

**BYLAWS**  
**OF**  
**ROCHESTER ECONOMIC DEVELOPMENT CORPORATION**

|                 |                           |
|-----------------|---------------------------|
| <b>Adopted:</b> | <b>May, 1983</b>          |
| <b>Amended:</b> | <b>October 18, 1984</b>   |
| <b>Amended:</b> | <b>February 11, 1986</b>  |
| <b>Amended:</b> | <b>March 20, 1986</b>     |
| <b>Amended:</b> | <b>April 27, 1990</b>     |
| <b>Amended:</b> | <b>February 11, 1992</b>  |
| <b>Amended:</b> | <b>July 13, 1994</b>      |
| <b>Amended:</b> | <b>August 27, 1996</b>    |
| <b>Amended:</b> | <b>May 28, 1998</b>       |
| <b>Amended:</b> | <b>June 28, 2000</b>      |
| <b>Amended:</b> | <b>August 2, 2002</b>     |
| <b>Amended:</b> | <b>October 27, 2009</b>   |
| <b>Amended:</b> | <b>April 14, 2016</b>     |
| <b>Amended:</b> | <b>October 23, 2018</b>   |
| <b>Amended:</b> | <b>January 19, 2018</b>   |
| <b>Amended:</b> | <b>July 18, 2019</b>      |
| <b>Amended:</b> | <b>August 29, 2018</b>    |
| <b>Amended:</b> | <b>August 15, 2019</b>    |
| <b>Amended:</b> | <b>September 14, 2020</b> |
| <b>Amended:</b> | <b>March 18, 2021</b>     |

**TABLE OF CONTENTS TO BE REVISED with FINAL BYLAW CHANGES**

|   |          |
|---|----------|
| <b>ARTICLE I – THE CORPORATION</b>                | <b>4</b> |
| Section 1. Name                                   | 4        |
| Section 2. Seal                                   | 4        |
| Section 3. Offices                                | 4        |
| Section 4. Registered Agent                       | 4        |
| Section 5. Records                                | 4        |
| <b>ARTICLE II – CHARACTER AND PURPOSES</b>        | <b>4</b> |
| <b>ARTICLE III – MEMBERS</b>                      | <b>5</b> |
| <b>ARTICLE IV – BOARD OF DIRECTORS</b>            | <b>5</b> |
| Section 1. Role and Responsibilities of Directors | 5        |
| Section 2. Number of Directors                    | 5        |
| Section 3. Appointment of Directors               | 5        |
| Section 4. Qualifications for Directors           | 6        |
| Section 5. Term of Office                         | 6        |
| Section 6. Resignation or Removal                 | 6        |
| Section 7. Vacancies                              | 7        |
| Section 8. Compensation                           | 7        |
| Section 9. Powers                                 | 7        |
| <b>ARTICLE V – MEETINGS</b>                       | <b>8</b> |
| Section 1. Regular Meetings                       | 8        |
| Section 2. Virtual Attendance                     | 8        |
| Section 3. Special Meetings                       | 8        |
| Section 4. Notice of Meeting                      | 8        |
| Section 5. Waiver of Notice                       | 8        |
| Section 6. Quorum                                 | 8        |
| Section 7. Action Without Meeting                 | 9        |
| Section 8. Manner of Acting                       | 9        |
| <b>ARTICLE VI – COMMITTEES</b>                    | <b>9</b> |
| Section 1. Committees: Generally                  | 9        |
| Section 2. Committee Chairpersons                 | 9        |
| Section 3. Standing Committees                    | 9        |
| Section 4. Executive Committee                    | 9        |
| Section 5. Governance Committee                   | 10       |
| Section 6. Finance Committee                      | 10       |
| Section 7. Audit Committee                        | 10       |
| Section 8. SBA Loan Committee                     | 11       |
| Section 9. Nomination Committee                   | 11       |
| Section 10. Quorum                                | 12       |
| Section 11. Records                               | 12       |

|   |           |
|---|-----------|
| Section 12. Removal   | 12        |
| Section 13. Ad-Hoc and Other Committees                               | 12        |
| Section 14. Revitalize Rochester Fund (RRF) Committee                 | 12        |
| <b>ARTICLE VII – OFFICERS</b>   | <b>13</b> |
| Section 1. Number, Appointment, and Role of Officers                  | 13        |
| Section 2. Term of Office   | 13        |
| Section 3. CEO  | 13        |
| Section 4. Secretary  | 13        |
| Section 5. Treasurer/Finance Director                                 | 14        |
| Section 6. Resignation or Removal                                     | 14        |
| Section 7. Vacancies  | 15        |
| <b>ARTICLE VIII – BONDS</b>   | <b>15</b> |
| <b>ARTICLE IX – AGENTS AND REPRESENTATIVES</b>                        | <b>15</b> |
| <b>ARTICLE X – CONTRACTS</b>  | <b>15</b> |
| <b>ARTICLE XI – PROHIBITION AGAINST SHARING IN CORPORATE EARNINGS</b> | <b>15</b> |
| Section 1. General Prohibition  | 15        |
| Section 2. Contracts and Services                                     | 15        |
| <b>ARTICLE XII – EXECUTION OF DOCUMENTS</b>                           | <b>16</b> |
| Section 1. Commercial Paper   | 16        |
| Section 2. Other Instruments  | 16        |
| <b>ARTICLE XIII – FISCAL YEAR</b>                                     | <b>16</b> |
| <b>ARTICLE XIV - INDEMNIFICATION</b>                                  | <b>16</b> |
| <b>ARTICLE XV - MISCELLANEOUS</b>                                     | <b>17</b> |
| Section 1. Finances   | 17        |
| Section 2. Checking Account   | 17        |
| Section 3. Affiliates; Subsidiaries                                   | 17        |
| Section 4. Parliamentary Procedure                                    | 17        |
| Section 5. REDCO General Counsel                                      | 17        |
| Section 6. Dissolution  | 17        |
| <b>ARTICLE XVI – POLICIES</b>   | <b>18</b> |
| Section 1. Conflicts of Interest Policy                               | 18        |
| Section 2. Whistleblower Policy                                       | 18        |
| Section 3. Additional Policies  | 18        |
| <b>ARTICLE XVII – AMENDMENTS</b>                                      | <b>18</b> |

## **ARTICLE I THE CORPORATION**

**Section 1. Name.** The name of the Corporation shall be "Rochester Economic Development Corporation," referred to, hereinafter, as "REDCO" or the "Corporation").

**Section 2. Seal.** The seal of the Corporation shall be in such form as may be determined by the REDCO Board of Directors (the "Board of Directors," each director, "Director").

**Section 3. Offices.** The principal office of REDCO shall be in the City of Rochester, County of Monroe, and State of New York. REDCO may have such other offices at such other places within or outside of the State of New York as the Board of Directors may from time to time designate by resolution. REDCO shall provide a reasonably accessible place of business open to the public with publicly available contact information.

**Section 4. Registered Agent.** REDCO shall have and continuously maintain a registered agent in the State of New York. From time to time, pursuant to the applicable provisions of law, the Board of Directors shall determine the name of the registered agent in the State of New York.

**Section 5. Records.** REDCO shall keep correct and complete books and records of account and shall keep minutes of the proceedings of the Board of Directors and each committee having any of the authority of the Board of Directors. REDCO shall keep at its principal office a record of the name and address of each Director.

- a) Documents prepared by or submitted to the Board of Directors shall be records subject to public disclosure as provided in the New York Freedom of Information Law.
- b) REDCO shall comply with 21 NYCRR 1401, including designating a records access officer pursuant to 22 NYCRR 1401.2 and a separate appeals officer pursuant to 22 NYCRR 1401.7.

## **ARTICLE II CHARACTER AND PURPOSES**

REDCO is a nonprofit corporation organized and operated not for pecuniary profit. REDCO is organized exclusively to:

- a) receive, distribute, and administer funds for such educational and charitable purposes in the City of Rochester within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986;
- b) perform activities pertaining to economic development within the State of New York, including development of residential, commercial, industrial, and other real estate in a manner beneficial to the City of Rochester;
- c) undertake community development and economic development activities and projects on such scale as may be necessary, appropriate, or desirable to improve the social, cultural, institutional, or physical environment of the City of Rochester; and

- d) undertake any action deemed necessary or desirable by the Directors of REDCO to assist redevelopment, economic development and redevelopment, and not-for-profit corporations in the City of Rochester.

REDCO shall act in a non-partisan, non-sectarian, and non-commercial manner. Solely for the above purposes, REDCO may:

- a) hold any property or any undivided interest therein, without limitation as to amount or value;
- b) dispose of any such property and may invest, reinvest, or deal with the principal or the income in such manner as will best promote the purposes of REDCO without limitation except such limitations, if any, as may be contained in the instrument under which such property is received, the Certificate of Incorporation, the Bylaws of REDCO, or any applicable laws; and
- c) perform any other act or thing connected with the foregoing purposes or in advancement thereof, but not for the pecuniary profit or financial gain of its Directors or Officers.

REDCO shall have an additional purpose to serve or provide investment capital to Low-Income Communities, Low-Income Businesses, or Low-Income Persons as defined in the law and regulations of the New Markets Tax Credit Program of the federal government.

REDCO seeks to promote diversity and ensure equal opportunity and inclusion in its leadership and its activities regardless of race, ethnicity, sex, disability, national origin, socio-economic status, religion, sexual orientation, or gender identity.

### **ARTICLE III MEMBERS**

REDCO shall have no members.

### **ARTICLE IV BOARD OF DIRECTORS**

**Section 1. Role and Responsibilities of Directors.** The Board of Directors shall oversee and control the business and property of REDCO. The Board of Directors will be actively involved in encouraging economic development and shall attend both regular and special meetings as officially called, as well as actively participate in one of the Board of Directors' standing committees or ad hoc committees. Three consecutive unexcused absences on the part of a Director of the Board of Directors may be cause for removal.

Directors should bring their expertise, point of view, and influence to bear on economic development issues and opportunities. Further, they need to be articulate spokespersons for REDCO and its mission and activities when called upon. Directors must be effective ambassadors, leveraging their network of resources and contacts, for both REDCO and the City of Rochester, New York.

**Section 2. Number of Directors.** The Board of Directors shall number not less than five (5) and not more than eleven (11) voting Directors. The number of Directors may be increased or decreased by amendment to these Bylaws in the manner set forth in Article XVII but shall not be less than five (5) persons.

**Section 3. Appointment of Directors.** The Board of Directors shall consist of:

- a) Three (3) persons appointed by the Mayor of the City of Rochester;
- b) Two (2) persons appointed by resolution by the Rochester City Council; and
- c) Not more than six (6) persons nominated by the Nomination Committee; the Board of Directors will appoint these Directors. These Directors shall represent the philanthropic, business, technology, manufacturing, economic, community, or workforce development sectors of the City of Rochester.

The Chair of the Board of Directors (“Chair”) shall be elected from among the Directors. The Chair shall preside at all meetings of the Board of Directors, at which he or she shall be present, and shall perform such other duties as are incident to the office, or as are properly required by the Board of Directors.

**Section 4. Qualifications for Directors.** At least three (3) Directors shall be residents of the City of Rochester. A Director is deemed to reside in the City of Rochester if that Director’s primary residence is located in the City of Rochester, or if that Director is the owner of a business located in the City of Rochester, works for a business located in the City of Rochester, or works for an organization that has contributed substantially to the City of Rochester. Each Director shall be at least eighteen (18) years of age. Directors nominated by the Nomination Committee shall be persons actively involved in the civic, community, educational, cultural, financial, commercial, industrial, institutional, charitable, or professional community of the City of Rochester, and at least one such Director shall have expertise in finance or accounting. Directors nominated by the Nomination Committee shall not hold any elective or appointed office of, nor be employees of, the City of Rochester, and the office of such Director shall become vacant immediately upon such person being an office holder or an employee of the City.

**Section 5. Term of Office.** Except as provided herein with respect to the initial terms of the first Directors nominated by the Nomination Committee, Directors shall not serve more than three (3) consecutive three (3) year terms.

The Chair will stagger and draw the initial terms of the Directors nominated by the Nomination Committee by lottery.

Notwithstanding anything herein to the contrary, any former Director, including without limitation a former Director that served three (3) consecutive terms, may be re-elected to the Board of Directors of the Corporation by a majority vote of the directors then in office, *provided* that such former director has not served on the Board of Directors of the Corporation for a period of one (1) year or longer at the time of such re-election and that the number of such former directors may be no more than one half of newly appointed directors.

**Section 6. Resignation or Removal.** Any Director may resign at any time by giving written notice to the Board of Directors, the CEO, or the Secretary of REDCO. Unless otherwise specified in the notice, the resignation shall take effect upon its receipt by the Board of Directors or such Officer. Acceptance of such resignation shall not be necessary to make it effective.

The entity any Director represents or works for may remove that Director from office with or without cause.

The Board may remove any Director at its discretion with or without cause pursuant to Not-For-Profit Corporation Law Section 706.

**Section 7. Vacancies.** Whatever the cause, the appointing body for a Director shall appoint a new Director to fill that Director's vacancy.

**Section 8. Compensation.** All Directors shall serve without compensation, but REDCO will reimburse Directors for approved actual and necessary expenses incurred by them in conducting the business of REDCO.

**Section 9. Powers.** The Board of Directors is solely empowered to make policy decisions. The Board of Directors shall oversee the property and affairs of REDCO. The Board of Directors has all and unlimited powers and authorities, except as expressly limited by law, the Articles of Incorporation, or these Bylaws, provided, however, that:

- a) the Board of Directors shall not authorize or permit REDCO to engage in any activity not permitted to be transacted by the Articles of Incorporation or by a not-for-profit corporation organized under the laws of the State of New York;
- b) none of the powers of REDCO shall be exercised to carry on activities that are not in themselves a furtherance of the purposes of REDCO; and
- c) REDCO shall apply all of its income and property exclusively for its not-for-profit purposes.

In conformance with Section 2824 of the Public Authorities Law, the Board of Directors shall perform duties including but not limited to the following: establish rules and regulations to govern the facilities and personnel of REDCO (herein called the "Policies") and amend the Policies from time to time. Further, the Board of Directors shall :

- a) construe the Articles of Incorporation, Bylaws, and Policies;
- b) designate from time to time a depository bank or banks for the funds of REDCO;
- c) approve the employment and salary of the CEO;
- d) delegate to the CEO of REDCO such control and supervision over the affairs of REDCO as the Board of Directors may deem advisable;
- e) approve, by appropriate resolution, the purchase, sale, lease, mortgage, pledge, or other disposal of real estate and the borrowing and loaning of money;
- f) supervise, control, and direct, generally, the property, affairs, and activities of

- REDCO, subject only to the limitations expressly set forth in the Articles of Incorporation or these Bylaws;
- g) transact necessary business in the intervals between Corporation meetings and such other business as may be referred to it by REDCO;
  - h) create standing committees, and change and/or reassign duties and/or responsibilities of the standing committees as necessary;
  - i) approve the plans of work of the standing committees;
  - j) create special committees as deemed necessary to carry on the work of REDCO. Since a special committee is created for a specific purpose, it automatically goes out of existence when its work is done and its final report is received;
  - k) approve the appointment of an auditing company through a competitive process at least two weeks prior to the final meeting of the fiscal year to audit REDCO's accounts;
  - l) review and act on the yearly budget as submitted by the CEO and ensure that expenditures are within the limits of the budget; and
  - m) hire, supervise, evaluate, and, if necessary, terminate the CEO of REDCO.

## **ARTICLE V MEETINGS**

**Section 1. Regular Meetings.** The Board of Directors may hold regular meetings at least quarterly each year at a place and on a date and time determined by the Board.

The Chair shall preside at all meetings of the Board of Directors. The Vice Chair shall preside in the Chair's absence. The Board of Directors may provide, by resolution, for additional regular meetings without notice other than the notice provided by resolution.

REDCO shall provide provisions to permit the public to attend meetings. All meetings shall be open to the public, and comply with New York Open Meetings Law, Public Officers Law, Article 7.

**Section 2. Virtual Attendance.** Directors may participate and vote in Board or committee meetings through video conferencing, including internet-based virtual meeting or conferencing technology, or other such technology by which all participants can simultaneously participate in meetings through video, provided that members of the public are able to attend, listen, and observe at any site at which a Director is physically located in compliance with New York Open Meetings Law Section 103(c). Participation by such means shall constitute presence in person at a meeting.

**Section 3. Annual Meeting.** An Annual meeting of the Board shall be held in May of each year for the purposes of electing Board officers, electing new Directors, and adopting the yearly budget.

**Section 4. Special Meetings.** The Chair or the CEO may call special meetings of the Board of Directors. The Secretary will send minutes of the special meeting to the Board of Directors within two (2) weeks after the meeting. A special meeting of directors is not required to be held at

a geographic location if the meeting is by means of telephone conference, internet, video conferencing, or other technology by which all directors can simultaneously participate.

**Section 5. Notice of Meeting.** Notice of all meetings of the Board of Directors, including notice by telephone, facsimile, e-mail, or other internet-based or technology methods, shall contain the date, time, and place of the meeting, and shall be received by each Director not less than three (3) days in advance of the meeting. Public notice shall be made in compliance with New York Open Meetings Law Section 104.

**Section 6. Waiver of Notice.** Directors may waive any required notice in a signed writing filed with the meeting minutes. Attendance of a Director at any meeting shall constitute a waiver of notice of the meeting, except where the Director attends a meeting and expressly objects to the lack of notice.

**Section 7. Quorum.** A majority of the Board of Directors entitled to vote shall constitute a quorum for the transaction of business at any meeting of the Board of Directors.

If less than a quorum is present for a duly notified meeting of the Board of Directors, those present may adjourn the meeting to some other time or until a quorum is present.

**Section 8. Manner of Acting.** Except as indicated herein, the act of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors. All Directors shall be entitled to one vote.

## **ARTICLE VI COMMITTEES**

The Board of Directors may, by general resolution, delegate to committees of their own number such powers as they may see fit.

**Section 1. Committees: Generally.** The Chair shall nominate individuals to serve on committees. The Board of Directors, by resolution adopted by a majority of the entire Board of Directors, shall appoint the members of the standing committees. Such members may include non-Board members, except for the Executive and Audit committees, as proposed by the Nomination Committee and approved by the Board of Directors.

Committees shall report any actions taken at a meeting to the Board of Directors at its next meeting. However, when the meeting of the Board of Directors is held within two (2) days after the committee meeting, such report, if not made at the first meeting, shall be made to the Board of Directors at its second meeting following such committee meeting.

**Section 2. Committee Chairpersons.** Upon recommendation of the Nominating Committee, the Board of Directors shall appoint Committee Chairpersons.

**Section 3. Standing Committees.** The standing committees shall be the Executive Committee, the Governance Committee, the Finance Committee, the Audit Committee, and the SBA

Loan Committee.

**Section 4. Executive Committee.** The Board of Directors shall appoint an Executive Committee consisting of all Board officers and two other Directors proposed by the Nomination Committee. The Chair shall act as Chair of the Executive Committee. The Executive Committee has the authority to transact necessary business in the intervals between Board of Directors meetings and such other business as may be referred to it by REDCO.

The Executive Committee shall not have the power to:

- a) amend the Certificate of Incorporation or make, alter, or repeal any Bylaw of REDCO;
- b) elect or appoint any Director or remove any Officer or Director;
- c) amend or repeal any resolution theretofore adopted by the Board of Directors that by its terms only by the Board can amend or repeal; and
- d) take any action that requires by law, the Certificate of Incorporation, or these By-laws a majority vote of the entire Board.

**Section 5. Governance Committee.** The Board of Directors shall appoint a Governance Committee of at least three (3) independent Directors, as defined in Section 2825 of the Public Authorities Law, who shall constitute a majority on the Committee. The Governance Committee shall, among other duties, propose, review, and oversee corporate governance policies. The members of the Governance Committee shall serve as a Nominations Committee. The Committee will evaluate the Board of Directors and examine the skills and characteristics needed in board candidates. The Committee will identify suitable candidates for various director positions.

**Section 6. Finance Committee.** Upon the recommendation of the Nomination Committee, the Board of Directors shall appoint a Finance Committee of at least three (3) independent Directors, as defined in Section 2825 of the Public Authorities Law, who shall constitute a majority on the Committee. The Finance Committee will ensure that REDCO properly files all Federal and State taxes, reviews REDCO's annual receipts and disbursements to certify their accuracy as required by law, and advises the Board of Directors in the event the New York Charitable Registrations Section requires a certified audit. The Chairperson of the Finance Committee shall be the Treasurer unless otherwise appointed by the Board of Directors. The Finance Committee shall:

- a) oversee the integrity of REDCO's financial statements;
- b) monitor the performance of REDCO's financial statements;
- c) review REDCO's annual budget with respect to REDCO's needs and the availability of REDCO's resources, and make recommendation to the Board of Directors for approval;
- d) review the financial management systems of REDCO, including critical accounting policies and significant changes in the selection or application of accounting principles and REDCO's internal control processes on an annual basis; and
- e) oversee REDCO's investment policy, including recommending to the Board an investment company.

**Section 7. Audit Committee.** The Board of Directors shall appoint an Audit Committee of at least three (3) independent members, as defined in Section 102 of the Not-for-Profit Corporation Law. The Audit Committee shall assist the Board of Directors in its oversight and monitoring of REDCO's systems of internal controls and risk mitigation. The Executive Committee shall determine that Committee members have a basic understanding of finance, accounting, and fundamental financial statements and that at least one member of the Committee possesses the requisite accounting or financial management expertise and meets the financial expert criteria as set forth in of Section 407 of the Sarbanes-Oxley Act of 2002. The Treasurer shall chair the Audit Committee. The Audit Committee shall:

- a) review qualifications, independence, and performance of independent auditors; make a recommendation to the Board of Directors for the purpose of selecting, retaining, and overseeing external auditors;
- b) report and recommend the results of audit findings to the Board of Directors for approval;
- c) monitor progress toward correcting audit issues;
- d) review annual Form 990 filing and make recommendation to the Board of Directors for approval;
- e) review REDCO's insurance coverage on an annual basis;
- f) investigate complaints received by the organization regarding its accounting, internal controls, or audit matters;
- g) review accounting staff allocation among the various agencies under REDCO's umbrella;
- h) review unbudgeted expenditures over \$10,000 and recommend to the Board of Directors for approval;
- i) review banking relationships on an annual basis;
- j) ensure compliance with New York Public Authorities Law, Article 9, Title 1; and
- k) establish a Compliance/Affirmative Action Sub-Committee to monitor the compliance efforts of REDCO and the Affiliated Agencies with respect to affirmative action, minority-and women-owned business enterprises, small and local business enterprises, and construction workforce policies adopted by REDCO and the Affiliated Agencies.

**Section 8. SBA Loan Committee.** The SBA Loan Committee shall be a standing committee and shall consist of at least five (5) members including two members with commercial lending experience satisfactory to the U.S. Small Business Administration (SBA). No CDC staff member nor CDC Manager may serve on this committee. At all meetings of the SBA Loan Committee, five (5) members shall constitute a quorum, and except to the extent otherwise provided by law, all actions of the committee shall be by a majority of votes cast, provided that the votes cast shall be at least equal to a quorum. There shall be no actual or apparent conflict of interest with respect to any actions of the loan committee.

The committee shall be empowered solely to make recommendations to the Board of Directors concerning the approval, default, or modification of a loan or other final action concerning a loan. The committee shall in no way diminish the power of the Board of Directors to make such decisions.

For SBA 504 loans, the SBA Loan Committee may exercise the authority of the Board only as set forth in 120.823 (d)(4)(ii) (Code of Federal Regulations-Board of Directors); however, the delegation of its authority does not relieve the Board of its responsibility imposed by law or loan program requirements. The credit approval of the loan committee is limited to \$1,000,000.

REDCO shall implement the capability requirements set forth in Section 108.503-1 (a) of SBA Regulations.

REDCO shall not participate in any SBA programs other than those permitted under Title V of the Small Business Investment Act. As long as REDCO remains engaged as a Certified Development Corporation as defined under the SBA and is engaged in the making of SBA 504 loans, each SBA Loan Committee member shall annually certify in writing that they have read and understand 13 CFR (Code of Federal Regulations 120.823 (CDC Board of Directors)). Copies of such certifications shall be included in REDCO's Annual Report to the U.S. Small Business Administration.

**Section 9. Committee Meetings.** All committee meetings shall comply with New York Open Meetings Law, Public Officers Law, Article 7.

**Section 10. Quorum.** A majority of each committee shall constitute a quorum for the transaction of business.

**Section 11. Records.** Any committee established pursuant to these Bylaws shall keep in a record of proceeding of any actions taken at a meeting in compliance with New York Open Meetings Law Section 106.

**Section 12. Removal.** The Board of Directors may remove any committee member for any reason.

**Section 13. Ad-Hoc and Other Committees.** A majority of all the Directors in office must approve the creation of any committee (other than the foregoing standing committees) and appoint members to it. The Board of Directors may from time to time establish such committees and confer upon them such powers as they deem expedient for the conduct of REDCO's business, except that a committee of the Board may not:

- a) authorize distributions to Directors, Officers, agents, or employees except in exchange for value received;
- b) approve or recommend to the Board of Directors the dissolution, merger, sale, pledge, or transfer of all, or substantially all, of REDCO's assets;
- c) unless otherwise stated in the Bylaws or Articles of Incorporation, elect, appoint, or remove Directors or fill vacancies on the Board of Directors or on any of its committees; or
- d) adopt, amend, or repeal the Articles or Bylaws. The Board of Directors may provide that the members of such committees need not all be members of the Board of Directors.

**Section 14. Revitalize Rochester Fund (RRF) Committee.** The RRF Committee is an ad hoc committee to provide recommendations to the Board of Directors for development projects utilizing the Revitalize Rochester Fund. The purpose will be to:

- a) assist REDCO in setting the strategic direction for RRF funding programs;
- b) assist the Board of Directors in fulfilling its oversight responsibilities with respect to REDCO lending and grant making via the RRF;
- c) assist the Board of Directors in fulfilling its oversight responsibilities with respect to REDCO's RRF loan servicing operations; and
- d) fulfill such other responsibilities as assigned by the Board of Directors.

The Board of Directors shall appoint the RRF Committee members. Members shall serve on the committee at the discretion of the Board of Directors. Members appointed to the committee shall have the background necessary to perform its duties.

## **ARTICLE VII OFFICERS OF THE BOARD OF DIRECTORS**

**Section 1. Number, Appointment, and Role of Officers.** The Board of Directors is the governing arm of a nonprofit organization. The officers of the Board of Directors oversee and direct the major aspects of the organization's operations. The role of Board of Directors' officers is critical to proper governance.

The officers of the Board of Directors shall be the Chair, Vice Chair, Secretary, Treasurer, and such other officers as may be determined from time to time by the Board of Directors ("Officer" or "Officers"). The same person may hold any two offices, except those of Chair and Secretary. However, no Officer may execute, acknowledge, or verify any instrument in more than one capacity if the law or the Bylaws require two or more Officers to execute, acknowledge, or verify the instrument.

The Board of Directors shall appoint the CEO.

The Board of Directors may, by general resolution, delegate to Officers of REDCO such powers as they may see fit.

**Section 2. Term of Office.** All Officers shall be elected annually by the Board of Directors and shall serve for such terms (not exceeding two (2) years), or until their replacements are appointed, and there shall be no limitation on the number of reappointments or consecutive terms. Officers' terms of office begin immediately upon election or at such later time as may be specified by the Board of Directors, but not later than the last day of the fiscal year and shall continue until their term ends or the Board elects a successor.

**Section 3. Chair.** The Board Chair is the head of the Board of Directors. The Chair will preside at all meetings of the Board of Directors. The Chair shall perform all duties attendant to that office, subject, however, to the control of the Board of Directors, and shall perform such other duties as on occasion shall be assigned by the Board of Directors. The Chair shall:

- a) serve as the chief volunteer of the organization;
- b) be a partner with the CEO in achieving the Corporation's mission;
- c) provide leadership to the Board of Directors, ensuring the effective action of the Board of Directors in governing and supporting the organization;
- d) ensure that the Board of Directors' directives are implemented and monitored;
- e) oversee Board of Directors' affairs;
- f) act as the representative of the Board of Directors as a whole, rather than as an individual supervisor to REDCO staff;
- g) chair board meetings after developing the agenda with the CEO;
- h) ensure that Board of Directors' matters are handled properly including preparation of pre-meeting materials, committee functioning and recruitment, and orientation of new board members;
- i) encourage the Board of Directors' role in strategic planning;
- j) recommend to the Board of Directors what committees are to be established;
- k) seek volunteers for committees;
- l) coordinate individual Director assignments;
- m) make sure each committee has a chair (identify committee recommendations in consultation with other Directors);
- n) stay in touch with each committee's chair to be sure the work is carried out;
- o) identify committee recommendations to present to the full Board of Directors;
- p) determine whether executive committee meetings are necessary and convene the committee accordingly;
- q) serve ex officio as a member of committees and attend their meetings when invited;
- r) discuss with the CEO issues of concern to the Board of Directors or the Corporation;
- s) help guide and mediate Board of Directors' actions with respect to REDCO priorities and governance;
- t) monitor financial planning and financial reports;
- u) play a leading role in fundraising activities;
- v) formally evaluate the performance of the CEO;
- w) cause an annual evaluation of the effectiveness of Directors;
- x) evaluate annually the performance of the organization in achieving its mission;
- y) speak to the media and the community on behalf of the organization (as does the CEO);
- z) represent the organization in the community (as does the CEO).

**Section 4. Vice Chair.** The Vice-Chair will preside at meetings of the Board of Directors in the absence of, or at the request of, the Chair. The Vice-Chair shall perform other duties as requested and assigned by the Chair, subject to the control of the Board of Directors. The vice Chair of the Board of Directors shall be prepared at all times to assume the role of Chair, if necessary. The Vice Chair shall:

- a) report to the Chair;
- b) act as Chair in the Chair's absence;
- c) assist the Chair on specified duties;

- d) work closely with the Chair and other Directors;
- e) participate closely with the Chair to develop and implement officer transition plans; and
- f) handle special areas of responsibility as assigned by the Chair or Board of Directors.

**Section 4. Secretary.** The Secretary shall be responsible for all official correspondence of REDCO and in general perform all duties incident to the office of Secretary and such other duties as the Chair or the Board of Directors from time to time may assign to him or her.

Upon the request of the Chair, CEO, or three (3) Directors of the Board of Directors, the Secretary shall call a special meeting of the Board of Directors. The Secretary shall:

- a) keep the minutes of the meetings of the Board of Directors;
- b) ensure the accuracy and security of the records;
- c) distribute the minutes to Directors shortly after each meeting;
- d) see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law;
- e) be custodian of the corporate records and of the seal of REDCO;
- f) see that the seal of REDCO is affixed to all documents, the execution of which on behalf of REDCO under its seal is duly authorized in accordance with the provisions of these Bylaws;
- g) designate a person for the task if the Secretary is unavailable to perform the secretarial duties;
- h) maintain records of the Board of Directors; and
- i) be prepared to assume the leadership role when the Chair and Vice Chair are unavailable.

**Section 5. Treasurer** The Treasurer shall oversee the management and reporting of the financial affairs of REDCO and present a report summarizing REDCO's financial condition at Board meetings, using the statements that REDCO's financial officer prepared. The Treasurer's execution of responsibilities will have a strong impact on the public's perception, trust, and assurance in REDCO as a whole. The Treasurer should have thorough knowledge and understanding of REDCO's financial reports and important financial ratios, operating supplementary to the CFO. The Treasurer shall:

- a) lead the development of high level financial policies and controls and their review by the Board of Directors;
- b) provide support to the organization's Director of Finance;
- c) assist in the preparation of the annual budget and its presentation to the Board of Directors for review;
- d) ensure that the appropriate monthly or quarterly financial statements are reviewed by the Board of Directors;
- e) ensure that the Board of Directors regularly monitors the organization's financial performance and compliance with Board of Directors-approved financial policies;

- f) assist staff with investment of funds consistent with applicable laws, Board of Directors-approved policies, and REDCO's mission;
- g) chair the Finance and Audit Committee;
- h) select and meet annually with the auditor;
- i) review results of annual Audit with outside CPA firm;
- j) present results of audit to the Board of Directors; and
- k) perform such other duties as requested and assigned by the Board of Directors of Directors.

Ultimately, while financial management is the primary focus of the Treasurer, the entire Board of Directors shares the responsibility of financial oversight and accountability.

**Section 6. Resignation or Removal.** Any Officer by notice in writing to the Board of Directors may resign at any time. The Board of Directors may remove any Officer from office, with or without cause, by the affirmative vote of a majority of a quorum of the Board of Directors (excluding such Director) at any regular or special meeting called for that purpose.

Any Officer proposed to be removed shall be entitled to at least five (5) days' notice in writing by mail or email of the meeting of the Board of Directors at which the Board of Directors will vote on such removal and shall be entitled to appear before and be heard by the Board of Directors at such meeting.

**Section 7. Vacancies.** Upon recommendation of the Nomination Committee, the Board of Directors shall elect an Officer to fill the unexpired term of any vacancy occurring prior to the expiration of the term of any of the Officers at its next meeting.

## **ARTICLE VIII CEO OF REDCO**

**Section 1. CEO.** The Board of Directors may, by general resolution, delegate to the CEO of REDCO such powers as they may see fit. Subject to the control and oversight of the Board of Directors, the CEO supervises the general management of and controls all the business and affairs of REDCO. Unless otherwise directed by the Board of Directors, all other Officers shall be subject to the authority and supervision of the CEO. The CEO, with the consent of the Board of Directors, may enter into and execute (manually or by facsimile signature) in the name of REDCO all agreements, contracts, deeds, bonds, notes, or other evidence of indebtedness and any other instruments of REDCO that are authorized, either generally or specifically, by the Board of Directors. The CEO's spending authority is up to \$25,000; any amounts over \$25,000, in total, for any vendor or any contract is subject to approval of the Board of Directors. Except as otherwise provided in these Bylaws, the CEO shall have the general powers and duties of management usually vested in the office of CEO of a corporation.

It is preferred but not required for the CEO to live in the City of Rochester.

The CEO shall be relieved of all responsibility for any monies or other valuable property or the disbursement thereof committed by the Board of Directors to the custody of any other person or corporation, or the supervision that the Board of Directors delegates to any other Officer, agent, or employee.

## **ARTICLE IX BONDS**

The Board of Directors has the power to require that the Officers, agents, and employees of REDCO shall furnish a corporate surety bond for the faithful performance of their respective duties, including responsibility for negligence and the accounting for all property funds or securities of REDCO that may be handled by the Officers, agents, or employees, in such amounts as the Board of Directors shall determine. REDCO will bear the expense of such bond.

## **ARTICLE X AGENTS AND REPRESENTATIVES**

The Board of Directors may appoint agents and representatives of REDCO with such powers to perform acts or duties on behalf of REDCO as the Board of Directors may see fit, consistent with these Bylaws and to the extent authorized by law.

## **ARTICLE XI CONTRACTS**

The Board of Directors, except as otherwise provided in these Bylaws, may authorize in writing any Officer or agent to enter into any contract or execute and deliver any instrument in the name of, and on behalf of, REDCO. Such authority may be general or confined to a specific instance; and unless so authorized by the Board of Directors, no Officer, agent, or employee shall have any power or authority to bind REDCO by any contract or engagement, or to pledge its credit, or render it liable.

## **ARTICLE XII PROHIBITION AGAINST SHARING IN CORPORATE EARNINGS**

**Section 1. General Prohibition.** No Director, Officer, employee, committee member, person connected with REDCO, or any other private individual shall receive at any time any of the net earnings or pecuniary profit from the operations of REDCO, provided that this shall not prevent the payment to any such person of such reasonable compensation for services rendered to or for REDCO in effecting any of its purposes as shall be fixed by the Board of Directors; and no such person or persons shall be entitled to share in the distribution of any of the corporate assets upon the dissolution of REDCO.

**Section 2. Contracts and Services.** In the event REDCO proposes to enter into a contract or transaction in which a Director or Officer is interested directly or indirectly, the Board of Directors shall comply with the obligations set forth in Section 715 of the Not-for-Profit Corporation Law and must have two-thirds (2/3) majority vote of all the Directors to approve the contract or transaction. The interested Director or Officer shall disclose to the Board of Directors the nature

and extent of his or her interest, and the minutes of the meeting called to authorize such contract shall disclose this interest. No Director who has such an interest shall vote on any matter relating to such interest.

### **ARTICLE XIII EXECUTION OF DOCUMENTS**

**Section 1. Commercial Paper.** The CEO (or in the CEO's absence, the Treasurer) of REDCO, or such other person or persons as the Board of Directors may, from time to time designate, shall sign all checks, notes, drafts, and other commercial paper of REDCO. For checks over \$25,000, two signatures from the following persons shall be required: CEO, Treasurer, Secretary, or the Chair of REDCO.

**Section 2. Other Instruments.** The CEO (or in the CEO's absence, the Treasurer/Finance Director) of REDCO, or such other person or persons as the Board of Directors or the Chair of REDCO may, from time to time, designate shall execute all deeds, mortgages, and other instruments.

### **ARTICLE XIV FISCAL YEAR**

The fiscal year of REDCO shall begin on October 1 of each year and end on September 30. The Board of Directors, subject to applicable law, shall the fix the fiscal year of REDCO from time to time.

### **ARTICLE XV INDEMNIFICATION**

To the extent permitted by law, REDCO shall indemnify any persons made a party to an action by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that they, their testator or intestate, is or was, a Director or Officer of the Corporation, against the reasonable expenses, including attorney's fees, actually and necessarily incurred by them in connection with the defense of such action, or in connection with an appeal therein, except in relation to matters as to which such Directors or Officers are adjudged to have breached their duty to the Corporation under Section 717 of the Not-for-Profit Corporation Law.

To the extent permitted by law, REDCO shall indemnify any person made or threatened to be made a party to an action or proceeding other than one by or in the right of REDCO to procure judgment in its favor, whether civil or criminal, including an action by or in the right of any corporation of any type or kind, domestic or foreign, or any partnership, joint venture, trust, employee benefit plan, or other enterprise, which any Directors or Officers of REDCO served in any capacity at the request of the Corporation, by reason of the fact that they, their testator or intestate, were a Director or Officer of the Corporation, or served such other corporation, partnership, joint venture, trust, employee benefit plan, or other enterprises in any capacity, against judgments, fines, amounts paid in settlement, and reasonable expenses, including attorney's fees actually and necessarily incurred as a result of such action or proceeding, or any appeal therein, if such Director or Officer

acted in good faith for a purpose which Director reasonably believed to be in or, in the case of service for any other corporation or any partnership, joint venture, trust, employee benefit plan, or other enterprise, not opposed to the best interests of the Corporation and, in criminal actions or proceedings, in addition, had no reasonable cause to believe that their conduct was unlawful.

The foregoing rights of indemnification shall not be exclusive of other rights to which any Director, Officer, or other person may be entitled.

REDCO may purchase insurance for Directors, Officers, and legal counsel as authorized by Section 726 of the Not-for-Profit Corporation Law. Insurance shall include Directors and Officers Liability insurance.

## **ARTICLE XVI MISCELLANEOUS**

**Section 1. Finances.** Petty cash accounts may be maintained at the discretion of the Board of Directors in such amount as they may determine. The Treasurer will report all receipts and expenses and other disbursements in a report to the Finance Committee of the Board of Directors.

**Section 2. Checking Account.** REDCO shall maintain one or more checking accounts at a bank (or banks) determined by the Board of Directors.

**Section 3. Affiliates; Subsidiaries.** REDCO shall not create affiliate entities or subsidiaries absent unanimous vote of the Directors.

**Section 4. Parliamentary Procedure.** Roberts Rules of Order is the parliamentary authority in all instances not directly addressed in the Bylaws.

**Section 5. REDCO General Counsel.** The Board of Directors shall appoint REDCO's General Counsel.

**Section 6. Dissolution.** In the event REDCO voluntarily dissolves in accordance with the provisions of the Not-for-Profit Corporation Law of the State of New York, all of the assets of REDCO, subject to the rights of its creditors, shall revert to the City of Rochester.

## **ARTICLE XVII POLICIES**

**Section 1. Conflicts of Interest Policy.** REDCO will oversee the implementation of and compliance with a conflict of interest policy pursuant to Not-for-Profit Corporation Law Section 715-A.

**Section 2. Whistleblower Policy.** REDCO will oversee the implementation of and compliance with a whistleblower policy pursuant to Not-for-Profit Corporation Law Section 715-B.

**Section 3. Additional Policies.** The conflict of interest, whistleblower, and additional policies of REDCO will be available on REDCO's website.

## **ARTICLE XVIII AMENDMENTS**

These Bylaws may be altered, amended, revised, or repealed, and new Bylaws adopted by an affirmative vote of not less than two-thirds (2/3) of all the Directors. REDCO shall provide notice of any proposed alteration, amendment, or repeal not less than ten (10) days before the meeting at which they will consider such alteration, amendment, revision, or repeal, in the same manner as notice of a meeting.