

ADOPTED: July 26, 2004

BYLAWS
of
NIAGARA FRONTIER TRANSPORTATION AUTHORITY

Pursuant to the authority contained in section 1299-e, subdivision 5 of Article 5 of the Public Authorities Law, as set out in chapter seven hundred seventeen of the Laws of Nineteen Hundred and Sixty-Seven of the State of New York, the Niagara Frontier Transportation Authority hereby approves the following Bylaws 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 and dates as follows:

NIAGARA FRONTIER TRANSPORTATION AUTHORITY
CORPORATE SEAL
1967

and such seal as impressed on the margin hereof is hereby adopted as the corporate seal of the Authority.

ARTICLE II
DEFENSE AND INDEMNIFICATION OF MEMBERS OF THE BOARD

All of the members of the Authority are entitled to defense and indemnification from the Authority pursuant to and in accordance with section 18 of the New York State Public Officers Law.

ARTICLE III
OFFICERS

The officers of the Authority shall be a Chair, Vice-Chair, Secretary and Treasurer. The Vice-Chairman shall be elected from among the members duly appointed by the Governor of the State of New York. The officers, with the exception of the Chairman, shall be elected at the first meeting of said Board in each

fiscal year. In addition, there shall be appointed by the Board an Executive Director, General Counsel, Chief Financial Officer and others as the Board may deem proper, who will serve at the will of the Board.

ARTICLE IV

TENURE OF OFFICE

All officers shall hold office until their successors are chosen and qualify in their stead.

ARTICLE V

BOARD RESPONSIBILITY

The primary responsibility of the members of the Authority shall be overseeing the Authority's Executive Director and other senior management in the effective and ethical management of the Authority. The members shall understand, review and monitor the implementation of fundamental financial, management and operational decisions of the Authority.

ARTICLE VI

DUTIES OF OFFICERS

CHAIR

The Chair shall preside over the Board, including all Board meetings, and shall establish committees to assist the Board in carrying out its duties and shall appoint members of the Board to such committees.

The Chair shall not be a member of management, and is responsible for leading the Board's oversight role, including setting the Board's agenda, managing the flow of information to the Board, coordinating the work of the Board's committees and serving as the primary liaison between the Board and senior management.

VICE-CHAIR

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 members of the Board of the Authority.

SECRETARY

The Secretary shall attend meetings of the Authority and act as Secretary thereof and record all votes and shall cause to be kept a record of the proceedings of the Authority in a minute book to be kept for that purpose. The Secretary shall keep in safe custody the seal and shall have authority to affix said seal to all papers requiring such seal to be affixed. The Secretary shall have the authority to cause copies to be made of all

minutes and other records and documents of the Authority and to give certificates under the seal of the Authority to the effect that such copies are true copies and all persons dealing with the Authority may rely on such certificates. The Secretary shall perform such other duties as the Authority, from time to time, may impose.

The Secretary shall be charged with the care and custody of all Deeds, Searches, Bonds and such other Instruments of the Authority as the Authority shall designate, which shall be kept in a locked fireproof file of the Authority and such documents are to be released only on written receipt when authorized on written instructions from the Secretary or Treasurer of the Authority. The Secretary shall be empowered to delegate the powers and duties of the office to a member of the staff of the Authority who thereafter shall be authorized to act in the absence of the Secretary.

TREASURER

The Treasurer is authorized to receive on behalf of the Authority any security required by the Authority for deposit with the Authority. The Treasurer shall have charge of the treasury and custody of receipts, deposits, and disbursements of all Authority moneys. The Treasurer shall be empowered to delegate the powers and duties of the office to a member of the staff of the Authority who thereafter shall be authorized to act in the absence of the Treasurer. The Treasurer and the Chief Financial Officer shall have dual signing authority over the Authority's payroll and accounts payable checks.

EXECUTIVE DIRECTOR

The Executive Director shall be the chief operating officer of the Authority, whose duties and responsibilities shall consist of the day-to-day management responsibilities of the Authority.

GENERAL COUNSEL

The General Counsel shall be the chief legal counsel of the Authority, furnish the Authority with opinions, advice and counsel as may be required. The General Counsel shall represent the Authority in all legal matters and hearings as required and shall perform such other duties as may be assigned by the Chairman or the Board.

Within the limitations of the appropriations provided therefrom and pursuant to the Procurement Guidelines, the General Counsel may employ special counsel and incur such expenses in connection therewith as may be deemed necessary in the performance of the duties of the office.

The General Counsel shall prepare leases, contracts and other documents and agreements involving the Authority and its tenants, agents, consultants, and other contractors, and

participate in all negotiations involving contractual arrangements between the Authority and others. The General Counsel shall also appear on behalf of the Authority before various governmental agencies and prepare and present such briefs, applications, requests, memoranda, or other pertinent data as may be deemed appropriate.

The General Counsel is authorized to settle claims by or against the Authority where the sum does not exceed \$50,000.00. The General Counsel shall have such powers and other duties as are conferred by the Authority or by any law.

CHIEF FINANCIAL OFFICER

The Chief Financial Officer is responsible to the Board for implementing the Authority's strategic plan as it pertains to financial management and financial planning. The Chief Financial Officer shall be responsible to oversee and provide advice concerning all lending, borrowing, investing and other financial and treasury functions of the Authority. The Chief Financial Officer is responsible for preparing the Authority's Investment and Liability Guidelines and compliance with same.

Moneys in all accounts of the Authority shall be paid out on the warrant of the Chief Financial Officer. The Chief Financial Officer shall review and sign all checks or withdrawals from the treasury. The Chief Financial Officer shall superintend the fiscal affairs of the Authority and keep accurate and proper books showing their condition at all times. The Chief Financial Officer shall prescribe such methods of accounting as are necessary for the performance of the foregoing duties. The Chief Financial Officer shall approve as to sufficiency all bonds and undertakings of every kind given to the Authority, under Procurement Guidelines. The Chief Financial Officer shall prepare and keep a continuing appraisal and inventory of all Authority property and shall be responsible for the accounting of all sales and dispositions of assets. The Chief Financial Officer shall have such other powers and duties as are conferred by the Authority or by any law.

The Chief Financial Officer shall also serve as General Manager of Finance and Administration.

ARTICLE VII

FISCAL YEAR

The fiscal year of the Authority shall begin on the first day of April.

ARTICLE VIII

RULES OF ORDER

RULE 1. REGULAR MEETING

The regular scheduled meetings of the Authority shall be held at previously agreed on places on the fourth Monday of each month at 12:30 p.m. The Chair shall sign the notice of the regular meetings. Regular meetings may be adjourned to any place at the will of the majority of the members of the Board.

RULE 2. SPECIAL MEETINGS

Special Meetings may be called at any time by the Chair or in his or her absence by the Vice-Chair and on request of any three (3) members of the Board. It shall be the duty of the Chair, or in his or her absence, of the Vice-Chair, to issue a call for a Special Meeting within a reasonable time after receipt of such request. Written notice of each Special Meeting shall be given by the Secretary (or in his or her absence by the Chair or Vice-Chair) specifying the time and place of the meeting, addressed to the respective members of the Board, at their place of residence or place of business, and shall be deposited in the post office at least forty-eight (48) hours prior to the time fixed for such meeting or delivered to the place of residence or place of business at least twenty-four (24) hours before the time fixed for such meeting. Such notice shall state the purpose of such meeting and no business other than stated in the notice shall be transacted at such Special Meeting unless every qualified member of the Board is present, and it is unanimously agreed to consider matters other than those specifically provided for in the notice of such meeting.

RULE 3. ANNUAL MEETING

The annual meeting of the Authority shall be held on the fourth Monday of April in each year. Whenever a quorum is not present at the annual meeting, a substitute annual meeting shall be called in the same manner as is provided for the calling of special meetings of the Board.

RULE 4. QUORUM

A majority of the duly appointed members of the Authority shall constitute a quorum for the transaction of business.

RULE 5. MAJORITY VOTE

The powers of the Authority shall be exercised by a majority vote of the members present at any meeting at which a quorum is in attendance except that a resolution concerning the acquisition of transportation facilities or joint service arrangements involving the same, or the setting of fees, tariffs, tolls or rentals for passengers, or authorization for the issuance of notes or the issuance of bonds shall require an affirmative vote of the majority of all members of the Board. A resolution seeking a waiver of the Procurement Guidelines in the best

interests of the Authority requires an affirmative vote of two-thirds of the members present at the meeting.

Upon demand of any member, after due debate, the roll shall be called and the vote recorded upon any motion, resolution or amendment thereto.

A majority of the members of the Board present, whether or not a quorum is present, may adjourn any meeting to another time and place.

A member shall be considered present for a meeting if he or she is participating by way of a telephone conference call.

RULE 6. ORDER OF BUSINESS

The order of business at regular meetings shall be:

1. Call to Order/Approval of Minutes
2. NFTA Corporate Report
 - A) Committee Reports
 - 1) Audit and Governance Committee
 - 2) Human Resources Committee
 - B) Executive Director's Report
 - C) Consolidated Financial Report
 - D) Corporate Resolutions
3. Aviation Business Group Report
 - A) Aviation Committee Report
 - B) Financial Update
 - C) Business Update
 - D) Aviation Resolutions
4. Surface Transportation Business Group Report
 - A) Surface Transportation Committee Report
 - B) Financial Update
 - C) Business Update
 - D) Surface Transportation Resolutions
5. Property Development Business Group Report
 - A) Property/Risk Management Committee Report
 - B) Financial Update
 - C) Business Update
 - D) Property Development Resolutions
6. General Counsel's Report

7. Executive Session

8. Adjournment

Any member of the Authority may have any matter placed on the calendar for any meeting as special business.

RULE 7. POINTS OF ORDER NOT COVERED BY THESE RULES

On all points of order not covered by the rules of this Board, Roberts Rules of Order Revised shall prevail. In the event that a point of order shall arise which shall not be covered by either the rules of the Board or Roberts Rules of Order Revised, the rules of the New York State Assembly shall be followed.

RULE 8. DECORUM

The Chair shall take the chair promptly at the hour specified for convening of the Board meeting and shall preserve order and decorum. In debate he or she shall confine members to the question under discussion and decide all questions of order, which decision shall be final, unless an appeal is taken to the Board and sustained.

RULE 9. WHEN A MEMBER MAY BE EXCUSED FROM VOTING

Every member who shall be in the Board room chambers when a question is stated by the Chair shall vote. A member may be excused if he or she is directly interested in the question. For the purposes of determining whether a majority vote has been obtained, the number of members present for purposes of determining whether there was a majority vote shall not include the member who has been excused from voting.

RULE 10. ABSTENTION FROM VOTING

If a member shall choose to abstain from voting, except as provided in Rule 9 above, such abstention shall be duly recorded and for purposes of determining whether a majority vote has been cast, the abstention shall be considered a negative vote.

RULE 11. SPEAK WHEN RECOGNIZED BY THE CHAIR

No member wishing to speak shall proceed until he or she shall have addressed the Chair from his or her place and shall have been recognized by him.

RULE 12. SUSPENSION OR AMENDMENT OF RULES

These rules may at any time during a meeting be suspended by unanimous consent of all the members of the Board present.

The rules shall not be rescinded, altered or amended, nor any additional rule added thereto except by a majority vote of the total members of the Board and only after at least one day's notice in writing filed with the Chair and served on each Board member.

RULE 13. STANDING COMMITTEES

There shall be five (5) Standing Committees as follows: Audit and Governance, Human Resources, Surface Transportation, Aviation and Property/Risk Management.

The Chair shall be chair of the Audit and Governance Committee, and shall appoint a minimum of four (4) members to each committee. The Chair shall select one of the members of each committee other than the Audit and Governance Committee as chair of the committee. A quorum of the committee shall consist of a majority of the members of that committee.

A member shall be considered present for a committee meeting if he or she is participating by way of a telephone conference call.

RULE 14. SPECIAL PURPOSE COMMITTEES

The Chair may appoint a member or members of the Board of Commissioners to serve as a Special Purpose Committee for the purpose of exploring and reviewing any issue as prescribed by the Chair. The Committee shall consist of as many members as the Chair shall determine. One of the members may be designated as the Special Purpose Committee Chair by the Authority Chair. There is currently one Special Purpose Committee: Art.

RULE 15. COMMITTEE PROCEDURES

All committees must establish and follow a written charter providing for the clearly defined responsibilities of the committee.