

HDC Bylaws
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HDC MISSION STATEMENT

The Hudson Development Corporation (HDC) is a non profit Local Development Corporation (LDC) established to sustain, promote and attract projects that improve economic opportunities for businesses and residents, create jobs and enhance the quality of life in the City of Hudson.

BY-LAWS OF HUDSON DEVELOPMENT CORP.

ARTICLE I

OFFICES AND BOOKS

Section 1. Principal Office. The Principal Office of the Corporation shall be located at 1 North Front Street, in the City of Hudson, County of Columbia and State of New York, or such other place in said City as the Board of Directors may, from time to time, determine.

Section 2. Other Offices. The Corporation may have offices at any place or places within the City of Hudson, County of Columbia, State of New York, as the Board of Directors may from time to time determine.

Section 3. Books. There shall be kept at the principal office of the Corporation correct books of account of the activities and transactions of the Corporation, including a minute book, which shall contain a copy of the Certificate of Incorporation, a copy of these By-Laws, and all minutes of meetings of members and of the Board of Directors.

ARTICLE II

BOARD OF DIRECTORS

Section 1. Powers and Duties. The Board of Directors shall have general power to control and manage the affairs and property of the Corporation, and shall have full power, by majority vote, to adopt rules and regulations governing the action of the Board of Directors and shall have full and complete authority with respect to the payment and distribution of the moneys received by the Corporation from time to time; provided, however, that the primary purposes of the Corporation, as expressed in the Certificate of Incorporation, shall not thereby be amended or changed.

Section 2. Number, Qualification, Election and Term of Office. The Board of Directors shall consist of not less than nine (9) nor more than fifteen (15) members, the number of Directors to be determined from time to time by resolution of the Membership.

Election of Directors: Two Directors serve ex officio: the Mayor of the City of Hudson, the President of the Common Council of the City of Hudson, The Ex-Officio Directors shall serve so long as each holds the official position with the government of the City of Hudson, which qualifies each of them for an appointment as Director of the Corporation or he or she resigns, dies or is removed for cause. The remaining Directors are elected to three-year terms, renewable for an additional three-year term. The Directors must live in the City of Hudson and/or be currently or formerly employed by an entity that does business in the greater Hudson Area or practice a trade or profession in the greater Hudson area. As a part of the governance structure, all Board Members will serve on the Governance Committee and two additional Committees.

Vacancies: If an Ex Officio Director, other than the Mayor, declines to serve, resigns (either their official position with the City of Hudson or as an Ex Officio Director), dies or is removed for cause, the Common Council shall appoint a replacement (“Interim Director”) who will serve until a successor is qualified and accepts appointment as an Ex Officio Director. If the Mayor declines to serve, resigns his position as Mayor or as an Ex Officio Director, dies or is removed for cause, the Common Council shall appoint an Interim Director who will serve until a successor is qualified and accepts appointment as an Ex Officio Director. A person becomes “qualified” to be an Ex Officio Director as provided in this paragraph when he or she assumes the official position with the government of the City of Hudson which qualifies the holder or said position to be an Ex Officio Director of the Corporation.

Ex Officio Directors (including Interim Directors) shall have all of the powers, rights, duties and obligations of Directors elected.

Directors may be removed for cause by a majority vote at a special meeting called for that purpose. “Cause” shall have the same meaning in respect of removal of its Directors. A Director may also be removed for excessive absences from board meetings, unless such absences are excused for a good cause by a majority vote of the Directors present at the meeting with the Director missed.

Each member of the Board of Directors must be at least eighteen (18) years of age. No person shall be ineligible to be a Director by reason of sex, race or religion, sexual orientation, or gender identification.

Non Ex Officio Board Members may not hold elected office in the government in the City of Hudson during their term. Non Ex- Officio Board Members wishing to pursue any elected office within the government within the City of Hudson shall resign from the board when s/he declares candidacy.

Section 3. Vacancies. Any vacancy on the Board of Directors caused by the death, resignation, removal or refusal to serve by a Director shall be filled within ninety (90) days of the occurrence causing the vacancy by the authority (Council or the Directors)

who appointed said Appointed Director. Each Director so appointed/elected shall hold office for the unexpired term of the Appointed Director which he or she replaced.

Any vacancy of an Ex Officio Director on the Board of Directors caused by the death, resignation, removal or refusal to serve shall be filled as provided in Article III, Section 2 above.

Any vacancy on the Board of Directors caused by the expiration of term, must be filled within 90 days of the vacancy.

Section 4. Annual Meeting; Notice. An annual meeting of the Board of Directors shall be held on the fourth (4th) Wednesday of March. If, for any reason, the annual meeting of the Board of Directors is not so held, it shall be held at such time and place as may be designated in the notice of such meeting given as hereinafter provided for special meetings of the Board of Directors.

Section 5. Regular Meetings; Notice. Regular meetings of the Board of Directors shall be held monthly and at such time and place as the Board may determine and notice of such meeting need not be given.

Section 6. Special Meetings; Notice. Special meetings of the Board of Directors may be held at such place as may be designated in the notice of such meeting, upon the call of the President or of any two Directors. Notice of the time, place and purpose of any special meeting of the Board of Directors shall be given by the Secretary by mailing or providing an electronic copy thereof or delivering the same to each Director at least seventy-two hours before such meeting, or pursuant to waiver of notice signed before or after such meeting by all of the Directors.

Section 7. Quorum; Adjournment of Meetings. A quorum shall be required for the legal and proper conduct of the business of the Board of Directors. A majority of the total number of members of the Board of Directors then in existence shall constitute a quorum for the transaction of any business. When a quorum is once present, it is not broken by the subsequent withdrawal, for conflict or any other reason, of any Directors.

Section 8. Organization. The President of the corporation shall preside at all meetings of the Board of Directors or, in the absence of the President, the Vice President shall preside at all meetings of the Board of Directors. In the absence of the both the President and the Vice President, the Board of Directors present shall choose a presiding officer. The Secretary of the corporation shall act as Secretary at all meetings of the Board of Directors. In the absence of the Secretary, the presiding officer shall appoint any Director to act as Secretary of the meeting.

Section 9. Compensation. No Director or Officer of the corporation shall receive, directly or indirectly, any salary, compensation, or emolument therefrom for his services as Director, Officer or in any other capacity.

Notwithstanding mandates of this Section, at the discretion of the Board of Directors, individual Directors, Officers, and members of Committees may be reimbursed

in an amount determined by the Board for expenses reasonably incurred by them in the performance of their duties.

Section 10. Resignation. Any Director may resign at any time by giving written notice to the President of the Corporation. Such resignation shall take effect at any time specified therein and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 11. Governance Committee. There is hereby created a Governance Committee of the Board of Directors, which shall be a committee of the Board. The Governance Committee shall be responsible, in concert with the Staff, to review and develop the Mission Statement, and the annual Goals and Objectives of the Corporation. A majority of the Governance Committee shall constitute a quorum for the transaction of business. The Governance Committee shall report their action at every meeting of the Board of Directors or as often as they may be required by the Board. The Governance Committee shall keep the Board informed of current best governance practices, review corporate governance trends, update the corporate governance principles and advise appointing experts, and authorities on the skills and experiences required of potential new Board members. It shall meet at minimum twice per year.

Section 12. Finance/Audit Committee. There is hereby created a Finance/Audit Committee. The Board of Directors shall appoint from among its members an audit committee of three (3) Directors to serve at the pleasure of the Board. The Board of Directors shall designate one (1) member of such committee to serve as its chairperson. The members of the audit committee shall be independent members within the meaning of the Public Authorities and Accountability Act of 2005, and, to the extent practicable, shall possess or obtain familiarity with corporate finances and accounting. The audit committee shall: (a) recommend to the Board of Directors the hiring of an independent certified public account; (b) establish the compensation to be paid to said certified public accountant; (c) directly oversee audits performed by any certified public accountant; (d) have such additional powers and perform such other and further duties concerning the Corporation and its finances as prescribed by policies and procedures adopted by the Board of Directors; and (e) conduct an annual self-evaluation. It shall meet at minimum twice per year. Minutes of these meetings shall be recorded.

Section 13: Marketing Committee. The Board of Directors may elect from its members a Marketing Committee to serve at the pleasure of the Board. The Committee shall identify, promote and market projects and interests connected with business development and tourism with the City of Hudson.

Section 14. Committees. The Directors from time to time may appoint committees, in addition to the committees provided for in the By-Laws, and may prescribe their powers and duties. Except as otherwise provided in the By-Laws The Directors shall use best efforts to serve on two [2] committees.

ARTICLE III

OFFICERS

Section 1. Number and Qualifications. The Board of Directors shall elect by a majority vote a President, Vice President, Secretary and Treasurer, and such other Officers as it may determine, who shall be given such duties, powers and functions as hereinafter provided. Any two or more offices may be held by the same person, except the offices of President and Secretary. No instrument required to be signed by more than one officer shall be signed by one person in more than one capacity.

Section 2. Election; Term of Office and Removal. The Officers of the corporation shall be elected annually at the annual meeting of the Board of Directors, and each shall continue in office until his successor shall have been elected and qualified, or until death, resignation or removal. Any officer of the corporation may be removed, with or without cause, by the vote of a majority of the entire Board of Directors.

Section 3. Other Agents, etc. The Board of Directors may from time to time appoint such agents as it shall deem necessary, each of whom shall serve at the pleasure of the Board of Directors, and shall have such authority, perform such duties and receive such reasonable compensation, if any, as the Board of Directors may from time to time determine.

Section 4. Vacancies. In case of any vacancy in any office, a successor to fill the unexpired portion of the term may be elected by the Board of Directors at the next Regular Meeting or at a Special Meeting called for that purpose.

Section 5. President: Power and Duties. The President shall be a member of the Board of Directors and the chief executive officer of the corporation. S/He shall preside at all meetings of members and of the Board of Directors. S/He shall generally manage and supervise the affairs of the corporation. S/He shall keep the Board of Directors fully informed, and shall freely consult with them concerning the activities of the corporation. S/He shall have the power to sign any deeds, mortgages, bonds, contracts or other instruments that the Board of Directors has authorized to be executed, except in cases where the signing or execution thereof shall be expressly delegated by the Board of Directors or by these by-laws or by statute to some other or additional Officer or agency of the Corporation. S/He shall perform all duties incident to the office of the President and such other duties as shall from time to time be assigned to him or her by the Board of Directors.

Section 6. Vice President: Powers and Duties. The Vice President shall be a member of the Board of Directors and shall have such powers and duties as may be assigned to him or her by the Board of Directors. In the absence of the President, the Vice President shall have the powers and perform the duties of the President.

Section 7. Secretary: Powers and Duties. The Secretary shall be a member of the Board of Directors and shall act as secretary of all meetings of members and the Board of Directors and shall keep the minutes, or shall cause minutes to be taken and shall be responsible for the accuracy thereof, of all such meetings in the books proper for that purpose. S/He shall attend to the giving and serving of all notices of the corporation.

S/He shall perform all duties incident to the office of the Secretary, subject, however, to the control of the Board of Directors, and such other duties as shall from time to time be assigned to him or her by the Board of Directors.

Section 8. Treasurer: Powers and Duties. The Treasurer shall keep or cause to be kept full and accurate receipts and disbursements of HDC, and shall deposit or cause to be deposited all moneys, evidences of indebtedness and other valuable documents of HDC in the name and to the credit of HDC in such banks or depositories as the Board of Directors may designate. At the annual meeting of the Board of Directors and whenever else required by the Board of Directors, he or she shall render a statement of HDC's accounts. He or she shall at all reasonable times exhibit HDC's books and accounts to any officer or Directors of the Corporation and shall perform all duties incident to the position of Treasurer subject to the control of the Board of Directors, and shall when required, give such security for the faithful performance of his or her duties as the Board of Directors may determine.

ARTICLE IV

CONTRACTS, CHECKS, BANK ACCOUNTS, INVESTMENTS, ETC.

Section 1. Checks, Notes, Contracts, etc. The Board of Directors is authorized to select such banks or depositories as it shall deem proper for the funds of the Corporation. Endorsements for deposit in any of its duly authorized banks or depositories may be made, without countersignature, by any officer of the corporation. The Board of Directors shall determine who, if anyone, in addition to the President, shall be authorized from time to time on the Corporation's behalf to sign checks, drafts or other orders for the payment of money, acceptances, notes or other evidences of indebtedness, to enter into contracts, or to execute and deliver other documents and instruments.

Section 2. Investments. The funds of the Corporation may be retained in whole or in part in cash or be invested and reinvested from time to time in such property, real, personal or otherwise, or stocks, bonds or other securities, as the Board of Directors in its uncontrolled discretion may deem desirable, without regard to the limitations, if any, now imposed or which may hereafter be imposed by law regarding such investments.

ARTICLE V

CORPORATE SEAL

The seal of the corporation shall be circular in form and shall bear the name of the corporation and words and figures showing that it was incorporated in the State of New York in 1976.

ARTICLE VI

FISCAL YEAR

The fiscal year of the corporation shall be determined by the Board of Directors.

ARTICLE VII

INDEMNIFICATION

The corporation shall, to the fullest extent now or hereafter permitted by law, indemnify any person made, or threatened to be made, a party to any action, suit or proceeding by reason of the fact that he (or a person of whom he is the legal or personal representative or heir or legatee) is or was a trustee, officer, employee or other agent of the corporation, or any other organization served by him or her in any capacity at the request of the corporation, against judgments, fines, amounts paid in settlement and reasonable expenses, including attorneys' fees.

ARTICLE VIII

DUTY OF LOYALTY AND CONFLICT OF INTEREST

Section 1. *Duty of Loyalty.* No Officer or Corporation shall engage in or condone any conduct that is disloyal, disruptive, damaging or competes with the Corporation. No Officer or Corporation shall take any action or establish any interest that compromises his/her ability to represent the Corporation's best interest.

Section 2. *Conflict of Interest.*

Section 2.1. *Purpose.* The purpose of the conflict of interest policy is to protect the Corporation's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an Officer or Corporation of the Corporation. This policy is intended to supplement but not replace any applicable state laws or regulations governing conflicts of interest.

Section 2.2. *Definitions.*

Interested Person. Any Corporation, Officer, or member of a committee with Board-delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person. If a person is an interested person with respect to any entity or program of which the Corporation is a part, he or she is an interested person with respect to all entities in the Corporation system.

Financial Interest. A person has a financial interest if the person has, directly or indirectly, through business, investment or family:

- (1) An ownership or investment interest in any entity with which the Corporation has a transaction or arrangement;

- (2) A compensation arrangement with the Corporation or with any entity or individual with which the Corporation has a transaction or arrangement; or
- (3) A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Corporation is negotiating a transaction or arrangement. Compensation includes direct and indirect remuneration as well as gifts or favors that are substantial in nature.

Section 2.3. *Procedures.*

Duty to Disclose. In connection with any actual or possible conflicts of interest, an interested person must disclose the existence of his or her financial interest and all material facts to the Directors and members of Committees with Board-delegated powers considering the proposed transaction or arrangement.

Determining Whether a Conflict of Interest Exists. After disclosure of the financial interest and all material facts and after any discussion with the interested person, he or she shall leave the Board or Committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining Board or Committee members shall decide if a conflict of interest exists.

Procedures for Addressing Conflict of Interest.

- (1) An interested person may make a presentation at the Board or Committee meeting, but after such presentation, he/she shall leave the meeting during the discussion of and vote on the transaction or arrangement that results in the conflict of interest.
- (2) The Chairperson of the Board or Committee shall, if appropriate, appoint a disinterested person or Committee to investigate alternatives to the proposed transaction or arrangement.
- (3) After exercising due diligence, the Board or Committee shall determine whether the Corporation can obtain a more advantageous transaction or arrangement with reasonable efforts from a person or entity that would not give rise to a conflict of interest.
- (4) If a more advantageous transaction or arrangement is not reasonably attainable under circumstances that would not give rise to a conflict of interest, the Board or Committee shall determine by a majority vote of the disinterested Trustees whether the transaction or arrangement is in the Corporation's best interest and whether the transaction is fair and reasonable to the Corporation and shall make its decision as to whether

to enter in to the transaction or arrangement in conformity with such determination.

Violation of the Conflicts of Interest Policy.

If the Board or Committee has reasonable cause to believe that a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.

If, after hearing the response of the member and making such further investigation as may be warranted in the circumstances, the Board or Committee determines that the member has in fact failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

ARTICLE IX
AMENDMENTS

The By-Laws of the corporation may be amended at any meeting of the Board of Directors by a vote of a majority of the entire Board of Directors.

ARTICLE X
DISSOLUTION

This Corporation may be dissolved by a two-thirds (2/3) majority vote of the Board of Directors at any regular meeting or any Special Meeting called for that purpose. Upon dissolution of the Corporation, any residual assets shall be distributed pursuant to Section 1411(g) of the New York Not-for-Profit Corporation Law.

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