the responsibilities hereby given to or imposed upon the Secretary.

ARTICLE VII

AMENDMENTS

These by-laws may be amended, altered, repealed, or superseded, in whole or in part, by the affirmative vote of a two-thirds majority of the entire Board, provided that the proposed amendment is specified in the notice of such meeting.