

**BY-LAWS**  
**OF**  
**CORTLAND COUNTY DEVELOPMENT CORPORATION**

**ARTICLE I – NAME AND OFFICE**

**Section 1. Name.**

The name of the Corporation shall be Cortland County Development Corporation, a local development corporation organized under Article 14 of the New York not-for-profit corporation law (hereinafter the "Corporation").

**Section 2. Office.**

The office of the Corporation shall be located in the County of Cortland, State of New York, at a location designated by the Board of Directors.

**ARTICLE II – PURPOSE**

The purposes of the Corporation are as set forth in Article THIRD of the Certificate of Incorporation of the Corporation as filed with the State of New York, Department of State.

**ARTICLE III – MEMBERS**

**Section 1. Members.**

The Corporation shall have one class of members and the sole Member of the Corporation shall be the Chairman of the Cortland County Legislature. There shall be no other Members of the Corporation.

**Section 2. Property Rights.**

No Member shall have any right, title, or interest in any of the property or assets, including any earnings or investment income of the Corporation, nor shall any of such property or assets be distributed to any Member on its dissolution or winding up.

**Section 4. Liability of Members.**

No Member shall be personally liable for any of the Corporation's debts, liabilities, or obligations, nor shall any Member be subject to any assessment.

**ARTICLE IV – OFFICERS**

**Section 1. Composition.**

The officers of the Corporation shall be a Chairman, Vice Chairman, Secretary, Treasurer, Chief Executive Officer (CEO) and Chief Financial Officer (CFO).

## **Section 2. Selection.**

All officers of the Corporation shall be selected by the Board of Directors at its annual meeting.

## **Section 3. Term of Office.**

The term of office for the selected officers shall be for one year or until their successors are selected and assume office.

## **Section 4. Duties.**

The officers shall perform the duties provided in this section and such other duties as are prescribed for the office in these By-laws and appropriate statutes, by the Board of Directors, by the Member or by the Chairman.

### **A. Duties of the Chairman.** The Chairman shall:

1. be a Director;
2. preside at all meetings of the Member and the Board of Directors;
3. in the absence of the CEO or at the direction of the Board of Directors, execute all official documents of the Corporation including, but not limited to, agreements, contracts, deeds, leases, and other instruments.

### **B. Duties of the Vice Chairman.** The Vice Chairman shall:

1. be a Director;
2. perform the duties of the Chairman in the Chairman's absence or inability to perform such duties;
3. in the event of a permanent vacancy in the office of Chairman, succeed to that office for the remainder of the unexpired term.

### **C. Secretary.** The Secretary shall:

1. be a Director;
2. ensure that accurate minutes of all meetings of the Member and the Board of Directors are recorded;
3. verify that the official minutes of such meetings are maintained in an appropriate minute book;
4. sign official documents of the Corporation and apply the Corporation seal when the documents require endorsement by the Secretary or at the direction of the Board of Directors or the Member.

### **D. Treasurer.** The Treasurer shall:

1. be a Director;
2. oversee the Chief Financial Officer in the execution of their duties;
3. review the books, records, and accounts of the Corporation;
4. advise the CFO regarding the charge, custody, and investment of all funds and securities of the Corporation;
5. ensure proper deposits by the CFO in such banks, trust companies, or other depositories authorized by the Corporation of all funds in the name of and to the credit of the Corporation.

The Treasurer shall not, at any time, perform duties required of the Chief Executive Officer or the Chief Financial Officer.

- E. Chief Executive Officer.** The CEO shall:
1. serve as Executive Director of the Corporation;
  2. have general supervision over the administration of the business of the Corporation between meetings of the Corporation;
  3. manage all Corporation projects;
  4. supervise all Corporation staff;
  5. execute all official documents of the Corporation, including but not limited to: agreements, contracts, deeds, leases, and other instruments, unless otherwise directed by the Board of Directors;
  6. assist the Board of Directors in fulfilling the Corporation's public purposes;
  7. lead the Corporation in carrying out its policies;
  8. prepare and distribute all annual reports, including the annual budget, as required by law, to the Board of Directors and the Member;
  9. prepare the annual budget for approval by the Board of Directors; and
  10. coordinate all dispositions and acquisitions of real and personal property of the Corporation, subject to the approval of the Board of Directors, ensuring compliance with all appropriate and applicable laws and policies.
- F. Chief Financial Officer.** The CFO shall:
1. have the care and custody of all funds of the Corporation and shall deposit said funds in the name of the Corporation in such banks, trust companies, or other depositories as the Corporation shall authorize;
  2. keep regular books of accounts showing receipts and expenditures; and
  3. render to the Treasurer, the Board of Directors and the Member at each regular meeting an account of all transactions and the overall financial condition of the Corporation.

## **ARTICLE V – MEETINGS OF THE MEMBERSHIP**

### **Section 1. Annual Meeting.**

The annual meeting of the Member shall be held in December of each year at such time and place as determined by the Member.

### **Section 2. Special Meetings.**

- A. Special meetings:
1. may be called by the Chairman of the Corporation;
  2. shall be called upon the written request of the Member of the Corporation.
- B. Notice of a special meeting shall be delivered or mailed to the Member of the Corporation at least two (2) business days prior to the date of the meeting.

- C. No business shall be transacted at a special meeting other than the business designated in the call of the meeting.

**Section 3. Quorum.**

A majority of the Members of the Corporation shall constitute a quorum for the transaction of business.

**Section 4. Voting.**

An affirmative vote of a majority of the Members present and voting at any properly called meeting shall be required to take action, unless otherwise prescribed by these By-laws or statute, and the record of such vote shall be recorded in the minutes.

**ARTICLE VI – BOARD OF DIRECTORS**

The Corporation shall be managed by its Board of Directors, which shall establish all general policies governing its operations. No Director shall serve as the Corporation's Chief Executive Officer, Chief Financial Officer, or any other equivalent position while a Director of the Corporation.

**Section 1. Number.**

There shall be seven (7) Directors of the Corporation who shall constitute the Board of Directors of the Corporation. The individuals appointed as members of the Cortland County Industrial Development Agency ("IDA") by the Cortland County Legislature shall be the Directors of the Corporation and a majority of Directors shall be Independent Members as defined in the Public Authorities Accountability Act of 2005, as thereafter amended ("Independent Members").

**Section 3. Term of Office.**

The Directors shall serve for a term to coincide with their membership in the IDA.

**Section 4. Authority.**

- A. The Board of Directors shall govern the Corporation and shall exercise oversight of the officers and staff of the Corporation.
- B. The Board of Directors shall determine the selection and compensation of all staff of the Corporation in accordance with the policies of the corporation and subject to the laws of the State of New York.

**Section 5. Compensation.**

- A. No Director shall be compensated for their services.
- B. A Director may be reimbursed for expenses actually and reasonably incurred in the performance of their duties as a Director in accordance with the policies of the Corporation.

**Section 6. Regular Meetings.**

Regular meetings of the Board of Directors shall be held at such times and places as determined by the Board of Directors.

**Section 7. Special Meetings.**

- A. Special meetings:
  - 1. may be called by the Chairman of the Corporation;
  - 2. shall be called upon the written request of two members of the Board of Directors.
- B. Notice of a special meeting shall be delivered or mailed to each member of the Board of Directors at least two (2) business days prior to the date of the meeting.
- C. No business shall be transacted at a special meeting other than the business designated in the call of the meeting.

**Section 8. Quorum.**

A majority of the members of the Board of Directors then in office constitute a quorum for the transaction of business.

**Section 9. Voting.**

- A. An affirmative vote of a majority of the members of the Board of Directors present and voting at any properly called meeting shall be required to take action, unless otherwise prescribed by these By-laws or statute, and a record of such vote shall be recorded in the minutes.
- B. Selection of officers may be by ballot if there is more than one candidate for an office.

**ARTICLE VII – COMMITTEES**

**Section 1. Audit Committee.** The Audit Committee shall:

- A. consist of no less than three (3) Independent Members who shall constitute a majority on the committee and who shall possess the necessary skills to understand the duties and functions of the audit committee; provided, however, that in the event the Corporation has less than three Independent Members, the Corporation may appoint non-Independent Members to the audit committee, provided that the Independent Members must constitute a majority of the members of the audit committee;
- B. have as a member the Treasurer who shall serve as Chair of the committee;
- C. be appointed by the Chairman of the Board of Directors to serve a term of one (1) year or until the successors are appointed and assume office;
- D. be familiar with corporate financial and accounting practices;
- E. select its own Chairman;
- F. recommend to the Board of Directors the hiring of an independent accounting firm to conduct the annual independent audit in accordance with the Public Authorities Accountability Act of 2005, as thereafter amended;
- G. establish the compensation to be paid to the accounting firm;

- H. provide direct oversight of the performance of the annual audit performed by the accounting firm hired for such purpose; and
- I. perform such other responsibilities as directed by the Board of Directors or required by law.

**Section 2. Governance Committee.** The Governance Committee shall:

- A. consist of no less than three (3) Independent Members who shall constitute a majority on the committee and who shall possess the necessary skills to understand the duties and functions of the governance committee; provided, however, that in the event the Board of Directors has less than three Independent Members, the Chairman may appoint non-Independent Members to the governance committee, provided that the Independent Members must constitute a majority of the members of the governance committee;
- B. be appointed by the Chairman of the Board of Directors to serve a term of one (1) year or until the successors are appointed and assume office;
- C. select its own Chairman;
- D. review the governing documents of the Corporation and corporate governance trends and advise the Board of Directors on the best governance practices;
- E. recommend updates to the authority's corporate governance principles;
- F. examine ethical and conflict of interest issues;
- G. perform Corporation self-evaluations;
- H. recommend by-laws which include rules and procedures for conduct of Corporation business;
- I. provide input to the Members of the skills and experience preferred for Non-Member Directors of the Corporation; and
- J. perform such other responsibilities as directed by the Board of Directors or required by law.

**Section 3. Finance Committee.** The Finance Committee shall:

- A. consist of no less than three (3) Independent Members who shall constitute a majority on the committee and who shall possess the necessary skills to understand the duties and functions of the committee; provided, however, that in the event the Agency has less than three (3) Independent Members, the Agency may appoint non-Independent Members to the finance committee, provided that the Independent Members must constitute a majority of the members of the finance committee;
- B. be appointed by the Chairman of the Board of Directors to serve a term of one (1) year or until the successors are appointed and assume office.
- C. select its own Chairman; and
- D. review proposals for the issuance of debt by the Agency and its subsidiaries and make recommendations.

**Section 4. Other Committees.**

The Board of Directors may establish and appoint such other committees as it deems necessary to carry out the purpose of the Corporation.

**Section 5. Meetings.**

Committee meetings shall be held at such times and places as designated by the committee, subject to the provisions of the Open Meetings Law.

**Section 6. Quorum and Voting.**

A majority of the members of a committee shall constitute a quorum. A majority of the members present and voting at a properly called meeting shall be required for the adoption of all committee business.

**ARTICLE VIII – INDEMNIFICATION**

**Section 1. Authorized Indemnification.**

Unless clearly prohibited by law or Section 2 of this Article, the Corporation shall indemnify, defend, and hold harmless any person (“Indemnified Person”) made, or threatened to be made, a party in any action or proceeding, whether civil or administrative, investigative or otherwise, including any action by or in the right of the Corporation, by reason that he or she, whether before or after adoption of this Section (a) is or was a member, director or officer of the Corporation, or (b) is serving or served, in any capacity, at the request of the Corporation, as a member, director or officer of any affiliate of the Corporation. The indemnification shall include, but shall not be limited to, all judgments, fines, penalties, amounts paid in settlement (provided the Corporation shall have consented to such settlement) and reasonable expenses, including attorneys’ fees and costs of investigation, incurred by an Indemnified Person with respect to any such threatened or actual action or proceeding, and any appeal thereof.

**Section 2. Prohibited Indemnification.**

The Corporation shall not indemnify any person if a judgment or other final adjudication adverse to the Indemnified Person (or to the person whose actions are the basis for the action or proceeding) establishes, or the Board of Directors in good faith determine, that such person’s acts were committed in bad faith or were the result of active and deliberate dishonesty and were material to the cause of action so adjudicated or that he or she personally gained a financial profit or other advantage to which he or she was not legally entitled.

**Section 3. Advancement of Expenses.**

The Corporation shall, on request of any Indemnified Person who is or may be entitled to be indemnified by the Corporation, pay or promptly reimburse the Indemnified Person’s reasonably incurred expenses in connection with a threatened or actual action or proceeding prior to its final disposition. However, no such advancement of expenses shall be made unless the Indemnified Person makes a binding, written commitment to repay the Corporation, with interest, for any amount advanced for which it is ultimately

determined that he or she is not entitled to be indemnified under the law or Section 2 of this Article. An Indemnified Person shall cooperate in good faith with any request by the Corporation that common legal counsel be used by the parties to such action or proceeding who are similarly situated unless it would be inappropriate to do so because of actual or potential conflicts among the interests of the parties.

#### **Section 4. Indemnification of Others.**

Unless clearly prohibited by law or Section 2 of this Article, the Corporation may approve indemnification as set forth in this Article for a person who is or was employed by the Corporation or who is or was a volunteer of the Corporation, and who is made, or threatened to be made, a party in any action or proceeding, as the result of such employment or volunteer activity.

#### **Section 5. Determination of Indemnification.**

Indemnification mandated by a final order of a court of competent jurisdiction will be paid. After termination or disposition of any actual or threatened action or proceeding against an Indemnified Person, if indemnification has not been ordered by a court, the Board of Directors shall, upon written request by the Indemnified Person, determine whether and to what extent indemnification is permitted pursuant to these bylaws. Before indemnification can occur, the Board of Directors must explicitly find that such indemnification will not violate the provisions of Section 2 of this Article. No Director with a personal interest in the outcome, or who is a party to such actual or threatened proceeding concerning which indemnification is sought, shall participate in this determination. If a quorum of disinterested Directors is not obtainable, the Directors shall act only after receiving the opinion in writing of independent counsel that indemnification is proper in the circumstances under then applicable law and these Bylaws.

#### **Section 6. Binding Effect.**

Any person entitled to indemnification under these By-laws has a legally enforceable right to indemnification which cannot be abridged by amendment of these bylaws with respect to any event, action, or omission occurring prior to the date of such amendment.

#### **Section 7. Insurance.**

The Corporation shall purchase Directors' and Officers' liability insurance. To the extent permitted by law, such insurance may insure the Corporation for any obligation it incurs as a result of this Article or operation of law and it may insure directly the Directors, officers, employees, or volunteers of the Corporation for liabilities against which they are not entitled to indemnification under this Article as well as for liabilities against which they are entitled or permitted to be indemnified by the Corporation.

### **ARTICLE IX – PARLIAMENTARY AUTHORITY**

The rules contained in the current edition of *Robert's Rules of Order Newly Revised* shall govern the proceedings of the Corporation in all cases to which they are



applicable and in which they are not inconsistent with these Bylaws, any special rules of order that the Corporation may adopt, and any statutes applicable to this organization that do not authorize the provisions of these Bylaws to take precedence.

#### **ARTICLE X – AMENDMENTS**

These Bylaws may be amended by a majority of those present and voting at any meeting of the Directors of the Corporation provided that written notice of the amendment shall have been provided at least seven (7) calendar days before the meeting at which the amendment is to be considered.

#### **ARTICLE XI – DISSOLUTION**

In the event of dissolution, all of the remaining assets and property of the Corporation shall, after necessary expenses thereof, be distributed to another organization exempt under Internal Revenue Code Section 501(c)(3) or corresponding provisions of any subsequent Federal tax laws, or to the federal, state or local government for a public purpose, subject to the approval of a Justice of the Supreme Court of the State of New York.