

ORGANIZATIONAL RESOLUTION

The organizational meeting of the Board of Directors of the **Owasco Lake Watershed Management Council, Inc.** was convened on March 11, 2011 at 12:00 p.m..

The following resolution was duly offered and seconded, to wit:

Resolution No. 1

ORGANIZATIONAL RESOLUTION OF THE **OWASCO LAKE WATERSHED MANAGEMENT COUNCIL, INC.** ADOPTING CERTAIN POLICIES, STANDARDS AND PROCEDURES RELATING TO ITS ORGANIZATION AND IN CONNECTION WITH THE PUBLIC AUTHORITIES ACCOUNTABILITY ACT OF 2005, AS AMENDED BY CHAPTER 506 OF THE LAWS OF 2009 OF THE STATE OF NEW YORK

WHEREAS, pursuant to Section 1411 of the Not-for-Profit Corporation Law (“N-PCL”, and hereinafter referred to as the “Act”), and a Certificate of Incorporation (the “Certificate”) filed with the New York Secretary of State on the 23rd day of February, 2011 (a copy of said Certificate being attached hereto as **Exhibit A**), the **Owasco Lake Watershed Management Council, Inc.** (the “Corporation”) has been established as a not-for-profit, local development corporation to relieve and reduce unemployment, promote and provide for additional and maximum employment, improve and maintain job opportunities, instructing or training individuals to improve or develop their capabilities for such jobs, carrying on scientific research for the purpose of aiding a community or geographical area by attracting new industry to the community or area or by encouraging the development of, or retention of, an industry in the community or area, lessening the burdens of government and acting in the public interest, including undertaking programs and activities in furtherance of managing, monitoring and protecting the water resources of Owasco Lake and the water resources within the Owasco Lake Watershed for the well-being and benefit of the residents of the County; and

WHEREAS, the Directors of the Corporation (the “Directors”), as hereinafter defined and as appointed by the initial Directors and Members of the Corporation (the “Members”), desire to adopt proposed By-laws of the Corporation, such proposed By-laws being attached hereto as **Exhibit B**; and

WHEREAS, pursuant to Section 2 of the Public Authorities Law (“PAL”) of the State, the provisions of the Public Authorities Accountability Act of 2005, as amended by Chapter 506 of the Laws of 2009 of the State of New York (“PAAA”) apply to certain defined “local authorities”, including the Corporation; and

WHEREAS, the Corporation, by and through its Directors, desire to conduct the organizational meeting of the Directors, including the adoption of certain policies,

standards and procedures, and as directed by the Members, to comply with the provisions of the PAAA, Open Meetings Law and Freedom of Information Law.

NOW, THEREFORE, BE IT RESOLVED by the Directors of the Corporation as follows:

Section 1. The Directors of the Corporation hereby ratify the By-laws of the Corporation, in the form attached hereto as **Exhibit B**, as adopted by the Members of the Corporation on even date herewith.

Section 2. Pursuant to the By-laws, the following persons were appointed by the initial Directors and Members to serve as Directors of the Corporation until their respective successors are appointed and shall qualify or until their earlier resignations:

Hon. Peter A. Tortorici, Chairman, Cayuga County Legislature, ex officio
Hon. John J. Klink, Supervisor, Town of Owasco, ex officio
Mayor or City Council Member, City of Auburn, as approved by the City Council of the City of Auburn, ex officio

Pursuant to the By-laws, the following Directors are hereby elected to serve in the following Offices of the Corporation:

Chairman – Hon. Peter A. Tortorici
Vice Chairman – Hon. John J. Klink
Treasurer –
Secretary –

Pursuant to the By-laws, the following individuals are hereby appointed to serve in the following Offices of the Corporation:

Acting Chief Executive Officer – Hon. Peter A. Tortorici
Chief Financial Officer –
Acting Secretary – Eileen O’Connor

The foregoing officers shall enter upon the discharge of their duties as provided in the By-Laws of the Corporation.

Section 3. The Corporation shall engage the services of the professionals and institutions described on **Exhibit C** attached hereto.

Section 4. All acts and transactions of any director, including the initial Directors, as defined within the Certificate, or the persons named herein as officers of the Corporation that were taken or made prior to and including the date of the creation of the Corporation and all acts and transactions (if any) of any director, and the persons named herein as officers of the Corporation that were taken or made from the date of creation of the Corporation to the date of this resolution are ratified and approved.

Section 5. The Directors and other authorized representatives of the Corporation are hereby authorized, empowered and directed to do all things, and acts and to execute all documents as may be necessary, or advisable and proper, to carry on the business of the Corporation, for and on behalf of the Corporation, including, but not limited to, establishing a federal Employer Identification Number (“EIN”) for the Corporation and applying to the Internal Revenue Service and to the New York Department of Taxation and Finance for tax-exempt status and recognition.

Section 6. The Chair, Vice Chair, Chief Executive Officer, and Directors and other authorized representatives of the Corporation are hereby directed to develop a budget for the Corporation, with such budget to be reviewed, and if necessary, modified, for acceptance and approval at the next meeting of the Board.

Section 7. As required pursuant to subdivision 2 of Section 2824 of the PAL, all Directors shall participate in State-approved training regarding their legal, fiduciary, financial and ethical responsibilities as directors within one (1) year of their appointment to the Corporation. In addition, all Directors of the Board shall participate in such continuing training as may be required to remain informed of best practices, regulatory and statutory changes relating to the effective oversight of the management and financial activities of public authorities and to adhere to the highest standards of responsible governance. Further, each Director shall execute (i) a Certification of No Conflict of Interest (ii) an Acknowledgement of Fiduciary Duties and Responsibilities. Such certifications shall be executed in substantially the form attached hereto as **Exhibits D-1 and D-2**, respectively.

Section 8. On or before December 31, 2011, the Corporation shall prepare, adopt and submit to the Authorities Budget Office an authority mission statement and proposed measurements including the following components: a brief mission statement expressing the purpose and goals of the Corporation, a description of the stakeholders of the Corporation and their reasonable expectations from the Corporation, and a list of measurements by which performance of the Corporation and the achievement of its goals may be evaluated. The Corporation shall reexamine its mission statement and measurements on an annual basis, and publish a self-evaluation based on the stated measurements unless the Corporation obtains a waiver to the requirement to conduct such re-examination from the Authorities Budget Office pursuant to the PAL.

Section 9. Pursuant to subdivision 2(a) of Section 2800 of the PAL, unless the Corporation obtains a waiver to the requirement to provide such information from the Authorities Budget Office, the Board shall submit to each of the Member’s governing boards, and the Authorities Budget Office within ninety (90) days after the end of the Corporation’s fiscal year (with the first report due by March 31, 2012 for fiscal year ending December 31, 2011), a complete and detailed report (the “Annual Report”) by and through the Authorities Budget Office Public Authorities Information Reporting System (“PARIS”) that shall contain:

- (a) the Corporation's operations and accomplishments;
- (b) the Corporation's financial reports, including (i) audited financials in accordance with all applicable regulations and following generally accepted accounting principles as defined in subdivision ten of section two of the state finance law, (ii) grants and subsidy programs, (iii) operating and financial risks, (iv) current ratings if any, of its bonds issued by recognized municipal bond rating agencies and notice of changes in such ratings, and (v) long-term liabilities, including leases and employee benefit plans;
- (c) the Corporation's mission statement and measurements including its most recent measurement report;
- (d) a schedule of the Corporation's bonds and notes outstanding at the end of its fiscal year, together with a statement of the amounts redeemed and incurred during such fiscal year as part of a schedule of debt issuance that includes the date of issuance, term, amount, interest rate and means of repayment. Additionally, the debt schedule shall also include all refinancing, calls, refunding, defeasements and interest rate exchange or other such agreements, and for any debt issued during the reporting year, the schedule shall also include a detailed list of costs of issuance for such debt;
- (e) a compensation schedule that shall include, by position, title and name of the person holding such position or title, the salary, compensation, allowance and/or benefits provided to any officer, director or employee in a decision making or managerial position of the Corporation whose salary is in excess of one hundred thousand dollars (\$100,000);
- (f) the projects undertaken by the Corporation during the past year;
- (g) a listing of (i) all real property of the Corporation having an estimated fair market value in excess of fifteen thousand dollars (\$15,000) that the Corporation acquires or disposes of during such period. The report shall contain the price received or paid by the Corporation and the name of the purchaser or seller for all such property sold or bought by the Corporation during such period;
- (h) the Corporation's code of ethics;
- (i) an assessment of the effectiveness of its internal control structure and procedures;
- (j) a copy of the legislation that forms the statutory basis of the Corporation;
- (k) a description of the Corporation and its board structure, including (i) names of committees and committee members, (ii) lists of board meetings and attendance, (iii) descriptions of major Corporation units, subsidiaries, (iv) number of employees, and (v) organizational chart;
- (l) the Corporation's charter, if any, and By-Laws;

- (m) a listing of material changes in operations and programs during the reporting year;
- (n) the Corporation's four-year financial plan, including (i) a current and projected capital budget, and (ii) an operating budget report, including an actual versus estimated budget, with an analysis and measurement of financial and operating performance;
- (o) the Corporation's board performance evaluations;
- (p) a description of the total amounts of assets, services or both assets and services bought or sold without competitive bidding, including (i) the nature of those assets and services, (ii) the names of the counterparties, and (iii) where the contract price for assets purchased exceeds fair market value, or where the contract price for assets sold is less than fair market value, a detailed explanation of the justification for making the purchase or sale without competitive bidding, and a certification by the President/Chief Executive Officer and Chief Financial Officer of the Corporation that they have reviewed the terms of such purchase or sale and determined that it complies with applicable law and procurement guidelines; and
- (q) a description of any material pending litigation in which the Corporation is involved as a party during the reporting year, except that no provider of medical services need disclose information about pending malpractice claims beyond the existence of such claims.

Once completed, and prior to submission, the Chief Executive Officer and the Chief Financial Officer of the Corporation shall certify that the information contained in the Annual Report (i) is accurate, correct and does not contain any untrue statements of material fact, (ii) does not omit any material information which, if omitted, would cause the Annual Report to be misleading in light of the circumstances under which such statements are made, and (iii) fairly presents in all material respects the financial condition and results of operation of the Corporation as of, and for, the periods presented in the Annual Report. The certification executed shall be in substantially the form attached hereto as **Exhibit E**.

Section 10. Pursuant to subdivision 2 of Section 2801 of PAL, as soon as practicable, the Corporation will submit to each of the Members governing boards, along with the New York State Authority Budget Office, the Corporation's budget at least 60 days prior to the commencement of each budget year.

Section 11. For the Corporation shall comply with the following rules relating to audit services:

- (a) the certified independent public accounting firm performing the Corporation's audit will be prohibited from providing audit services if the lead (or coordinating) audit partner responsible for reviewing the audit,

has performed audit services for the Corporation in each of the five (5) previous fiscal years;

- (b) the certified independent public accounting firm performing the audit shall be prohibited from performing any non-audit services to the Corporation contemporaneously with the audit, unless receiving previous written approval by the audit committee including: (i) bookkeeping or other services related to the accounting records or financial statement of the Corporation, (ii) financial information systems design and implementation, (iii) appraisal or valuation services, fairness opinions, or contribution-in-kind reports, (iv) actuarial services, (v) internal audit outsourcing services, (vi) management functions or human services, (vii) broker or dealer, investment advisor, or investment banking services and (viii) legal services and expert services unrelated to the audit; and
- (c) it shall be prohibited for any certified independent public accounting firm to perform for such Corporation any audit service if the chief executive officer, comptroller, chief financial officer, chief accounting officer, or any other person serving in an equivalent position for the Corporation, was employed by that certified independent public accounting firm and participated in any capacity in the audit of the Corporation during the one (1) year period preceding the date of the initiation of the audit.

Section 12. The following policies, as presented at this meeting, are hereby adopted and approved:

- (a) The Compensation, Reimbursement and Attendance Policy attached hereto as **Exhibit F**;
- (b) The Code of Ethics attached hereto as **Exhibit G**;
- (c) The Whistleblower Policy attached hereto as **Exhibit H**;
- (d) The Investment Policy attached hereto as **Exhibit I**;
- (e) The Travel Policy attached hereto as **Exhibit J**;
- (f) The Disposition of Property Guidelines, attached hereto as **Exhibit K**;
- (g) The Procurement Policy attached hereto as **Exhibit L**; and
- (h) The Defense and Indemnification Policy attached hereto as **Exhibit M**.

Section 13. The Board hereby designates the Chief Executive officer of the Corporation as the Corporation's FOIL Officer and Contracting Officer.

Section 14. This resolution shall take effect immediately.

On motion duly made by Tororici and seconded by Klink, the following resolution was placed before the Board of Directors of the Corporation:

	Aye	Nay	Abstain	Absent
Hon. Peter A. Tororici - Chairman	X			
Hon. John J. Klink – Supervisor	X			

CERTIFICATION

STATE OF NEW YORK)
 COUNTY OF CAYUGA)

I, Eileen O'Connor, the undersigned, (Acting) Secretary of the **Owasco Lake Watershed Management Council, Inc.** (the "Corporation"), do hereby certify that I have compared the foregoing extract of the minutes of the meeting of the Directors, including the Resolutions contained therein, held on March 11, 2011, with the original thereof on file in my office, and that the same is a true and correct copy of said original and of such Resolution set forth therein and of the whole of said original so far as the same relates to the subject matters therein referred to.

I FURTHER CERTIFY that (A) all Directors had due notice of said meeting; (B) said meeting was in all respects duly held; (C) pursuant to Article 7 of the Public Officers Law (the "Open Meetings Law"), said meeting was open to the general public, and due notice of the time and place of said meeting was duly given in accordance with such Open Meetings Law; and (D) there was a quorum of the members of the Board of Directors present throughout said meeting.

I FURTHER CERTIFY that, as of the date hereof, the attached Resolution is in full force and effect and has not been amended, repealed or rescinded.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Agency this 11 day of March, 2011.

Eileen O'Connor
 Secretary

(SEAL)

EXHIBIT A

CERTIFICATE OF INCORPORATION

**CERTIFICATE OF INCORPORATION
OF
OWASCO LAKE WATERSHED MANAGEMENT COUNCIL, INC.**

**A Not-For-Profit Local Development Corporation
under Sections 402 and 1411 of the Not-For-Profit
Corporation Law of the State of New York**

THE UNDERSIGNED, being over the age of eighteen years, for the purpose of forming a not-for-profit local development corporation pursuant to Section 1411 of the Not-For-Profit Corporation Law of the State of New York, hereby certifies as follows:

FIRST: The name of the corporation shall be the Owasco Lake Watershed Management Council, Inc. (hereinafter referred to as the “Corporation”)

SECOND: The Corporation shall be a corporation as defined in subparagraph (a)(5) of Section 102 of the Not-For-Profit Corporation Law of the State of New York and, as provided in Section 1411 of the Not-For-Profit Corporation Law, will be a Type C Corporation as defined in Section 201 of the Not-For-Profit Corporation Law. The Corporation shall serve as a supporting organization, but separate and apart from the County of Cayuga, New York (the “County”), The City of Auburn, New York (the “City”), the Town of Owasco, New York (the “Town”) and other municipalities within the County.

THIRD: The purposes for which the Corporation are to be formed and operated, are exclusively for charitable purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, and to relieve and reduce unemployment, promote and provide for additional and maximum employment, improve and maintain job opportunities, instructing or training individuals to improve or develop their capabilities for such jobs, carrying on scientific research for the purpose of aiding a community or geographical area by attracting new industry to the community or area or by encouraging the development of, or retention of, an industry in the community or area,

lessening the burdens of government and acting in the public interest, including undertaking programs and activities in furtherance of managing, monitoring and protecting the water resources of Owasco Lake and the water resources within the Owasco Lake Watershed for the well-being and benefit of the residents of the County. In furtherance of said purposes, the Corporation's powers shall include:

(a) To own, acquire, construct and maintain facilities for use by the Corporation or others in the territory in which its operations are principally to be conducted, to assist financially in such construction, acquisition, rehabilitation and improvement, to maintain and/or lease such facilities on its behalf or for others in such territory; to disseminate information and furnish advice, technical assistance and liaison with federal, state and local authorities with respect thereto;

(b) To acquire by purchase, lease, gift, bequest, devise or otherwise real or personal property or interests therein;

(c) To apply for loans and borrow money without limit as to amount, to make, draw, accept, endorse, execute and issue debentures, notes or obligations;

(d) To sell, lease, mortgage or otherwise dispose of or encumber any such facilities or any of its real or personal property or any interest therein upon any such terms as it may determine;

(e) To enter into covenants and agreements and to comply with all the terms, conditions and provisions thereof, and otherwise to carry out its corporate purposes and to foster and encourage the location or expansion of facilities and related businesses in the territory in which the operations of the Corporation are principally to be conducted;

(f) To apply for and make grants and loans and to execute any and all documents necessary in connection therewith;

(g) To do any other act or thing 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, officers or any private person.

(h) In general, to perform any and all acts and things, and exercise any and all powers which may now or hereafter be lawful for the Corporation to do or exercise under and pursuant to the laws of the State of New York for the purpose of accomplishing any of the foregoing purposes of the Corporation.

FOURTH: The Corporation's mission and public objective, which the Corporation's purposes will achieve, include the lessening of the burdens of government and acting in the public interest to advance, foster, undertake and support local and regional watershed management programs, develop and institute watershed best practice policies, and undertake watershed monitoring, planning and protection initiatives.

FIFTH: The operations of the Corporation will be principally conducted within the County of Cayuga, New York and adjacent counties.

SIXTH: Pursuant to the requirements of Section 1411(e) of the Not-For-Profit Corporation Law:

(a) All income and earnings of the Corporation shall be used exclusively for its corporate purposes with the intent being that all income and earnings will be expended or deposited in appropriate reserves for corporate purposes; to the extent not so used, the income and earning shall accrue and be paid to the Job Development Authority to the extent required by Section 1411 of the Not-For-Profit Corporation Law.

(b) The property of the Corporation is irrevocably dedicated to charitable purposes. No part of the income or earnings shall inure to the benefit of, nor shall any distribution of its property or assets be made to, any member, director or officer of the Corporation, or private person, corporate or individual, or to any other private interest,

except that the Corporation may repay loans made to it and may repay contributions (other than dues) made to it to the extent that any such contribution may not be allowable as a deduction in computing taxable income under the Internal Revenue Code of 1986, as amended.

(c) If the Corporation accepts a mortgage loan or loans from the New York Job Development Authority, the Corporation shall be dissolved in accordance with the provisions of paragraph (g) of Section 1411 of the Not-For-Profit Corporation Law upon the repayment or other discharge in full by the Corporation of all such loans.

SEVENTH: (a) The Corporation shall not attempt to influence legislation by propaganda or otherwise, or participate or intervene, directly or indirectly, in any political campaign on behalf of or in opposition to any candidate for public office.

(b) The Corporation shall not engage in any activities not permitted to be carried on by an organization exempt from federal income taxation pursuant to Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder.

EIGHTH: Upon dissolution of the Corporation, assets shall be distributed for one or more exempt purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, or corresponding section of any future federal tax code, or shall be distributed to the County, City and Town and other participating municipalities for furtherance of the purposes set forth herein and within Section 1411 of the Not-for-Profit Corporation Law. Any such assets not so disposed of shall be disposed of by order of the Supreme Court of the State of New York pursuant to Section 1008 of the Not-For-Profit Corporation Law, exclusively for the purposes of to such organization or organizations, as said Court shall determine, which are organized and operated exclusively for such purposes.

NINTH: The office of the Corporation shall be located in Cayuga County, New York.

TENTH: The office of the Corporation shall be functionally separate from those of the County, City, Town any other governmental agency or unit (collectively, the “Municipal Entities”) (although such office may be in a facility leased from the Municipal Entities or any of their affiliates on arms-length terms). The Corporation at all times shall:

(a) maintain separate accounting records and other corporate records from those of the Municipal Entities;

(b) not divert the Corporation’s funds to any other person or for other than the use of the Corporation and not commingle any of the Corporation’s assets with those of the Municipal Entities;

(c) pay any employee, consultant or agency of the Corporation, or any other operating expense incurred by the Corporation, from the assets of the Corporation and not from the assets of any of the Municipal Entities;

(d) maintain its own deposit account or accounts, separate from those of the Municipal Entities, with commercial banking and/or trust companies;

(e) to the extent that the Corporation contracts or does business with vendors or service providers where the goods and services provided are partially for the benefit of any other person, the costs incurred in so doing shall be fairly allocated to or among the Corporation and such persons for whose benefit the goods and services are provided, and the Corporation and each such person shall bear its fair share of such costs;

(f) conduct its business in its own name and conduct all material transactions between the Corporation and the Municipal Entities only on an arms-length basis;

(g) observe all necessary, appropriate and customary corporate formalities, including but not limited to, holding regular and special members' and directors' meetings appropriate to authorize all corporate action, keeping separate and accurate minutes of such meetings, passing all resolutions or consents necessary to authorize actions taken or to be taken, and maintaining accurate and separate books, records, and accounts, including but not limited to, intercompany transaction accounts. Regular members' and directors' meetings shall be held at least annually;

(h) ensure that decisions with respect to its business and daily operations shall be independently made by the Corporation (although the officer making any particular decision also may be an employee, officer or director of the Municipal Entities);;

(i) act solely in its own corporate name and through its own authorized officers and agents, and use its own stationary;

(j) other than as expressly provided herein, pay all expenses, indebtedness and other obligations incurred by it;

(k) not enter into any guaranty, or otherwise become liable, with respect to any obligation of the Municipal Entities;

(l) cause any financial reports required of the Corporation to be prepared in accordance with generally accepted accounting principals and be audited annually and be issued separately from the Municipal Entities; and

(m) ensure that at all times it is adequately capitalized to engage in the transactions contemplated herein.

ELEVENTH: The types of classes of Membership in the Corporation and the number of Members of the Corporation shall be described in the Corporation's By-laws.

The initial Members of the Corporation shall be comprised of the initial Directors of the corporation, as identified in paragraph THIRTEENTH hereof.

TWELFTH: The Corporation shall be managed by a Board of Directors as defined in the Corporation's By-Laws.

THIRTEENTH: The names and addresses of the initial Directors of the Corporation will be as follows:

Hon. Peter A. Tortorici, Chairman
Cayuga County Legislature
Cayuga County Office Building, 6th Floor
160 Genesee Street
Auburn, New York 13021

Hon. John J. Klink, Supervisor
Town of Owasco
Owasco Town Offices
2 Bristol Avenue
Auburn, New York 13021

Mark R. Palesh, City Manager
City of Auburn
Memorial City Hall, 2nd Floor
24 South Street
Auburn, New York 13021

FOURTEENTH: The duration of the Corporation shall be perpetual.

FIFTEENTH: The Corporation shall indemnify each Member, each Director, each officer, and, to the extent authorized by the Board of Directors, each other person authorized to act for the Corporation on its behalf, to the full extent to which indemnification is permitted under the Not-For-Profit Corporation Law.

SIXTEENTH: The Secretary of State of the State of New York is designated as agent of the Corporation upon whom process against it may be served. The post office address to which the Secretary of State shall mail a copy of any process

against the Corporation served upon him is as follows: Cayuga County Legislature, Attn: Chairman, Cayuga County Office Building, 6th Floor, 160 Genesee Street, Auburn, New York 13021.

SEVENTEENTH: The By-laws of the Corporation may be adopted, amended or repealed by a majority of the Members of the Corporation.

EIGHTEENTH: The Corporation will not do any of the following:

(a) Without the affirmative vote of all Members of the Corporation and the affirmative vote of a majority of the voting Directors, increase or decrease the number of Members of the Corporation or increase or decrease the number of Directors of the Corporation.

(b) Without the affirmative vote of the majority of the voting Directors of the Corporation and all of the Corporation's members, (i) dissolve or liquidate, in whole or in part, or institute proceedings to be adjudicated bankrupt or insolvent, (ii) consent to the institution of bankruptcy or insolvency proceedings against it, (iii) file a petition seeking or consenting to reorganization or relief under any applicable federal or state law relating to bankruptcy or insolvency, (iv) consent to the appointment of a receiver, liquidator, assignee, trustee, sequestrator, or other similar official of the Corporation of a substantial part of its property, (v) make a general assignment for the benefit of creditors, (vi) admit in writing its inability to pay its debts generally as they become due, or (vii) take any corporate action in furtherance of the actions set forth in clauses (i) through (vi) of this paragraph.

(c) Without the affirmative vote of the majority of the voting Directors of the Corporation and all of the Corporation's members, merge or consolidate with any other corporation, company or entity or, except to the extent contemplated by paragraph THIRD hereof, sell all or substantially of its assets or acquire all or substantially all of the

assets or capital stock or other ownership interest of any other corporation, company or entity.

IN WITNESS WHEREOF, this certificate has been subscribed this 22nd day of February, 2011.

/s/ Justin S. Miller
Justin S. Miller, Incorporator
Harris Beach, PLLC
677 Broadway, Suite 1101
Albany, New York 12207

CERTIFICATE OF INCORPORATION

OF

OWASCO LAKE WATERSHED MANAGEMENT COUNCIL, INC.

**(Under Sections 402 and 1411 of the Not-For-Profit Corporation Law
of the State of New York)**

Filed By:

Justin S. Miller, Esq.
Harris Beach, PLLC
677 Broadway, Suite 1101
Albany, New York 12207

EXHIBIT B

BY-LAWS

BY-LAWS

OF

OWASCO LAKE WATERSHED MANAGEMENT COUNCIL, INC.

Adopted March 11, 2011

BY-LAWS
OF
OWASCO LAKE WATERSHED MANAGEMENT COUNCIL, INC.
ARTICLE I - THE CORPORATION

SECTION 1. - NAME.

The Corporation shall be known as “OWASCO LAKE WATERSHED MANAGEMENT COUNCIL, INC.” (hereinafter, the “Corporation”).

SECTION 2. - OFFICES.

The principal office of the Corporation shall be located in the County of Cayuga, New York (the “County”). The Corporation may also have offices at such other places within the State of New York as the Board of Directors may from time to time determine or the activities of the Corporation may require.

SECTION 3. - PURPOSES.

The Corporation shall have such purposes as are now or hereafter set forth in its Certificate of Incorporation, including to relieve and reduce unemployment, promote and provide for additional and maximum employment, improve and maintain job opportunities, instructing or training individuals to improve or develop their capabilities for such jobs, carrying on scientific research for the purpose of aiding a community or geographical area by attracting new industry to the community or area or by encouraging the development of, or retention of, an industry in the community or area, lessening the burdens of government and acting in the public interest, including undertaking programs and activities in furtherance of managing, monitoring and protecting the water resources of Owasco Lake and the water resources within the Owasco Lake Watershed for the well-being and benefit of the residents of the County. In furtherance of same, the Corporation shall (i) monitor and evaluate the quality and general health of the waters of Owasco Lake, and the water resources, both surface and groundwater, within the Owasco Lake Watershed comprising the receiving waters of Owasco Lake (the “Owasco Lake Watershed”); (ii) monitor, inspect or cause to be inspected activities and circumstances within the Owasco Lake Watershed and within Owasco Lake that may impact the quality and general health of the waters of Owasco Lake or the water resources of the Owasco Lake Watershed; (iii) act in the public interest and further the protection and preservation of Owasco Lake and the Owasco Lake Watershed as a source of public drinking water, as a recreational asset and important natural resource of Cayuga County for the benefit and well-being of Cayuga County residents.

ARTICLE II - MEMBERSHIP

SECTION 1. - COMPOSITION OF MEMBERSHIP.

The initial Members of the Corporation shall be comprised of the following individuals, ex officio:

Hon. Peter A. Tortorici, Chairman, Cayuga County legislature, ex officio
Hon. John J. Klink, Supervisor, Town of Owasco, ex officio
Mayor or City Council Member, City of Auburn, as approved by the City Council of the City of Auburn, ex officio

Additional Members of the Corporation may be added from time to time by majority vote of the then-existing Members of the Corporation.

The Corporation shall be managed by its Board of Directors in accordance with the provisions contained herein.

SECTION 2. - RIGHTS AND POWERS OF THE MEMBERS.

The Members shall have and exercise all the rights and powers of corporate membership created by the laws of the State of New York, the Certificate of Incorporation and the By-Laws of the Corporation.

SECTION 3. - ANNUAL MEETING OF THE MEMBERS

The Members shall hold an annual meeting of the Members in the third week of June of each fiscal year at a convenient time and place designated by the Members. At the annual meeting, the Members shall appoint Directors pursuant to Article III hereof for positions where a new directorship is created or the term of a Director has expired, receive the annual report and transact such other business as may properly come before the meeting.

SECTION 4. - ANNUAL REPORT TO THE MEMBERS.

At the annual meeting of the Members, the Directors or designated officer of the Corporation shall present an annual report showing in appropriate detail the following information:

(a) A complete audited financial statement of the Corporation for the fiscal year immediately preceding the date of the report showing the assets and liabilities, principal changes in assets and liabilities, revenue, receipts, expenses and disbursements of the Corporation; and

(b) A summary of the activities of the Corporation during the preceding year.

The annual report shall be filed with the minutes of the annual meeting.

SECTION 5. - SPECIAL MEETINGS OF THE MEMBERS.

Special meetings of the Members may be called at any time by a majority of the Members and shall be called by the Secretary within fourteen (14) days of receipt of a written request from a majority of the Members. Such request shall state the purpose or purposes for the proposed meeting. Business transacted at a special meeting shall be confined to the purposes stated in the notice of such special meeting; provided, however, if by unanimous consent all of the Members present at such meeting elect to transact business not previously described in the aforementioned notice, then the Corporation may transact such other business.

SECTION 6. - PLACE OF MEETINGS; ORGANIZATION

All membership meetings shall be held at the principal office of the Corporation or at such other convenient location as may be determined by the Members. At each membership meeting, the Members shall select, by a vote of a majority of Members present, a Member to preside. The Secretary, or, in his or her absence, a person chosen by the Members, shall keep complete and accurate minutes of the meeting.

SECTION 7. - NOTICE OF MEMBERSHIP MEETINGS; WAIVERS

(a) Notice of each membership meeting shall state the purpose or purposes for which the meeting is called, the place, date and time of the meeting and, unless it is the annual meeting, shall indicate that it is being issued by or at the direction of the person or persons calling the meeting. Such notice shall be given either personally or by mail to each Member not less than ten (10) nor more than fifty (50) days before the date of the meeting. If mailed, the notice is given when deposited in the United States mail, with postage thereon prepaid, directed to a Member at his or her address as it appears on the record of Members or, if he or she shall have filed with the Secretary a written request that notices be mailed to some other address, then directed to such other address.

(b) Formal notice of meeting need not be given to a Member if he or she executes a waiver of notice, either before or after the meeting. The attendance of a Member at a meeting, without protesting prior to the conclusion of the meeting the lack of notice of such meeting, shall constitute a waiver of notice.

SECTION 8. - QUORUM OF MEMBERS

(a) The presence of at least a majority of the Members shall constitute a quorum for the transaction of business at any annual or special membership meeting.

(b) A majority of the Members present at a meeting, whether or not a quorum is present, may adjourn any membership meeting to another time and place. Notice of the time and place of holding an adjourned meeting need not be given to absent Members if the time and place is announced at the meeting adjourned.

SECTION 9. - ACTION BY THE MEMBERS

Each Member shall be entitled to one vote on each matter properly submitted to the Members for action at any meeting of the Members. Unless otherwise required by law or these By-Laws, the vote of a majority of Members present at the time of a vote at a duly convened meeting, provided a quorum is then present, shall be the act of the Members.

SECTION 10. - PROPERTY RIGHTS OF MEMBERS

The Members shall not have any rights or interests in or to the property or assets of the Corporation.

ARTICLE III - BOARD OF DIRECTORS

SECTION 1. - POWER OF BOARD OF DIRECTORS.

The Corporation shall be managed by its Board of Directors, which shall establish all general policies governing its operations.

SECTION 2. - NUMBER, ELECTION AND TERM OF DIRECTORS.

(a) The number of voting Directors shall be a minimum of three (3) and a maximum of twenty-one (21), with each duly appointed Member of the Corporation serving as a Director of the Corporation. The Directors shall exercise all rights of Directors as described herein and in the Certificate of Incorporation or any applicable resolution. Any subsequent increase or decrease in the size of the Board of Directors will require the approval of the Members. As used in these By-laws, "the entire Board of Directors" means the total number of Directors that the Corporation would have if there were no vacancies on the Board, as comprised from time to time.

(b) All Directors shall serve at the pleasure of the Members with the exception of the initial Members, who shall serve *ex officio*. Any language herein to the contrary notwithstanding, the initial Members, serving in an *ex officio* capacity, shall serve as Directors so long as they hold their stated position.

(c) The Chief Executive Officer, as defined herein, may serve on the Board of Directors of the Corporation; provided, however, in such event, shall not participate in determining the level of compensation or reimbursement, or time and attendance rules for the position of President/Chief Executive Officer.

(d) All Directors of the Board shall participate in training approved by the State of New York regarding their legal, fiduciary, financial and ethical responsibilities as Directors within one (1) year of appointment to the Board. Thereafter, the Directors shall participate in

such continuing training as may be required to remain informed of best practices, regulatory and statutory changes relating to the effective oversight of the management and financial activities of the Corporation and the adhere to the highest standards of responsible governance.

(e) As soon as practicable and in compliance with Section 2825 of the Public Authorities Law, the majority of the Directors shall be Independent Directors, as such term is defined in paragraph (g) below.

(f) Independence. For the purposes of these By-Laws, an Independent Director means any person who:

(i) is not, and in the past two (2) years has not been, employed by the Corporation or another corporate body having the same ownership and control of the Corporation in an executive capacity;

(ii) is not, and in the past two (2) years has not been, employed by an entity that received remuneration valued at more than fifteen thousand dollars (\$15,000.00) for goods and services provided to the Corporation or received any other form of financial assistance valued at more than fifteen thousand dollars (\$15,000.00) from the Corporation;

(iii) is not a relative of an executive officer or employee in an executive position of the Corporation or another corporate body having the same ownership and control of the Corporation; and

(iv) is not, and in the past two (2) years has not been, a lobbyist registered under a state or local law and paid by a client to influence the management decisions, contract awards, rate determinations or any other similar actions of the Corporation or another corporate body having the same ownership and control of the Corporation.

(g) Board Offices. A Chairperson, Vice-Chairperson, Treasurer and Secretary shall be elected from among the Directors of the Board at the organizational meeting and subsequent annual meetings of the Board of Directors. The term of office for the Chairperson, Vice-Chairperson, Treasurer and Secretary shall extend for one year after his or her election and until a successor is elected. The Chairperson, Vice-Chairperson, Treasurer and Secretary shall be eligible to serve an unlimited number of consecutive terms.

(i) The Chairperson, who may also serve as the Chief Executive Officer of the Corporation, shall generally supervise all affairs of the Corporation. The Chair shall preside at all the meetings of the Corporation. The Chair shall prepare an agenda and/or program, to cover and complete any business, old or new, to come before the Corporation and may request assistance in the preparation of such program from and by a voting Director, ex-officio Director or an Employee of the Corporation at the Chair's discretion. The Chair shall have the power to sign minutes, contracts, certificates and other documents necessary to conduct the

business and affairs of the Corporation as authorized by action of the voting Directors.

- (ii) In absence of the Chair, the Vice-Chair shall possess all the powers and perform all the duties required of the Chair. It shall be the duty of the Vice-Chair to succeed the Chair in office in event of his/her resignation, removal from office, absence, inability, incapacity or refusal to act.
- (iii) It shall be the duty of the Secretary to supervise the preparation of minutes of all meetings of the Members and the Board of Directors and its committees, the giving of all notices required to be given by the Corporation, and the keeping of a current list of the Corporation's Members, Directors and officers and their residence addresses. The Secretary shall be responsible for supervising the preparation and maintenance of the books and records of the Corporation. The Secretary shall attend to such correspondence as may be assigned to him or her and perform all the duties customarily incidental to that office and such other duties as may be assigned to him or her by the Board of Directors. From time to time, the Board of Directors may designate duties of the Secretary to an appointed Acting Secretary who will perform such duties as may be assigned to him or her.
- (iv) It shall be the duty of the Treasurer, who may also serve as the Chief Financial Officer of the Corporation, to oversee the financial affairs of the Corporation, report at each regular meeting of the Board of Directors, and participate in preparing the annual report of the Corporation and the filing of all required tax returns and other regulatory reports. The Treasurer shall perform such other duties as may be assigned to him or her by the Board of Directors. From time to time, the Board of Directors may employ or contract with an appointed Acting Treasurer to whom the Board of Directors may designate certain duties of the Treasurer and other such duties as may be assigned to him or her.

SECTION 3. - RESIGNATIONS AND REMOVAL OF DIRECTORS.

(a) Any Director of the Corporation may resign at any time by giving written notice to the other Directors or to the President or the Secretary. Such resignation shall take effect at the time specified therein or, if no time is specified, then on delivery. Acceptance of the resignation shall not be necessary to make it effective.

(b) Any Director may be removed from the Board with or without cause by the Members or for cause by vote of a majority of the Directors provided there is a quorum of not less than a majority of the entire Board present.

SECTION 4. - NEWLY CREATED DIRECTORSHIPS AND VACANCIES.

Newly created directorships resulting from an increase in the number of Directors shall be filled as described in the resolution approving such increase. Newly created directorships resulting from any vacancies occurring for any reason shall be filled by the Members. In each case, such appointments shall be made as soon as practicable but in no event later than sixty (60) days after the increase or vacancy occurs. A Director appointed to fill a vacancy caused by

resignation, death, disability or removal shall hold office for the unexpired term of his or her predecessor in office and until a successor is appointed and takes office.

SECTION 5. - ANNUAL MEETING.

The annual meeting of the Board of Directors shall be held after the annual meeting of the Members of the Corporation described in Article II, Section 3 above at a convenient time and location designated by the Board. Written notice of the annual meeting shall be mailed or delivered to each Director of the Corporation prior to the meeting.

SECTION 6. - ANNUAL REPORT.

A Director designated by the Members or the Chief Executive Office and the Treasurer shall present at the annual meeting of the Board of Directors a copy of the annual report described in Article II, Section 4 above.

SECTION 7. - SPECIAL MEETINGS AND NOTICE.

Special meetings of the Board of Directors may be called at any time by a majority of Directors or by the Chief Executive Officer or any other officer of the Corporation. Written notice shall be mailed or delivered to each Director of the Corporation prior to the meeting. Said notice shall state the purposes, time and place of the special meeting and that no business other than that specified in the notice may be transacted; provided, however, if by unanimous consent all of the Directors present at such meeting elect to transact business not previously described in the aforementioned notice, then the Directors may transact such other business.

SECTION 8. - WAIVERS OF NOTICE.

Notice of a meeting need not be given to any Director who submits a signed waiver of notice whether before or after the meeting, or who attends the meeting without protesting, prior thereto or at its commencement, the lack of notice to him or her.

SECTION 9. - PLACE OF MEETINGS.

The Board of Directors may hold its meetings at such place or places within or outside the State of New York as the Directors may from time to time by resolution determine.

SECTION 10. – OPEN MEETINGS

The Corporation is subject to Open Meetings Law, the Corporation shall comply with the Open Meetings Law of the State of New York, as set forth within Article 7 of the Public Officers Law.

SECTION 11. – FREEDOM OF INFORMATION

The Corporation is subject to Freedom of Information Law, the Corporation shall comply with the Freedom of Information Law of the State of New York, as set forth within Article 6 of the Public Officers Law.

SECTION 12. – PUBLIC AUTHORITIES ACCOUNTABILITY ACT

The Corporation is subject to the Public Authorities Accountability Act of 2005, as amended by Chapter 506 of the Laws of 2009 (collectively, the “PAAA”) and shall comply with the PAAA, as set forth within the New York State Public Authorities Law.

SECTION 13. – STATE ENVIRONMENTAL QUALITY REVIEW ACT

Upon the determination of the Board of Directors to do business within the State of New York, the Corporation shall comply with the State Environmental Quality Review Act, as set forth within Article 8 of the New York Environmental Conservation Law.

SECTION 14. - QUORUM AND ADJOURNED MEETINGS.

(a) A majority of the entire Board of Directors shall constitute a quorum for the transaction of business at meetings of the Board. When a quorum is once present to organize a meeting, it shall not be broken by the subsequent withdrawal of any Director(s).

(b) A majority of the Directors present, whether or not a quorum is present, may adjourn any Board meeting to another time and place. If a quorum is present at the adjourned meeting, any business may be transacted that might have been transacted on the original date of the meeting. Notice of the adjourned meeting shall be given to all Directors.

SECTION 15. - ACTION BY THE BOARD OF DIRECTORS.

Any corporate action to be taken by the Board of Directors means action at a meeting of the Board. Each Director shall have one vote regarding any corporate action to be taken by the Board. Except as otherwise provided by law or these By-Laws, the vote of a majority of the Directors present at the time of the vote at a duly convened meeting at which a quorum is present shall be the act of the Board of Directors. All references to actions of the Board of Directors herein and in the Certificate of Incorporation shall mean the affirmative vote of a majority of the Directors present at the time of the vote at a duly convened meeting at which a quorum is present.

SECTION 16. - ORGANIZATION.

At each meeting of the Board of Directors, the Chairperson, or, in his or her absence, the Vice-Chairperson shall preside. The Secretary, or, in his or her absence, a person chosen by a majority of the Directors present, shall keep complete and accurate minutes of the meeting.

SECTION 17. - ATTENDANCE AT MEETINGS.

Attendance at each meeting of the Board shall be recorded by the Secretary or the designated Director in the minutes thereof.

SECTION 18. - COMPENSATION.

The Directors shall serve in their capacity as Directors of the Dobbs Ferry Local Development Corporation without compensation. All Directors may be reimbursed for reasonable expenses incurred in the performance of corporate duties.

SECTION 19. - ANNUAL INDEPENDENT AUDIT.

The Audit Committee shall present to the Board upon its completion, the annual independent audit report performed in accordance with the requirements of the PAAA and generally accepted government auditing standards certified by a firm of independent public accountants. The certified independent public accounting firm that performs the annual independent audit shall timely report to the Audit Committee the following:

(i) the assets and liabilities, including the status of reserve, depreciation, special or other funds including the receipts and payments of such funds, of the Corporation as of the end of the fiscal year;

(ii) the principal changes in assets and liabilities, including trust funds, during said fiscal period;

(iii) the revenue or receipts of the Corporation, both unrestricted and restricted, to particular purposes during said fiscal period;

(iv) the expenses or disbursements of the Corporation for both general and restricted purposes, during said fiscal period; and

(v) a schedule of the bonds and notes of the Corporation outstanding during said fiscal period, including all refinancings, calls, refundings, defeasements, and interest rate exchange or other such agreements, and for any debt issued during the fiscal period, together with a statement of the amounts redeemed and incurred during such fiscal period as a part of a schedule of debt issuance that include the date of issuance, term, amount, interest rate, means of repayment and cost of issuance.

Furthermore, the certified independent public accounting firm that performs the annual independent audit shall timely report to the Audit Committee the following:

(i) all critical accounting policies and practices to be used;

(ii) all alternative treatments of financial information within generally accepted accounting principals that have been discussed with the management of the Corporation,

ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the certified independent public accounting firm;

(iii) other material written communications between the certified independent public accounting firm and the management of the Corporation, such as the management letter along with management's response or plan of corrective action, material corrections identified or schedule of unadjusted differences, where applicable.

SECTION 20. - PROPERTY RIGHTS.

No Director of the corporation shall, by reason of that position, have any rights to or interest in the property or assets of the Corporation.

ARTICLE IV - COMMITTEES

SECTION 1. - STANDING COMMITTEES.

(a) The Standing Committees of the Board shall be as described in subparagraph (b) below. Except as otherwise provided by these By-Laws, each Standing Committee shall consist of at least three Directors. No Standing Committee shall have authority as to the following matters:

- (i) Other than the Watershed Inspection Committee, the submission to the Members of any action requiring its approval;
- (ii) The filling of vacancies on the Board of Directors or any committee;
- (iii) The amendment or repeal of these By-Laws or the adoption of new By-Laws; or
- (iv) The amendment or repeal of any resolution of the Board which by its terms is not so amendable or repealable.

(b) Until changed by amendment of these By-Laws, the Corporation shall have the following Committees:

Audit and Finance Committee. There shall be an Audit and Finance Committee consisting entirely of Independent members, who shall be elected by a plurality of the votes cast by the Directors of the Corporation at each annual meeting of the Board and shall serve until the next annual meeting. To the extent practicable, members of the Audit and Finance Committee should be familiar with corporate financial and accounting practices. The Audit and Finance Committee shall recommend to the Board the hiring of a certified independent accounting firm in compliance with the PAAA to conduct the annual independent audit, establish the compensation to be paid to the accounting firm and provide direct oversight of the performance of the annual

independent audit. The Audit and Finance Committee shall have the responsibility to review proposals for the issuance of debt by the Corporation and its subsidiaries, if any, and make recommendations.

Governance Committee. There shall be a Governance Committee consisting entirely of Independent members, who shall be elected by a plurality of the votes cast by the Directors of the Corporation at each annual meeting of the Directors and shall serve until the next annual meeting. The Governance Committee shall keep the Board informed of current best governance practices, review corporate governance trends, update the Corporation's corporate governance principles, and advise the Members and Directors on the skills and experience required of potential Directors.

Watershed Inspection Committee. The Watershed Inspection Committee is hereby established as a Standing Committee of the Corporation. It shall be the responsibility of the Watershed Inspection Committee to oversee and manage the operation and implementation of the Owasco Lake Watershed Inspection Program undertaken by the Corporation.

(i) The Watershed Inspection Committee will be comprised of the Initial Members, being representatives of each of City of Auburn, Town of Owasco and Cayuga County (the "Initial Member Municipalities"), along with one (1) Technical Representative appointed by each Initial Member to represent each Initial Member Municipality on the Watershed Inspection Committee. Initial Members, and their successors, ex officio, shall be voting members of the Watershed Inspection Committee and Technical Members thereof shall serve in an advisory capacity only.

(ii) The Watershed Inspection Committee will have direct oversight of the Owasco Lake Watershed Inspection Program, which shall be governed exclusively by the Initial Members, or their successors ex officio. The Corporation may from time to time appoint and/or employ a Watershed Resource Manager, who shall report directly to the Chairman and the Watershed Inspection Committee. The Corporation may also from time to time appoint and/or employ Watershed Inspectors that shall report directly to the Watershed Resource Manager, or in the event of a vacancy of that position, report directly to the Chairman and Watershed Inspection Committee.

SECTION 2. - SPECIAL COMMITTEES.

The Board of Directors, by resolution adopted by a majority of the entire Board of Directors, may create Special Committees, which shall have only the powers specifically delegated to them and shall in no case have powers which are not authorized for Standing Committees. The members of Special Committees shall be appointed by a plurality of the votes cast by the Directors of the Corporation.

SECTION 3. - MEETINGS.

Meetings of committees shall be held at such times and places as shall be fixed by the respective committee chairpersons, or by vote of a majority of all of the members of the committee. Written notice shall be mailed (via regular mail or electronic mail) or delivered to all members of the committee prior to each meeting. Written minutes of the proceedings shall be kept at all committee meetings and shall be submitted at the next meeting of the Board. The Chief Executive Officer and Chairperson of the Board of Directors of the Corporation, or their respective designees, may attend all committee meetings, but will not possess any voting rights unless otherwise granted by said committees.

SECTION 4. - QUORUM.

Unless otherwise provided by resolution of the Board of Directors, a majority of all of the members of a committee shall constitute a quorum for the transaction of business.

SECTION 5. - MANNER OF ACTING.

Any corporate action to be taken by a committee shall mean such action to be taken at a meeting of the committee. Action by a committee shall be taken by majority vote at a meeting.

ARTICLE V - OFFICERS

SECTION 1. – CHIEF EXECUTIVE OFFICER; CHIEF FINANCIAL OFFICER; OTHER OFFICERS.

The Corporation may have a Chief Executive Officer, a Chief Financial Officer, and an Acting Secretary and other officers and assistant officers as the Board of Directors may determine. The offices of Chief Executive Officer and Secretary shall not be held by the same person. The officers shall have such duties as may be prescribed by these By-Laws and the Board of Directors.

SECTION 2. - TERMS OF OFFICERS.

The officers shall be appointed by the Directors at its annual meeting. Unless a shorter term is provided in the resolution of the Board appointing such officer, the term of office of each officer shall extend for one year after his or her appointment and until a successor is appointed and qualified. Officers shall be eligible to serve an unlimited number of consecutive terms.

SECTION 3. - ADDITIONAL OFFICERS.

Additional officers may be appointed for such period, have such authority and perform such duties, either in an administrative or subordinate capacity, as the Board of Directors may from time to time determine. Such positions may include an Acting Chief Financial Officer and Acting Secretary, and any other position established by the Board of Directors from time to time.

Chief Financial Officer of the Corporation, with oversight by the Treasurer, to oversee the financial affairs of the Corporation, report at each regular meeting of the Board of Directors, and participate in preparing the annual report of the Corporation and the filing of all required tax returns and other regulatory reports. The Chief Financial Officer shall perform such other duties as may be assigned to him or her by the Board of Directors, the Treasurer or the Chief Executive Officer.

SECTION 10. – MUNICIPAL PERSONNEL.

The Corporation may use the agents, employees and facilities of municipalities to perform any or all of its functions as described in the Certificate of Incorporation and these By-Laws. In such event, the Corporation will, by resolution, enter into a contract with any such municipality providing the terms upon which the municipality will provide the use of its agents, employees and facilities to the Corporation and the compensation, if any, that the Corporation shall pay to the municipality for the use by the Corporation of the municipality's agents, employees and facilities.

ARTICLE VI - CONTRACTS, CHECKS, DRAFTS AND BANK ACCOUNTS

SECTION 1. - EXECUTION OF CONTRACTS.

The Board of Directors may on its own, except as these By-Laws otherwise provide, or may authorize any officer or officers, agent or agents, employee or employees, in the name of and on behalf of the Corporation, to enter into any contract or execute and deliver any instrument, and such authority may be general or confined to specific instances; but, unless so authorized by the Board of Directors, or expressly authorized by these By-Laws, no officer, agent or employee shall have any power or authority to bind the Corporation by any contract or engagement or to pledge its credit or to render it liable pecuniarily in any amount for any purpose. Notwithstanding the foregoing, the Initial Members, and their respective successors, ex officio, along with the Watershed Inspection Committee, shall have the exclusive power to negotiate, review and approve contracts and instruments relating to the Owasco Lake Watershed Inspection Program, with all such contracts and agreements to be reviewed and approved by the Watershed Inspection Committee for consideration by the Initial Members. Once reviewed and approved by the Initial Members of the Corporation, contracts and instruments relating to the Owasco Lake Watershed Inspection Program shall be enforceable pursuant to their terms once executed by an authorized representative of the Corporation designated by the Initial Members.

SECTION 2. - LOANS.

No loans shall be contracted on behalf of the Corporation unless specifically authorized by the Board of Directors.

SECTION 3. - CHECKS, DRAFTS, ETC.

All checks, drafts and other orders for the payment of money out of the funds of the Corporation, and all notes or other evidences of indebtedness of the Corporation, must be signed on behalf of the Corporation by two of following persons: the Chief Executive Officer, the Treasurer or the Chairperson of the Board.

SECTION 4. - DEPOSITS.

All funds of the Corporation not otherwise employed shall be deposited from time to time to the credit of the Corporation in such banks, trust companies or other depositories as the Treasurer may recommend and the Board of Directors approves.

SECTION 5. - INVESTMENTS.

The Board of Directors may authorize the Corporation to contract with an investment advisor and custodian to manage its investments in accordance with an investment policy established by the Board.

ARTICLE VII - GENERAL

SECTION 1. - SEAL.

The corporate seal shall have inscribed thereon the name of the Corporation, the year of its organization, and the words "Corporate Seal, New York." The seal may be used by causing it or a facsimile thereof to be impressed or affixed or otherwise reproduced.

SECTION 2. - BOOKS AND RECORDS.

There shall be kept by the Corporation (1) correct and complete books and records of account, (2) minutes and statements of written action by the Members, (3) minutes of the proceedings of the Board of Directors and its committees, (4) a current list of the Members, Directors and officers of the Corporation and their residence addresses, (5) a copy of the Certificate of Incorporation, and (6) a copy of these By-Laws. The foregoing items shall be subject to inspection and/or audit at any time by or at the direction of the Board of Directors.

SECTION 3. - INDEMNIFICATION.

The Corporation shall indemnify each Member, each Director, each officer, and, to the extent authorized by the Board of Directors, each other person authorized to act for the Corporation or on its behalf, to the full extent to which indemnification is permitted under the Not-For-Profit Corporation Law.

SECTION 4. - INTERESTED DIRECTORS AND OFFICERS.

The Board of Directors may adopt a policy regarding conflicts of interest which shall apply to all directors and officers.

SECTION 5. - LOANS TO MEMBERS AND OFFICERS.

The Corporation, either directly or indirectly, including through any subsidiary, is prohibited from extending or maintaining credit, arranging for the extension of credit or renewing any extension of credit, in the form of a personal loan to or for any Member, Director, or Officer, or to any other company, corporation, firm, association or other entity in which one or more of the Members, Directors or Officers of the Corporation are members, director or officers or hold a substantial financial interest.

ARTICLE VIII - FISCAL YEAR

The fiscal year of the Corporation shall commence on the first day of January of each calendar year and end on the last day of December.

ARTICLE IX - RULES OF ORDER AND BYLAW CHANGES

SECTION 1. - RULES OF ORDER.

Meetings of the Members and the Board of Directors and its committees shall be governed by Robert's Rules of Order, except in cases otherwise provided for by these By-Laws.

SECTION 2. – BY-LAW CHANGES.

These By-Laws may be amended, repealed or adopted only by a majority of the Members, whose actions at all times shall supersede actions by the Directors.

EXHIBIT C

PROFESSIONALS RETAINED AND APPROVED RELATIONSHIPS

Certified Public Accountant/Auditor:

Counsel:

Justin S. Miller, Esq.
Harris Beach PLLC
677 Broadway, Suite 1101
Albany, New York 12207

Banking Institution:

EXHIBIT D-1

CERTIFICATION OF NO CONFLICT OF INTEREST

I, _____, being a duly appointed (member/officer/employee) of the **Owasco Lake Watershed Management Council, Inc.** (the "Corporation"), do hereby certify pursuant to the By-laws and policies of the Corporation, that neither I nor my spouse, minor children, nor dependents has any interest in any contract with the Corporation; and I do further certify that I am not engaged in any activity which would constitute a conflict of interest, as defined within the Not-For-Profit Corporation Law of the State of New York.

Further, I hereby certify that I have (1) not accepted other employment which will impair my independence of judgment in the exercise of my official duties; (2) not accepted employment or engaged in any business or professional activity which will require me to disclose confidential information which I have gained by reason of my being a member of the Board of Directors of the Corporation; (3) not disclosed confidential information acquired in the course of my official duties nor used such information to further my own personal interests; (4) not used or attempted to use my position with the Corporation to secure unwarranted privileges or exemptions for myself or others; (5) not engaged in any transaction as a representative or agent of the Corporation with any business entity in which I have a direct or indirect financial interest that might reasonably tend to conflict with proper discharge of my official duties; (6) not given reasonable basis for the impression that any person can improperly influence me or unduly enjoy my favor in the performance of my duties, or that I am affected by the kinship, rank, position or influence of any party or person; (7) abstained from making personal investments in enterprises which I have reason to believe may be directly involved with my responsibilities or which will otherwise create substantial conflict between my duty in the public interest and my private interests; and (8) endeavored to pursue a course of conduct which will not raise suspicion among the public that I am likely to be engaged in acts that are in violation of my Corporation responsibilities.

DATE: _____, 20__

Signature

EXHIBIT D-2

ACKNOWLEDGEMENT OF FIDUCIARY DUTIES AND RESPONSIBILITIES

As a member of the Board of Directors of the **Owasco Lake Watershed Management Council, Inc.** (the "Corporation"), I understand that I have a fiduciary obligation to perform my duties and responsibilities to the best of my abilities, in good faith and with proper diligence and care, consistent with the enabling statute, mission, and By-Laws of the Corporation and the laws of New York State. The requirements set forth in this acknowledgement are based on the provisions of New York State law, including but not limited to the Public Authorities Reform Act of 2005, as amended by Chapter 506 of the Laws of 2009 of the State of New York, Public Officers Law, and General Municipal Law. As the initial Directors and Members:

I. Mission Statement

I have read and understand the mission of the Corporation; and the mission is designed to achieve a public purpose on behalf of the State of New York. I further understand that my fiduciary duty to this Corporation is derived from and governed by its mission.

I agree that I have an obligation to become knowledgeable about the mission, purpose, functions, responsibilities, and statutory duties of the Corporation and, when I believe it necessary, to make reasonable inquiry of management and others with knowledge and expertise so as to inform my decisions.

II. Deliberation

I understand that my obligation is to act in the best interests of the Corporation and the people of the State of New York whom the Corporation serves.

I agree that I will exercise independent judgment on all matters before the Board of Directors.

I understand that any interested party may comment on any matter or proposed resolution that comes before the Board of Directors consistent with the laws governing procurement policy and practice, be it the general public, an affected party, a party potentially impacted by such matter or an elected or appointed public official. However, I understand that the ultimate decision is mine and will be consistent with the mission of the Corporation and my fiduciary duties as a member of the Corporation's Board of Directors.

I will participate in training sessions, attend Board and committee meetings, and engage fully in the Board's and committee's decision-making process.

III. Confidentiality

I agree that I will not divulge confidential discussions and confidential matters that come before the Board of Directors for consideration or action.

IV. Conflict of Interest

I agree to disclose to the Board any conflicts, or the appearance of a conflict, of a personal, financial, ethical, or professional nature that could inhibit me from performing my duties in good faith and with due diligence and care.

I do not have any interest, financial or otherwise, direct or indirect, or engage in any business or transaction or professional activity or incur any obligation of any nature, which is in substantial conflict with the proper discharge of my duties in the public interest.

Signature: _____

Print Name: _____

Corporation Name: _____

Date: _____

EXHIBIT E

**FORM OF
CERTIFICATE OF THE CHIEF EXECUTIVE OFFICER
AND THE CHIEF FINANCIAL OFFICER
OF THE OWASCO LAKE WATERSHED MANAGEMENT COUNCIL, INC.**

The undersigned President/Chief Executive Officer and Chief Financial Officer of the **Owasco Lake Watershed Management Council, Inc.**, a local development corporation organized pursuant to Section 1411 of the Not-For-Profit Corporation Law of the State of New York, hereby certify, pursuant to subdivision 3 of Section 2800 of the Public Authorities Law, as follows:

The financial information provided within the Annual Report of the **Owasco Lake Watershed Management Council, Inc.** (the "Corporation"), dated as of _____, 201__ (the "Annual Report"), is accurate, correct, and does not contain any untrue statement of material fact. The Annual Report does not omit any material fact which, if omitted, would cause the report to be misleading in light of the circumstances under which the report and any such statements made therein are made. The Annual Report fairly presents in all material respects the financial condition and results of operations of the Corporation as of, and for, the periods presents in said report.

The Annual Report is hereby approved.

IN WITNESS WHEREOF, the undersigned President/Chief Executive Officer and Chief Financial Officer have executed this Certificate as of this ____ day of _____, 201__.

Name:
Title: President/Chief Executive Officer

Name:
Title: Chief Financial Officer

EXHIBIT F

**OWASCO LAKE WATERSHED MANAGEMENT COUNCIL, INC.
COMPENSATION, REIMBURSEMENT AND ATTENDANCE POLICY**

Pursuant to and in accordance with the Not-For-Profit Corporation Law of the State of New York, the members of the board (the "Board") of the **Owasco Lake Watershed Management Council, Inc.** (the "Corporation") shall serve without salary and be appointed as described in the By-Laws of the Corporation but may be reimbursed for reasonable expenses incurred in the performance of Corporation duties at the approval of the Board.

The officers, employees and agents of the Corporation shall serve at the pleasure of the Corporation at such compensation levels as may be approved by the Board from time to time and may be reimbursed for reasonable expenses incurred in the performance of Corporation duties at the approval of the Board.

The members of the Board and officers of the Corporation shall be available as required to perform the operations of the Corporation and as set forth within the By-Laws of the Corporation, as may be amended, restated or revised by the Board from time to time, in accordance with the By-Laws. Said members and officers of the Corporation shall put forth their best efforts to perform their respective duties as outlined in the By-Laws of the Corporation and any other directives of the Board relating to same.

Approved and adopted this _____ day of _____, 2011.

EXHIBIT G

**CODE OF ETHICS
OF
OWASCO LAKE WATERSHED MANAGEMENT COUNCIL, INC.**

The members of the board (the "Board") of the **Owasco Lake Watershed Management Council, Inc.** (the "Corporation"), a duly established local development corporation created pursuant to Section 1411 of the Not-for-Profit Corporation Law of the State of New York (the "State"), along with the officers and staff of the Corporation, shall comply with and adhere to the provisions of the Not-For-Profit Corporation Law of the State.

Further, no director, officer, or employee of the Corporation shall (1) accept other employment which will impair his or her independence of judgment in the exercise of his or her official duties; (2) accept employment or engage in any business or professional activity which will require him or her to disclose confidential information which he or she has gained by reason of his or her official position of authority; (3) disclose confidential information acquired by him or her in the course of his or her official duties nor use such information to further his or her personal interests; (4) use or attempt to use his or her official position to secure unwarranted privileges or exemptions for himself, herself or others; (5) engage in any transaction as a representative or agent of Corporation with any business entity in which he or she has a direct or indirect financial interest that might reasonably tend to conflict with proper discharge of his or her official duties; (6) by his or her conduct, give reasonable basis for the impression that any person can improperly influence him or her or unduly enjoy his or her favor in the performance of his or her official duties, or that he or she is affected by the kinship, rank, position or influence of any party or person; (7) not abstain from making personal investments in enterprises which he or she has reason to believe may be directly involved in decisions to be made by him or her or which will otherwise create substantial conflict between his or her duty in the public interest and his or her private interest; and (8) not endeavor to pursue a course of conduct which will not raise suspicion among the public that he or she is likely to be engaged in acts that are in violation of his or her trust.

Approved and adopted this _____ day of _____, 2011.

EXHIBIT H

OWASCO LAKE WATERSHED MANAGEMENT COUNCIL, INC.

WHISTLEBLOWER POLICY

Every member of the Board of Directors of the **Owasco Lake Watershed Management Council, Inc.** (the "Corporation") and all officer and employees thereof, in the performance of their duties shall conduct themselves with honesty and integrity and observe the highest standards of business and personal ethics as set forth in the Code of Ethics of the Corporation (the "Code").

Each member, officer or employee is responsible to report any violation of the Code (whether suspected or known) to the Corporation's President/Chief Executive Officer. Reports of violations will be kept confidential to the extent possible. No individual, regardless of his or her position with the Corporation, will be subject to any retaliation for making a good faith claim and, any employee who chooses to retaliate against someone who has reported a violation, shall be subject to disciplinary action which may include termination of employment. Regardless, any claim of retaliation will be taken and treated seriously and irrespective of the outcome of the initial complaint, will be treated as a separate offense.

The President/Chief Executive Officer is responsible for immediately forwarding any claim to the Corporation's counsel who shall investigate and handle the claim in a timely manner.

Approved and adopted this __ day of _____, 2011.

EXHIBIT I

OWASCO LAKE WATERSHED MANAGEMENT COUNCIL, INC. INVESTMENT POLICY

I. INVESTMENT AND DEPOSIT POLICY

A. Introduction

1. Scope – This investment and deposit policy applies to all monies and other financial resources available for investment and deposit on its own behalf or on behalf of any other entity or individual.
2. Objectives – The primary objectives of the **Owasco Lake Watershed Management Council, Inc.** (the “Corporation”) investment activities are, in priority order:
 - a. to conform with all applicable federal, state and other legal requirements (legal);
 - b. to adequately safeguard principal (safety);
 - c. to provide sufficient liquidity to meet all operating requirements (liquidity); and
 - d. to obtain a reasonable rate of return (yield).
3. Prudence – All participants in the investment process and all participants responsible for depositing the Corporation’s funds shall seek to act responsibly as custodians of the public trust and shall avoid any transaction that might impair confidence in the Corporation to govern effectively.

Investments and deposits shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the safety of the principal as well as the probable income to be derived.

All participants involved in the investment process and all participants responsible for depositing the Corporation’s funds shall refrain from personal business activity that could conflict with proper execution of the investment program or the deposit of the Corporation’s funds or which could impair their ability to make impartial investment decisions.

4. Diversification – It is the policy of the Corporation to diversify its deposits and investments by financial institution, by investment instrument, and by maturity scheduling.

5. Internal Controls

- a. All moneys collected by an officer or employee of the Corporation shall be immediately deposited in such depositories and designated by the Corporation for the receipt of such funds.
- b. The Corporation shall maintain or cause to be maintained a proper record of all book, notes, securities or other evidences of indebtedness held by the Corporation for investment and deposit purposes.
- c. The Corporation is responsible for establishing and maintaining an internal control structure to provide reasonable, but not absolute, assurance that deposits and investments are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly, and are managed in compliance with applicable laws and regulations.

1. Designation of Depositories

The Corporation shall designate as depositories of its money those banks and trust companies authorized to serve as such pursuant to applicable law.

B. Investment Policy

1. Permitted Investments

Pursuant to the Not-For-Profit Corporation Law ("N-PCL"), the Corporation is authorized to invest moneys not required for immediate expenditure for terms not to exceed its projected cash flow needs in the following types of investments:

- a. Special time deposit accounts;*
- b. Certificates of deposit;*
- c. Obligations of the United States of America;**
- d. Obligations guaranteed by agencies of the United States of America where payment of principal and interest are guaranteed by the United States of America;**
- e. Obligations of the State of New York;*

*Special time deposit accounts and certificates of deposit are permitted investments provided that (1) they shall be payable within such time as the proceeds shall be needed to meet expenditures for which the moneys were obtained and (2) they are collateralized in the same manner as set forth in paragraph (C) below for deposits of public funds.

**All investment obligations shall be payable or redeemable at the option of the Corporation within such times as the proceeds will be needed to meet expenditures for purposes for which the moneys were provided and, in the case of obligations purchased with the proceeds of bonds or notes, shall be payable or redeemable at the option of the Corporation within two years of the date of purchase.

2. Authorized Financial Institutions and Dealers

The Corporation shall maintain a list of financial institutions and dealers, approved for investment purposes and establish appropriate limits to the amount of investments which can be made with each financial institution or dealer. All financial institutions with which the local government conducts business must be credit worthy. Banks shall provide their most recent Consolidated Report of Condition (Call Report) at the request of the Corporation. Security dealers not affiliated with a bank shall be required to be classified as reporting dealers affiliated with the New York Federal Reserve Bank, as primary dealers. The President/Chief Executive Officer or Chairperson of the Board of Directors is responsible for evaluating the financial position and maintaining a listing of proposed depositories, trading partners and custodians. Such listing shall be evaluated at least annually.

3. Purchase of Investments

The Corporation may contract for the purchase of investments:

- a. Directly, including through a repurchase agreement, from an authorized trading partner.
- b. By participation in a cooperative investment program with another authorized governmental entity pursuant to the N-PCL where such program meets all the requirements set forth in the Office of the State Comptroller Opinion No. 88-46, and the specific program has been authorized by the Board of Directors.
- c. By utilizing an ongoing investment program with an authorized trading partner pursuant to a contract authorized by the board of Directors.

All purchased obligations, unless registered or inscribed in the name of the Corporation, shall be purchased through, delivered to and held in the custody of a bank or trust company. Such obligations shall be purchased, sold or presented for redemption or payment by such bank or trust company only in accordance with prior written authorization from the officer authorized to make the investment. All such transactions shall be confirmed in writing to the Corporation by the bank or trust company shall be held pursuant to a written custodial agreement as described in the N-PCL.

The custodial agreement shall provide that securities held by the bank or trust company, as agent of and custodian for, the Corporation, will be kept separate and apart from the general assets of the custodial bank or trust company and will not, in any circumstances, be commingled with or become part of the backing for any other deposit or other liabilities. The agreement shall describe how the custodian shall confirm the receipt and release of the securities. Such agreement shall include all provisions necessary to provide the Corporation a perfected interest in the securities.

4. Repurchase Agreements

Repurchase agreements are authorized subject to the following restrictions:

- a. All repurchase agreements must be entered into subject to a Master Repurchase Agreement.
- b. Trading partners are limited to banks or trust companies authorized to do business in New York State and primary reporting dealers.
- c. Obligations shall be limited to obligations of the United States of America and obligations guaranteed by agencies of the United States of America.
- d. No substitution of securities will be allowed.
- e. The custodian shall be a party other than the trading partner.

C. Deposit Policy

1. Collateralization of Deposits

All deposits of the Corporation, including certificates of deposit and special time deposits, in excess of the amount insured under the provisions of the Federal Deposit Insurance Act shall be secured:

- a. By pledge of “eligible securities” with an aggregate “market value” as provided by the N-PCL, equal to the aggregate amount of deposits from the categories designated in Exhibit A attached hereto.
- b. By an eligible “irrevocable letter of credit” issued by a qualified bank other than the bank with the deposits in favor of the Corporation for a term not to exceed ninety (90) days with an aggregate value equal to 140% of the aggregate amount of deposits and the agreed upon interest, if any. A qualified bank is one whose commercial paper and other unsecured short-term debt obligations are rated in one of the three highest rating categories by at least on nationally recognized statistical rating organization or by a bank that is in compliance with applicable federal minimum risk-based capital requirements.
- c. By an eligible surety bond payable to the Corporation for an amount at least equal to 100% of the aggregate amount of deposits and the agreed upon interest, if any, executed by an insurance company authorized to do business in New York State, whose claims-paying ability is rated in the highest rating category by at least two nationally recognized statistical rating organizations. The terms and conditions of any eligible surety shall be approved by the Board of Directors.

2. Safekeeping and Collateralization

Eligible securities used for collateralizing deposits shall be held by the depository bank or trust company subject to security and custodial agreements.

The security agreement shall provide that eligible securities are being pledged to secure Corporation deposits together with agreed upon interest, if any and any costs or expenses arising out of the collection of such deposits upon default. It shall also provide the conditions under which the securities may be sold, presented for payment, substituted or released and the events, which will enable the Corporation to exercise its rights against the pledged securities. In the event that the securities are not registered or inscribed in the name of the Corporation, such securities shall be delivered in a form suitable for transfer or with an assignment in blank to the Corporation or its custodial bank.

The custodial agreement shall provide that securities held by the bank or trust company, or agent of and custodian for, the Corporation, will be kept

separate and apart from the general assets of the custodial bank or trust company and will not, in any circumstances, be commingled with or become part of backing for any other deposit or other liabilities. The agreement should also describe that the custodian shall confirm the receipt, substitution or release of the securities. The agreement shall provide for the frequency of revaluation of eligible securities and for the substitution of securities when a change in the rating of a security may cause ineligibility. Such agreement shall include all provisions necessary to provide the Corporation a perfected interest in the securities.

Approved and adopted this _ day of _____, 2011.

A-1
EXHIBIT A

SCHEDULE OF ELIGIBLE SECURITIES

- (1) Obligations issued, or fully insured or guaranteed as to the payment of principal and interest by the United States of America, an Agency thereof or a United States government sponsored corporation.
- (2) Obligations issued or fully guaranteed by the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank and the African Development Bank.
- (3) Obligations partially insured or guaranteed by any Corporation of the United States of America, at a proportion of the Market Value of the obligation that represents the amount of the insurance or guaranty.
- (4) Obligations issued or fully insured or guaranteed by the State of New York, obligations issued by a municipal corporation, school district or district corporation or such State or obligations of any public benefit corporation which under a specific State statute may be accepted as security for deposit of public moneys.
- (5) Obligations issued by states (other than the State of New York) of the United States rated in one of the three highest rating categories by at least one nationally recognized statistical rating organization.
- (6) Obligations of Puerto Rico rated in one of the three highest rating categories by at least one nationally recognized statistical rating organization.
- (7) Obligations of countries, cities and other governmental entities of a state other than the State of New York having the power to levy taxes that are backed by the full faith and credit of such governmental entity and rated in one of the three highest categories by at least one nationally recognized statistical rating organization.
- (8) Obligations of domestic corporations rated one of the two highest rating categories by at least one nationally recognized statistical rating organization.
- (9) Commercial paper and bankers' acceptances issued by a bank, other than the Bank, rated in the highest short term category by at least one nationally recognized statistical rating organization and having maturities of not longer than 60 days from the date they are pledged.
- (10) Zero Coupon obligations of the United States government marketed as "Treasury strips".

EXHIBIT J

OWASCO LAKE WATERSHED MANAGEMENT COUNCIL, INC. TRAVEL POLICY

Section 1. APPLICABILITY

This policy shall apply to every member of the board (the "Board") of the **Owasco Lake Watershed Management Council, Inc.** (the "Corporation") and all officers and employees thereof.

Section 2. APPROVAL OF TRAVEL

All official travel for which a reimbursement will be sought must be approved by the President/Chief Executive Officer prior to such travel; provided, however, in the instance where the President/Chief Executive Officer will seek reimbursement for official travel, such travel must be pre-authorized by the Board.

Section 3. PAYMENT OF TRAVEL

The Corporation will reimburse all reasonable expenses related to meals, travel and lodging that were incurred by any director, officer or employee as a result of the performance of their official duties. All official travel shall be properly authorized, reported and reimbursed. Under no circumstances shall expenses for personal travel be charged to, or temporarily funded by the Corporation. It is the traveler's responsibility to report his or her travel expenses in a responsible and ethical manner, in accordance with this policy.

Section 4. TRAVEL EXPENSES

Travelers may use their private vehicle for business purposes if it is less expensive than renting a car, taking a taxi, or using alternative transportation, or if it saves time. The traveler will be reimbursed at a standard mileage reimbursement rate.

Meals will be reimbursed at actual expense or a per diem rate, whichever is less. Lodging will be reimbursed at actual expense up to certain daily rate caps established for various locations. The applicability of such caps shall be determined on a case by case basis taking into consideration availability of lodging and other extenuating circumstances.

Reimbursement for miscellaneous expenses shall be determined on a case-by-case basis. Mileage rates, per diem allowances and lodging caps will be established and from time to time amended by the Treasurer or his or her designee. All determinations made pursuant to this section shall be made by the Treasurer or his or her designee. In the instance where such determinations regard the travel of the Treasurer or his or her designee, the President shall make such determinations.

Approved and adopted this _____ day of _____, 2011.

EXHIBIT K

OWASCO LAKE WATERSHED MANAGEMENT COUNCIL, INC. DISPOSITION OF REAL PROPERTY GUIDELINES ADOPTED PURSUANT TO SECTION 2896 OF THE PUBLIC AUTHORITIES LAW

SECTION 1. DEFINITIONS

A. “Contracting officer” shall mean the officer or employee of the **Owasco Lake Watershed Management Council, Inc.** (the “Corporation”) who shall be appointed by resolution to be responsible for the disposition of property.

B. “Dispose” or “disposal” shall mean transfer of title or any other beneficial interest in personal or real property in accordance with section 2897 of the Public Authorities Law.

C. “Property” shall mean personal property in excess of five thousand dollars (\$5,000) in value, and real property, and any inchoate or other interest in such property, to the extent that such interest may be conveyed to another person for any purpose, excluding an interest securing a loan or other financial obligation of another party.

SECTION 2. DUTIES

A. The Corporation shall:

(i) maintain adequate inventory controls and accountability systems for all property owned by the Corporation and under its control;

(ii) periodically inventory such property to determine which property shall be disposed of;

(iii) produce a written report of such property in accordance with subsection B herewith; and

(iv) transfer or dispose of such property as promptly and practicably as possible in accordance with Section 3 below.

B. The Corporation shall

(i) publish, not less frequently than annually, a report listing all real property owned in fee by the Corporation. Such report shall consist of a list and full description of all real and personal property disposed of during such period. The report shall contain the price received by the Corporation and the name of the purchaser for all such property sold by the Corporation during such period; and

(ii) shall deliver copies of such report to the Comptroller of the State of New York, the Director of the Budget of State of New York, the Commissioner of the New York State Office of General Services, and the New York State Legislature (via distribution to the majority leader of the senate and the speaker of the assembly).

SECTION 3. TRANSFER OR DISPOSITION OF PROPERTY

A. **Supervision and Direction.** Except as otherwise provided herein, the duly appointed contracting officer (the “Contracting Officer”) shall have supervision and direction over the disposition and sale of property of the Corporation. The Corporation shall have the right to dispose of its property for any valid corporate purpose.

B. **Custody and Control.** The custody and control of Corporation property, pending its disposition, and the disposal of such property, shall be performed by the Corporation or by the Commissioner of General Services when so authorized under this section and applicable law.

C. **Method of Disposition.** Unless otherwise permitted, the Corporation shall dispose of property for not less than its fair market value by sale, exchange, or transfer, for cash, credit, or other property, with or without warranty, and upon such other terms and conditions as the Corporation and/or contracting officer deems proper. The Corporation may execute such documents for the transfer of title or other interest in property and take such other action as it deems necessary or proper to dispose of such property under the provisions of this section. Provided, however, no disposition of real property, any interest in real property shall be made unless an appraisal of the value of such property has been made by an independent appraiser and included in the record of the transaction and provided further, that no disposition of any other property, which because of its unique nature or the unique circumstances of the proposed transaction is not readily valued by reference to an active market for similar property, shall be made without a similar appraisal..

D. **Sales by the Commissioner of General Services (the “Commissioner”).** When the Corporation, if authorized to do so by applicable law, shall have deemed that transfer of property by the Commissioner will be advantageous to the State of New York, the Corporation may enter into an agreement with the Commissioner of pursuant to which Commissioner may dispose of property of the Corporation under terms and conditions agreed to by the Corporation and the Commissioner. In disposing of any such property, the Commissioner shall be bound by the terms hereof and references to the contracting officer shall be deemed to refer to such Commissioner.

E. **Validity of Deed, Bill of Sale, Lease, or Other Instrument.** A deed, bill of sale, lease, or other instrument executed by or on behalf of the Corporation, purporting to transfer title or any other interest in property of the Corporation in accordance herewith shall be conclusive evidence of compliance with the provisions of these guidelines and all applicable law insofar as concerns title or other interest of any bona fide grantee or

transferee who has given valuable consideration for such title or other interest and has not received actual or constructive notice of lack of such compliance prior to the closing.

F. Bids for Disposal; Advertising; Procedure; Disposal by Negotiation; Explanatory Statement.

(i) Except as permitted by all applicable law, all disposals or contracts for disposal of property made or authorized by the Corporation shall be made after publicly advertising for bids except as provided in subsection (iii) of this Section F.

(ii) Whenever public advertising for bids is required under subsection (i) of this Section F:

(A) the advertisement for bids shall be made at such time prior to the disposal or contract, through such methods, and on such terms and conditions as shall permit full and free competition consistent with the value and nature of the property proposed for disposition;

(B) all bids shall be publicly disclosed at the time and place stated in the advertisement; and

(C) the award shall be made with reasonable promptness by notice to the responsible bidder whose bid, conforming to the invitation for bids, will be most advantageous to the Corporation, price and other factors considered; provided, that all bids may be rejected at the Corporation's discretion.

(iii) Disposals and contracts for disposal of property may be negotiated or made by public auction without regard to subsections (i) and (ii) of this Section F but subject to obtaining such competition as is feasible under the circumstances, if:

(A) the personal property involved has qualities separate from the utilitarian purpose of such property, such as artistic quality, antiquity, historical significance, rarity, or other quality of similar effect, that would tend to increase its value, or if the personal property is to be sold in such quantity that, if it were disposed of under subsections (i) and (ii) of this Section F, would adversely affect the state or local market for such property, and the estimated fair market value of such property and other satisfactory terms of disposal can be obtained by negotiation;

(B) the fair market value of the property does not exceed fifteen thousand dollars (\$15,000);

(C) bid prices after advertising therefor are not reasonable, either as to all or some part of the property, or have not been independently arrived at in open competition;

(D) the disposal will be to the state or any political subdivision or public benefit corporation, and the estimated fair market value of the property and other satisfactory terms of disposal are obtained by negotiation;

(E) under those circumstances permitted by subsection (v) below; or

(F) such action is otherwise authorized by law.

(iv) (A) An explanatory statement shall be prepared of the circumstances of each disposal by negotiation of:

(1) any personal property which has an estimated fair market value in excess of fifteen thousand dollars (\$15,000);

(2) any real property that has an estimated fair market value in excess of one hundred thousand dollars (\$100,000), except that any real property disposed of by lease or exchange shall only be subject to clauses (3) and (4) of this subparagraph;

(3) any real property disposed of by lease, if the estimated annual rent over the term of the lease is in excess of fifteen thousand dollars (\$15,000); or

(4) any real property or real and related personal property disposed of by exchange, regardless of value, or any property any part of the consideration for which is real property.

(B) Each such statement shall be transmitted to the persons entitled to receive copies of the report required under Section 2(B) above not less than ninety (90) days in advance of such disposal, and a copy thereof shall be preserved in the files of the Corporation.

(v) Disposal of Property for less than Fair Market Value ("FMV").

(A) No assets owned, leased or otherwise in the control of the Corporation may be sold, leased, or otherwise alienated for less than its FMV except if:

(1) the transferee is a government or public entity and terms of transfer require ownership and use to remain with the government or public entity; or

(2) the purpose of transfer is within purpose, mission of the Corporation; or

(3) the Corporation provides written notification to the Governor, the Speaker of the Assembly, and the Temporary President of the Senate; provided, however, that such notification is subject to denial

by the Governor, the Speaker of the Assembly, and the Temporary President of the Senate pursuant to the PAAA.

(B) If the Corporation proposes to make a transfer below FMV, the following information is required to be provided to the Corporation's Board of Directors and the public:

- (1) a full description of the asset;
- (2) an appraisal of the FMV of the asset;
- (3) a description of purpose of transfer, the kind and amount of the benefit to the public resulting from the transfer such as jobs and wages created or preserved;
- (4) a statement of the value to be received compared to FMV;
- (5) the names of any private parties participating in the transfer, and, if different than the information required by paragraph 4 immediately above, a statement of the value to the private party;
- (6) the names of other private parties that have made an offer for the asset being transferred, the value offered, and the purpose for which the asset would have been used.

(C) The Board of Directors of the Corporation must make a written determination that there is no reasonable alternative to the proposed below-market transfer that would achieve the same purpose of such transfer.

The guidelines are subject to modification and amendment at the discretion of the Corporation board and shall be filed annually with all local and state agencies as required under all applicable law.

The designated Contracting Officer for the Corporation is Marcus Serrano, CEO.

Approved and adopted this _____ day of _____, 2011.

EXHIBIT L

OWASCO LAKE WATERSHED MANAGEMENT COUNCIL, INC.

PROCUREMENT POLICY

A. Introduction

1. Scope – In accordance with the Public Authorities Accountability Act of 2005, as amended by Chapter 506 of the Laws of 2009 of the State of New York, the **Owasco Lake Watershed Management Council, Inc.** (the “Corporation”) is required to adopt procurement policies that will apply to the procurement of goods and services not subject to the competitive bidding requirements the New York State General Municipal Law and paid for by the Corporation for its own use and account.

2. Purpose – The primary objectives of this policy are to assure the prudent and economical use of public monies in the best interests of the taxpayers of a political subdivision or district, to facilitate the acquisition of goods and services of maximum quality at the lowest possible cost under the circumstances and to guard against favoritism, improvidence, extravagance, fraud and corruption.

B. Procurement Policy

Any purchase/contract for goods or services with an annualized expenditure in excess of fifteen thousand (\$15,000) must adhere to the following:

Definitions:

best value - the basis for awarding all service purchases/contracts to the offerer which optimizes quality, cost and efficiency, among responsive and responsible offerers. Such basis shall be, whenever possible, quantifiable.

responsible - Such requirements may include, but are not limited to, the offerers' qualifications, financial stability and integrity.

responsive - Applies to the extent to which the offer has complied with the specifications or requirements of the solicitation for goods or services.

1) For the purchase of goods, proposals must be requested from a minimum of three (3) offerers. The lowest responsible, responsive bidder shall be accepted unless it is otherwise in the best interest of the Corporation, as justified in writing by the Contracting Officer of the Corporation. Such justification must be maintained in the procurement record.

2) For purchases of services, proposals must be requested from a minimum of three (3) offerers. The best value bidder shall be accepted unless it is otherwise in the

best interest of the Corporation, as justified in writing by the Contracting Officer of the Corporation. Such justification must be maintained in the procurement record.

3) The requirement for competitive bidding may be waived upon prior written approval of the Contracting Officer provided that prior to the acceptance of such goods or services, a written statement is prepared describing the justification for waiving competitive bidding and the reasonableness of the proposed expenditure.

Approved and adopted this _____ day of _____, 2011.

EXHIBIT M

**OWASCO LAKE WATERSHED MANAGEMENT COUNCIL, INC.
DEFENSE AND INDEMNIFICATION POLICY**

Pursuant to the By-Laws of the **Owasco Lake Watershed Management Council, Inc.** (the "Corporation"), the Corporation shall indemnify all members of the Board of the Corporation and each officer and employee thereof, in the performance of their duties, and to the extent authorized by the Board of Directors, each other person authorized to act for the Corporation or on its behalf, to the full extent to which indemnification is permitted under the Not-For-Profit Corporation Law of the State of New York.

Approved and adopted this _____ day of _____, 2011.