

BY-LAWS
OF
BUFFALO MUNICIPAL WATER FINANCE AUTHORITY

Pursuant to the authority contained in sections 1048-a through 1048-bb of Title 2-B of Article 5 of the Public Authorities Law, as set out in chapter seven hundred ninety-six of the Laws of Nineteen Hundred Eighty-Five of the State of New York, (the "Authority Act") the Buffalo Municipal Water Finance Authority (the "Authority") hereby approves the following By-Laws for the regulation of its activities:

ARTICLE I
SEAL

The official seal of the Authority shall be in the design circular in form bearing the words as follows: Buffalo Municipal Water Finance Authority.

ARTICLE II
OFFICE OF THE AUTHORITY

The principal office of the Authority shall be located at 502 City Hall, in the City of Buffalo, County of Erie. Any notices of claim or service of process with respect to the Authority shall be served and filed at this office.

ARTICLE III
FISCAL YEAR

The fiscal year of the Authority shall commence on July 1st of each calendar year and conclude at the close of business on June 30th of each calendar year. The fiscal year may be changed by resolution adopted at a regular or special meeting of the Authority.

ARTICLE IV
MEMBERS OF THE AUTHORITY

SECTION 1. *Number.* The number of members constituting the Authority shall be seven (7).

SECTION 2. *Appointment.* The Authority shall be administered by a board of directors consisting of seven members as follows: the commissioner of public works of the city, the state commissioner of environmental conservation, the chairperson of the finance committee of the common council of the city, the commissioner of administration and finance of the city, two public members to be appointed by the mayor and confirmed by the common council of the city, and one public member to be appointed by the governor.

SECTION 3. *Term.* One public member appointed by the mayor shall serve for a term of one year, one public member appointed by the mayor shall serve for a term of two years, and the public member appointed by the governor shall serve for a term of two years from January first next succeeding the date of their appointment. Their successors shall serve for terms of two years each. members shall continue in office until their successors have been appointed and qualified. The mayor or the governor shall fill any vacancy which may occur by reason of death, resignation or otherwise in the manner consistent with the original appointment.

SECTION 4. *Vacancies.* Vacancies on the Authority, created for any reason shall be filled in the manner provided for original appointment of members. Any vacancy occurring other than by expiration of the term of office shall be filled by appointment for the unexpired term. successor members appointed under this section shall hold office until their successors have been duly appointed and qualified.

SECTION 5. *Removal.* Members may be removed from office by the public officer or public body which is empowered by the Authority Act to appoint such member, for cause provided however, that such member shall be given a copy of the charges against him/her and given an opportunity to be heard in person or by counsel, in his/her defense upon not less than ten (10) days notice.

SECTION 6. *Compensation.* Each director who is a public member shall be entitled to reimbursement for his or her actual and necessary expenses incurred in the performance of his or her official duties and a per diem allowance of one hundred fifty dollars when rendering service as such director, provided that the aggregate of such per diem allowance to any one director in any one fiscal year of the Authority shall not exceed the sum of five thousand dollars.

ARTICLE V MEETINGS OF MEMBERS

SECTION 1. *Annual Meeting* The annual meeting of the members shall be held on the first day of March in each fiscal year, or if a legal holiday, on the next secular day, or on such date and at such time as may be fixed by the members for the transaction of business as may properly be brought before such meeting.

SECTION 2. *Regular Meetings.* Regular meetings of the members shall be held at such times as the members may from time to time determine. Each member in each fiscal year shall attend at least seventy-five percent (75%) of all meetings of the Authority.

SECTION 3. *Special Meetings.* Special meetings of the members shall be held at any time, upon call by the chair or of at least two-thirds (2/3rds) of the total number of members.

SECTION 4. *Place of Meetings.* The annual, regularly scheduled and special meetings of the members shall be held at the principal office of the Authority or at such other place, within or without the State of New York, as the members may from time to time determine.

SECTION 5. *Notice of Meeting.* Written or electronic notice of the place, day and hour of every regular and special meeting shall be given to each member by delivering the same to such member personally, or via facsimile, e-mail or other like transmission, at his/her residence or usual place of business, at least one (1) day before the meeting, or shall be sent regular or overnight to each member, postage prepaid, and addressed to him/her at the last known post office address according to the records of the Authority, at least three (3) days before the meeting. No notice of any adjourned meeting of the Authority need be given other than by announcement at the meeting. All notices for special meetings shall state the purpose of the meeting and no business other than that stated in such notice shall be transacted at any special meeting, unless every qualified member is present and it is unanimously agreed to consider matters other than those specifically provided for in notice of such special meeting.

SECTION 6. *Waiver of Notice.* Notice of a meeting need not be given to any member who submits a signed written waiver thereof whether before, during or after the meeting nor to any member who attends the meeting without protesting, prior thereto or at its commencement, the lack of notice to such member.

SECTION 7. *Voting and Conduct of Meetings.* Meetings of the members shall be presided over by the chair of the Authority or in the absence of the chair by the vice chair and in the absence of both, a chair to be chosen at the meeting. The secretary of the Authority shall act as secretary of the meeting, if present.

Four directors of the Authority, of whom at least three members shall be ex officio, shall constitute a quorum for the transaction of any business or the exercise of any power of Authority.

Resolutions authorizing the issuance of bonds or notes of the Authority and resolutions authorizing any loan, lease, sale or other agreement in respect to a water project shall be approved by not less than four members of the Authority at a meeting duly called for such purposes at which a quorum is in attendance, but for the transaction of any other business or the performance of any other power or function of the Authority, the Authority may act by a majority of the members present at any meeting at which a quorum is in attendance. The Authority may delegate to one or more of its directors, or its officers, agents and employees, such powers and duties as it may deem proper.

The Comptroller of the city shall be the chief fiscal officer of the Authority. The Commissioner of Public Works of the city, the State Commissioner of Environmental Conservation, and the Commissioner of Administration and Finance of the city may each, by written instrument, filed with and approved as to form by the Authority, designate a deputy or assistant in their respective departments or offices, to perform, in their absence, their respective duties under this title.

The term "director" as used in these By-Laws shall include such persons so designated as provided herein. The designation of such persons shall be deemed temporary only and shall not affect the civil service or retirement rights of any persons so designated.

SECTION 8. *Proxies.* There shall be no voting by proxy.

SECTION 9. *Quorum.* Except as otherwise provided herein, a majority of the duly appointed members shall be necessary to constitute a quorum for the transaction of business at each meeting of the Authority; but if at any meeting there be less than a quorum present, a majority of those present may adjourn the meeting from time to time without notice other than by announcement at the meeting, until a quorum shall attend. At any adjournment, at which a quorum shall be present, any business may be transacted which might have been transacted at the meeting as originally called.

SECTION 10. *Committees.* Pursuant to New York Public Authorities Law section 2824, the Authority shall establish the following standing committees: Audit Committee, Governance Committee and Finance Committee. Each such committee shall have the duties as prescribed by the New York Public Authorities Law. In addition, the Authority may, in its discretion, by an affirmative vote of a majority of all members appoint a member or members to serve as a special purpose committee for the purpose of exploring and reviewing any issue as prescribed by the chair. Any such committee shall consist of as many members as the chair shall determine.

ARTICLE VI
OFFICERS OF THE AUTHORITY

SECTION 1. *Appointment of Officers.* The officers of the Authority shall consist of a chair, a vice-chair, and a secretary. Such officers shall be appointed by the members of the Authority and shall serve in such capacities at the pleasure of the Authority. The secretary need not be a member of the Authority. The members may appoint, and at their pleasure remove such additional officers as it may deem necessary for the performance of the powers and duties of the Authority.

SECTION 2. *Tenure of Office.* All officers of the Authority shall hold office until their successors are chosen and qualify in their stead.

SECTION 3. *Removal.* Any officer of the Authority may be removed from such office, with or without cause by a vote of the majority of the members of the Authority at a meeting called for that purpose or whenever in the member's judgment, the best interests of the Authority may be served thereby.

ARTICLE VII
DUTIES OF OFFICERS

SECTION 1. *Chair of the Authority.* The chair shall preside at all meetings of the Authority. The chair shall be responsible for the discharge of the executive functions and powers of the Authority, but shall be empowered to delegate any one or more of such functions or powers, including, without limitation, that of appointment, discipline and removal of officers or employees, to one or more officers appointed by the Authority and shall perform such other duties as the Authority may direct. The chair shall sign and execute, on behalf of the Authority, all contracts, instruments or other required documentation when so authorized by resolution of the Authority.

SECTION 2. *Vice Chair of the Authority.* The vice chair shall perform the duties of the chair in the event the office of chair is vacant, or in the event the chair is unable to perform such duties by reason of illness, disability or absence and shall perform such other duties as may be designated by the Authority.

Section 3. *Secretary.* The secretary shall attend and keep full minutes of all meetings of the members in books provided for that purpose. He/she shall see that all notices are duly given in accordance with the provisions of these By-Laws or as required by law. He/she shall be the custodian of the records and of the seal of the Authority. He/she shall affix the seal to all documents, the execution of which on behalf of the Authority, under the seal, is duly authorized by the members and when so affixed may attest the same. He/she shall have such other powers and duties as may be properly designated by the Authority. The absence of a seal on a document, however, shall not invalidate such document.

SECTION 4. *Insurance.* The Authority may maintain insurance, at its expense, to protect itself, any officer, employee or agent of the Authority against any expense, liability or loss, whether or not the Authority would have the power to indemnify such person against such expense, liability or loss under this Article or applicable law.

ARTICLE VIII

DEFENSE AND INDEMNIFICATION OF OFFICERS AND MEMBERS

All of the members and officers of the Authority are entitled to defense and indemnification from the Authority pursuant to and in accordance with section 18 of the New York Public Officers Law and shall not have personal liability resulting from the ownership, construction, maintenance or operation of any of the projects or properties of either the Authority or the Buffalo Water Board, or the carrying out of any of the powers of the Authority Act.

ARTICLE IX **AMENDMENTS**

SECTION 1. *Power to Amend.* The members shall have the power to adopt, amend or repeal the By-Laws of the Authority by a majority vote of the total number of members, notwithstanding any vacancies.

Adopted: May 23, 2013



Name: Peter Merlo

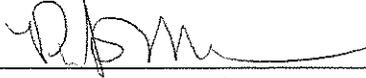
Title: Secretary

STATE OF NEW YORK)
) SS.:
COUNTY OF ERIE)

I, the undersigned Secretary of the Buffalo Municipal Water Finance Authority, DO HEREBY CERTIFY that I have compared the annexed By-Laws of Buffalo Municipal Water Finance Authority, (the "Authority") dated May 23, 2013, with the original thereof, and that the same is a true and correct copy of the By-Laws of the Authority.

I FURTHER CERTIFY that, as of the date hereof, the attached By-Laws are in full force and effect and have not been amended or repealed.

IN WITNESS WHEREOF, I have hereunto set my hand this 23rd day of May, 2013.



Name: Peter Merlo
Title: Secretary of the Authority