

**REVISED BY-LAWS  
OF  
THE VILLAGE OF LANCASTER  
COMMUNITY DEVELOPMENT CORPORATION**

*(Approved at the Annual Meeting of Membership held May 12, 2003,  
amended at an Annual Meeting of Membership held May 9, 2005,  
amended at an Annual Meeting of Membership held May 8, 2006,  
amended at a special meeting of Membership held June 26, 2006,  
amended at a special meeting of Membership held June 23, 2008,  
amended at an Annual Meeting of Membership held May 10, 2010  
and amended at an Annual Meeting of Membership held May 23, 2011.*

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amended at an Annual Meeting of Membership held May 10, 2010,  
and amended at an Annual Meeting of Membership held May 23, 2011.*

**ARTICLE I - PURPOSES**

**Section 1. Purposes.** Subject to the limitations set forth in the Certificate of Incorporation, dated January 9, 1995, and the Restated Certificate of Incorporation, dated May 30, 1997, and in Section 2 of this Article, the purposes of **The Village of Lancaster Community Development Corporation** ("the Corporation" or "VLCDC") shall be:

- (1) To plan and promote, and if necessary, to coordinate and execute programs in the Village of Lancaster, New York area aimed at improving the quality of life of its residents by developing new approaches and methods of economic development where necessary and proper.
- (2) To achieve certain educational, charitable objectives and public purposes of relieving and reducing adult unemployment, promoting and providing for additional and maximum adult employment, bettering and maintaining adult job opportunities within the area by the following activities:
  - (a) residential rehabilitation and development;
  - (b) developing, operating and maintaining commercial and recreational facilities;
  - (c) constructing, acquiring, rehabilitating and improving for use by others, industrial or manufacturing plants, offices and stores in the territory in which its operations are principally to be conducted.
  - (d) assisting financially in such constructions, acquisition, rehabilitation and improvement and maintaining such plants, offices and stores for others in such territory;

- (e) obtaining municipal improvements and improved transportation services;
- (f) providing managerial, technical, administrative advice, counseling and training and financial aid to assist residents of the Village of Lancaster, New York area to develop necessary business skills and other business enterprises; and
- (g) exercising all other powers conferred by paragraph (c) of section 1411 of the Not-for-Profit Corporation Law.

(3) To provide all other services deemed necessary in furthering any of the foregoing public purposes.

(4) To do any other act or things incidental to or connected with the foregoing purposes or in advancement thereof, but not for the pecuniary profit or financial gain of its members, directors or officers, except as permitted under Articles 5 and 14 of the Not-for-Profit Corporation Law and Article 8 of the Public Authorities Law.

**Section 2. Limitation of Purposes.** Notwithstanding any other provision of the Certificate of Incorporation and these By-laws, the purposes and powers of the Corporation shall be limited as follows:

(a) The Corporation shall not engage, otherwise than as an insubstantial part of its activities, in activities which in themselves are not in furtherance of one or more exempt purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of the United States of America ("the Code").

(b) The Corporation shall not devote more than an insubstantial part of its activities to attempting to influence legislation by propaganda or otherwise.

(c) The Corporation shall not directly or indirectly participate in, or intervene in (including the publishing or distributing of statements), any political campaign on behalf of or in opposition to any candidate for public office.

(d) Upon dissolution of the Corporation no member or private person, corporate or individual, or other private interest, shall be entitled to any distribution or division of its remaining funds and other property and rights and interests in property, and the balance thereof, after the payment of all debts and liabilities of the Corporation of whatsoever kind and nature (including the

payment of loans and contributions the repayment of which has been authorized in its certificate of incorporation or re-incorporation), shall be distributed to the Village of Lancaster, for furtherance of the purposes set forth above, or to the New York Job Development Authority, as shall be provided by the Corporation or by order of the Supreme Court of the State of New York.

(e) No part of the net earnings of the Corporation shall inure to the benefit of any member, trustee, director, officer of the Corporation, or any private individual (except that reasonable compensation may be paid for services rendered to or for the Corporation), and no member, director, officer of the Corporation or any private individual shall be entitled to share in the distribution of any of the corporate assets on dissolution of the Corporation.

(f) The Corporation shall not carry on any other activities not permitted to be carried on (i) by a corporation exempt from federal income tax under Section 501(c)(3) of the Code or (ii) by a corporation, contributions to which are deductible under Section 170 (c)(2) of the Code.

(g) If at any time or times the Corporation is a private foundation within the meaning of Section 509 of the Code, then during such time or times:

- (1) The Corporation shall distribute its income for each taxable year at such time and in such manner as not to subject the Corporation to tax under Section 4942 of the Code;
- (2) The Corporation shall not engage in any acts of self-dealing, as defined in Section 4941(d) of the Code;
- (3) The Corporation shall not retain any excess business holdings, as defined in Section 4943(c) of the Code;
- (4) The Corporation shall not make any investments in such manner as to subject the Corporation to tax under Section 4944 of the Code;
- (5) The Corporation shall not make any taxable expenditures as defined in Section 4945(d) of the Code.

(h) Nothing herein shall authorize the Corporation, directly or indirectly, to engage in or include among its purposes any of the activities mentioned in

Section 404 of the Not-for-Profit Corporation Law or Section 460-a of the Social Services Law; and

(i) Nothing herein shall authorize or empower the Corporation, directly or indirectly, to engage in or include among its purposes any activity prohibited by New York General Business Law § 340 or any New York anti-monopoly law, and the Corporation is not authorized so to engage.

(j) Nothing herein shall authorize or empower the Corporation, directly or indirectly, to engage in or include among its purposes any activity prohibited by New York Public Authorities Accountability Act of 2005, and the Corporation is not authorized so to engage.

## **ARTICLE II - OFFICES**

The principal office of the Corporation shall be at the office of the Village Clerk of the Village of Lancaster, 5423 Broadway, Lancaster, New York 14086.

## **ARTICLE III - MEMBERS**

**Section 1. Membership.** There shall be fifteen (15) Members of the Corporation. The Members shall be the persons from time to time serving as the Mayor and as the Trustees of the Village of Lancaster and as the Directors of the Corporation. Their terms as Members shall run concurrently with their terms of office in those positions.

**Section 2. Membership Meetings.** The annual meeting of the Members of the Corporation for the election of Directors and such other business as may come before it, shall be held on the second Monday of May each year at a time and place chosen to facilitate attendance by Village Board members. The Secretary shall cause to be mailed, not less than ten (10) days nor more than fifty (50) days before the annual meeting, to all members at their addresses as they appear on the membership record of the Corporation, a notice stating the time and place of the meeting.

**Section 3. Special Meetings.** Special meetings of the Membership of the Corporation may be called by the President or the Directors. The Secretary shall cause a notice of such meeting to be mailed to all members at their addresses as they appear in the membership record at least five (5) days but not more than fifty (50) days before the scheduled date of such

meeting. Such notice shall state the date, time, place and purpose of the meeting and by whom called. No other business but that specified in the notice may be transacted at such special meeting without the unanimous consent of all present at such meeting.

**Section 4. Vote of Members.** Except as otherwise provided by law or by these By-Laws (in respect to the election of Directors or amendment of these By-Laws, or otherwise), a vote of a majority of all the Members shall be necessary and sufficient to take any action on behalf of the membership.

**Section 5. Action by Members Without a Meeting.** Whenever members are required or permitted to take any action by vote, such action may be taken without a meeting by written consent, setting forth the action so taken, signed by all the members entitled to vote thereon.

**Section 6. Proxies.** Every member entitled to vote at a meeting of members or to express consent or dissent without a meeting may authorize another person or persons to act for him or her by proxy. Every proxy must be signed by the member or his or her attorney-in-fact. No proxy shall be valid after the expiration of eleven (11) months from the date thereof unless otherwise provided in the proxy. Every proxy shall be revocable at the pleasure of the member executing it, except as otherwise provided by law.

**Section 7. Waivers of Notice.** Notice of meetings, annual, or regular, or special, need not be given to any member who submits a signed waiver of notice, in person or by proxy, whether before or after the meeting. The attendance of any member at a meeting, in person or by proxy, without protesting prior thereto or at its commencement the lack of notice of such meeting, shall constitute a waiver of notice.

**Section 8. Order of Business.** The order of business at all meetings of members shall be as follows:

- (a) Roll Call
- (b) Review of the Minutes of the preceding meeting
- (c) Report of Officers
- (d) Old and unfinished business
- (e) New business
- (f) Adjournment

## ARTICLE IV - DIRECTORS

**Section 1. Management of the Corporation.** The Corporation shall be managed by the Board of Directors (the "Board"), which shall consist of eleven Directors, including the person from time to time occupying the office of Mayor of the Village of Lancaster (who shall serve by virtue of his or her office as Mayor) and eight other directors elected by the Members as provided below. Each Director shall be at least eighteen (18) years of age. Directors elected after January 1, 2006 (other than the Mayor of the Village of Lancaster) shall meet the criteria set forth in the Public Authorities Act of 2005. All directors must participate in State-approved training, as made available. Directors shall:

- a) Provide direct oversight of the Corporation's chief executive officer and senior management;
- b) Understand, review and monitor implementation of financial and management controls and operational decisions;
- c) Establish policies regarding payment of compensation and reimbursements to senior staff; and
- d) Adopt procedural and operating policies and guidelines, including:
  - i) a code of ethics for the Directors, officers, employees and consultants.
  - ii) comprehensive guidelines for administration and disposition of real and personal property.
  - iii) investment guidelines
  - iv) personnel and compensation policies, and
  - v) defense and indemnification policies.

**Section 2. Election and Terms of Directors.** The Directors other than the Mayor shall be divided into five (5) classes, with no class to have less than one (1) Director, and no class to have more than three (3) Directors. At each annual meeting of the membership, Directors shall be elected for a term of five (5) years to replace those whose terms shall expire as provided herein. The affirmative vote of at least two-thirds (2/3) of all the Members shall be required for the election of any Director. In any case, a Director shall continue to serve until his or her successor shall be elected and qualify. At the last regular meeting of the Board prior to the annual membership meeting, the Board shall nominate persons recommended to be elected by the Members as Directors to succeed the class of Directors whose term will expire at the membership meeting.

**Section 3. Vacancies.** Vacancies occurring in the Board for any reason shall be filled by the affirmative vote of at least two-thirds (2/3) of all the Members. A Director elected to fill a vacancy shall be elected to hold office for the unexpired term of his or her predecessor.

**Section 4. Removal of Directors.** Any or all of the Directors may be removed for cause by vote of the membership or by action of the Board. Directors may not be removed without cause. Should any Director miss three (3) regular meetings without being excused at such meeting by the majority of those Directors present for such meeting, such absent Director shall be deemed to be delinquent. The Secretary shall cause a notice to be served on such delinquent Director prior to the next regular meeting, at which meeting such delinquent Director may present his or her reason for being absent and request that the Board excuse one or more of such absences. Should a majority of the Directors then holding office (not including said delinquent Director) not approve his or her excuse for being absent, a similar majority may then vote to declare such delinquent Director to have been removed for cause, and the position to be vacant.

**Section 5. Resignation.** A Director may resign at any time by giving written notice to the Board, the President, or the Secretary of the Corporation. Unless otherwise specified in the notice, the resignation shall take effect upon the receipt thereof by the Board or such officer, and the acceptance of the resignation shall not be necessary to make it effective.

**Section 6. Quorum of Directors.** A majority of the entire Board shall constitute a quorum for the transaction of business or of any specified item of business.

**Section 7. Action of the Board.**

(a) Except as otherwise required by law or by these By-Laws, the vote of at least a majority of the entire Board shall be necessary and sufficient for action of the Board.

(b) Any one or more members of the Board or any committee thereof may participate in a meeting of such Board or committee by means of a conference telephone or similar communications equipment allowing all persons participating in the meeting to hear each other at the same time. Participation by such means shall constitute presence in person at a meeting.

(c) Any action required or permitted to be taken by the Board of Directors or any committee thereof may be taken without a meeting if all members of the Board or committee consent in writing to the adoption of a resolution authorizing the action. The resolution and the written consent thereto by the members of the Board or committee shall be filed with the minutes of the proceedings of the Board or committee.

**Section 8. Regular Annual Meeting.** A regular annual meeting of the Board for the election of officers, adoption of a budget, and such other business as may come before it, shall be held immediately following the annual membership meeting at the place of such annual membership meeting.

**Section 9. Regular and Special Meetings of the Board.** The Board shall conduct at least four (4) regular meetings, in addition to the Annual Meeting, during the course of each year. Such regular meetings may be held without notice at such time and place as it shall from time to time determine. Special meetings of the Board shall be held upon notice to the Directors and may be called by the President upon three (3) days' notice to each Director either personally, by mail, or by telephone or electronic means; special meetings shall be called by the President or by the Secretary in like manner on written request of two (2) Directors. Notice of any meeting (annual, other regular or special) need not be given to any Director who submits a waiver of notice, whether before or after the meeting, or who attends the meeting without protesting prior or at the commencement of the meeting, the lack of notice to him or her. A majority of the Directors present, whether or not a quorum is present, may adjourn any meeting to another time and place. Notice of the adjournment shall be given all Directors who were absent at the time of the adjournment and, unless such time and place are announced at the meeting, to the other Directors. At all meetings of the Board, the President, the Vice-President, or, in their absence a Chair chosen by the Board shall preside.

**Section 10. Chair.** At all meetings of the Board, the President, the Vice-President, or, in their absence, a Chair chosen by the Board shall preside.

**Section 11. Committees.** The Board, by resolution, shall designate from among its members an Executive Committee, an Audit Committee, a Finance Committee, a Governance Committee, an Ethics Committee and other committees, each consisting of three (3) or more members, at least one of whom shall be a Director, except the Ethics Committee, which shall consist

entirely of independent members. Each committee shall serve at the pleasure of the Board.

(a) **Executive Committee.** The Executive Committee shall consist of the President, Vice President, Secretary, Treasurer and Chair of the Finance Committee. This committee will convene monthly to review and approve or disapprove payments from the VLCDC accounts, and to approve leases of less than 5 years duration. Full packets of income and expense materials shall continue to be distributed to all Directors so that they are aware of the operations and financial condition of the VLCDC. Minutes shall be kept of all Executive Committee meetings in like fashion to the minutes kept of meetings of the Board of Directors and meetings of the corporation.

(b) **Audit Committee.** The Audit Committee shall review and report regularly to the Board on the fiscal status of the Corporation. It shall review the assets, income, accounts payable, investments, monthly balance sheets; supervise the activities of the bookkeeper; and present appropriate recommendations to the Board. It shall recommend an external auditor to the Board and shall review the audit report and make appropriate recommendations with respect to the findings and opinions expressed by the auditor.

(c) **Finance Committee:** The Finance Committee shall review and report regularly to the Board on the finances of the Corporation. It shall review the proposed budget for each fiscal year and present appropriate recommendations to the Board.

(d) **Governance Committee:** The Governance Committee shall review and report regularly to the Board on the structure and governance of the Corporation. It shall review proposed policy changes as well as changes to the By-Laws and present appropriate recommendations to the Board.

(e) **Ethics Committee:** The Ethics Committee shall consist entirely of independent citizens selected from the community who are neither Members nor Officers of the Corporation, and who should be selected on the basis of maturity, good judgment, experience in the laws governing how public bodies operate, and with keen regard for ethical standards. The Ethics Committee may be asked to evaluate any situation regarding which any Member or Officer or citizen may have a concern that the provisions of the Code of Ethics has or may be violated. The committee will thereafter render an opinion in writing to the Board within a reasonable period. Disclosure of such opinion shall adhere to the

provisions of the New York "Freedom of Information Law" (Chapter 933, Laws of 1977, as amended).

(f) **Special Committees.** The Board may from time to time create such special committees as may be deemed advisable. The members of such committees shall be appointed by the President with the prior consent of the Board.

**Section 12. No Compensation.** The Directors shall not receive any compensation for their services, but they may be reimbursed for any reasonable expenses incurred on behalf of the Corporation.

**Section 13. Separation of Board and Management.** Directors shall not hold key staff positions in the Corporation (such as chief executive officer, chief fiscal officer or controller); nor shall such key staff officers be eligible to serve as Directors.

**Section 14. Corporation Website.** The Corporation shall arrange to establish a website in its name and shall cause to be posted thereon:

- a) a complete and up-to-date copy of these By-Laws;
- b) a list of its members, directors and officers, excluding such information as may be withheld under the New York Freedom of Information Law.
- c) minutes of its various meetings when circulated by the secretary (with notation that such minutes may be corrected or amended by the membership or Board of Directors, and excluding such information as may be withheld under the New York Freedom of Information Law).
- d) policies as adopted by the Corporation.

## ARTICLE V - OFFICERS

**Section 1. Offices, Election, Term.** At the annual meeting of the Directors, the Board shall elect a President, one or more Vice Presidents, with such qualifying titles as the Board may determine, a Treasurer, an Assistant Treasurer, a Secretary, an Assistant Secretary, an Archivist, and such other officers as it may determine, who shall have duties, powers and functions as provided by these By-Laws or by resolution of the Board. Each officer shall be elected to hold office until the next annual meeting of the Board, or until his or her successor has been elected and qualified. The Board may also engage one

or more consultants to advise and represent the Board, and to perform such functions as the Board may delegate, such consultants to be engaged on such terms as are appropriate, and to be deemed an officer for purposes of Article VII. Only Directors may serve as President, Vice President, Secretary or Treasurer, except that an Assistant Secretary or an Assistant Treasurer or a consultant need not be a Director. Directors shall not serve as chief executive officer, chief fiscal officer or controller, nor shall any such officer serve as a Director.

**Section 2. Removal, Resignation, Salary.** Any officer may be removed by the Board with or without cause. In the event of the death, resignation or removal of an officer, the Board in its discretion may elect a successor to fill the unexpired term. Subject to the limitations in section 1 of this article, any two (2) or more offices may be held by the same person, except the offices of President and Secretary. Any Director serving as an officer shall serve without compensation, but any other officer may be compensated as determined by the Board.

**Section 3. President.** The President shall preside at all meetings of the Board; shall, when duly authorized by the Board of Directors, sign and execute all contracts in the name of the Corporation; and shall oversee the general administration of the affairs of the Corporation and see that all orders and resolutions of the Board are carried into effect.

**Section 4. Vice President.** During the absence or disability of the President, the Vice President or, if there are more than one Vice President, each Vice President, shall have all the powers and functions of the President, and shall perform such other duties as the Board may prescribe. If there are more than one Vice President, the Board may designate the order in which they shall assume the powers and functions of the President.

**Section 5. Treasurer.** The Treasurer shall have the care and custody of all the funds and securities of the Corporation; shall deposit said funds in the name of the Corporation in such bank or trust company as the Directors may elect; shall sign all checks, except as provided by Section 11 of this Article V of these By-Laws, drafts, notes, and orders for the payment of money, which shall be duly authorized by the Board of Directors and shall be countersigned by the President and/or one other officer so designated by the Board; and shall at all reasonable times exhibit the books and accounts of the

Corporation to any Director of the Corporation upon application at the office of the Corporation during ordinary business hours.

**Section 6. Assistant Treasurers.** During the absence or disability of the Treasurer, the Assistant Treasurer, or if there are more than one, the one so designated by the Treasurer or by the Board, shall have the powers and functions of the Treasurer.

**Section 7. Secretary.** The Secretary shall keep the minutes of the Board of Directors. He or she shall have the custody of the seal of the Corporation, if any, and shall affix and attest the same to documents when duly authorized by the Board of Directors; shall attend to the giving and serving of all notices of the Corporation; shall have charge of such books and papers as the Board of Directors may direct; shall attend to such correspondence as may be assigned; and shall perform all duties incidental to the office.

**Section 8. Assistant Secretaries.** During the absence or disability of the Secretary, the Assistant Secretary, or if there are more than one, the one so designated by the Secretary or by the Board, shall have the powers and functions of the Secretary.

**Section 9. Archivist.** In cooperation with and under the supervision of the Secretary, the Archivist shall maintain and preserve the books and papers of the Corporation in a safe location and manner, and shall perform all duties incidental to the office.

**Section 9. LVP Complex Manager.** The Board may appoint a Director or other person to serve as Manager of the LVP Complex (former BOCES building) to administer the day-to-day affairs of the Corporation's interest in said building complex, reporting regularly to the Board, and between meetings of the Board, to the President. Should such person be a Member, he or she shall serve without compensation, and if not, to be compensated as the Board deems appropriate.

**Section 10. Sureties and Bonds.** In case the Board shall so require, any officer or agent of the Corporation shall execute to the Corporation a bond in such sum and with such surety or sureties as the Board may direct, conditioned upon the faithful performance of his or her duties to the Corporation and including responsibility for negligence and for the accounting of

all property, funds or securities of the Corporation which may come into his or her hands.

**Section 11. Authorization to Sign Checks.** The Board of Directors may adopt such resolutions as may be appropriate to open savings or checking accounts, and authorizing any three but not less than two officers to issue and sign checks.

## **ARTICLE VI - SEAL**

The seal of the Corporation shall be as follows: A circular impression, engraving, facsimile, or printing which shall have inserted around the circumference the full name of the Corporation and elsewhere there shall bear the words:

"Corporate Seal."

## **ARTICLE VII - INDEMNIFICATION**

The Corporation shall indemnify any person made, or threatened to be made, a party to an action or proceeding by reason of the fact that such person or his or her testator or intestate is or was a director or officer of the Corporation, or (to the extent not indemnified thereby) served any other corporation, partnership, joint venture, trust, employee benefit plan, or other enterprise at the request of the Corporation in the capacity of officer or director in the case of actions in the right of the Corporation and in any capacity in the case of all other actions, against judgments, fines, amounts paid in settlement, and reasonable expenses, including attorneys' fees, in the manner and to the full extent allowed by the Not-for-Profit Corporation Law, provided that no such indemnification shall be required with respect to any settlement or other non-adjudicated disposition of any threatened or pending action or proceeding unless the Corporation has given its prior consent to such settlement or other disposition.

The Corporation is authorized to the full extent allowed by the Not-for-Profit Corporation Law to purchase and maintain insurance to indemnify the Corporation for any obligation which it incurs as a result of the indemnification of directors and officers under the provisions of the Not-for-Profit Corporation Law, to indemnify directors and officers in instances in which they may be indemnified by the Corporation under the provisions of the Not-for-Profit Corporation Law, and to indemnify the directors and officers in instances in

which they may not otherwise be indemnified under the provisions of the Not-for-Profit Corporation Law.

### **ARTICLE VIII - FISCAL YEAR**

The fiscal year of the Corporation shall start on June 1 of each year and expire on May 31 of the following year.

### **ARTICLE IX - CODE OF ETHICS**

The Corporation has adopted the pertinent provisions of The Village of Lancaster Code of Ethics (Chapter 10 of the Village Code). All Officers, Directors and Members of and consultants to the Corporation will adhere to said Village of Lancaster Code of Ethics as the same may from time to time be promulgated, amended and interpreted, except that those parties required to file financial disclosure forms shall file the same with the Secretary of the Corporation on or before June 15<sup>th</sup> 2010, and annually thereafter on or before May 15<sup>th</sup>. The form to be filed shall be as promulgated by the Village.

### **ARTICLE X - CONSTRUCTION**

If there be any conflict between the provisions of the Certificate of Incorporation, as amended by the Restated Certificate of Incorporation, and these By-Laws, the provisions of the Certificate of Incorporation, as amended by the Restated Certificate of Incorporation, shall govern.

### **ARTICLE XI - AMENDMENTS**

These By-Laws may be amended by and only by the affirmative vote of at least two-thirds (2/3) of all the Members.

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Certified to be a true copy of the By-Laws as adopted at the annual meeting held on May 12, 2003, as amended at the annual meeting held on May 9, 2005, at the annual meeting held on May 8, 2006, at a special meeting of the membership held on June 26, 2006, at a special meeting of membership held on June 23, 2008, at the annual meeting held on May 10, 2010, and at the annual meeting held on May 23, 2011.



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Craig McRae, Jr., Secretary

Dated: May 23, 2011

SJayK, By-laws, VLCDC 6/08