

STATE OF NEW YORK

DEPARTMENT OF STATE

I hereby certify that the annexed copy has been compared with the original document in the custody of the Secretary of State and that the same is a true copy of said original.



WITNESS my hand and official seal of the Department of State, at the City of Albany, on January 28, 2011.

A handwritten signature in black ink, appearing to read "Daniel E. Shapiro".

Daniel E. Shapiro
First Deputy Secretary of State

CERTIFICATE OF INCORPORATION
OF
CORTLAND COUNTY DEVELOPMENT CORPORATION

A Not-For-Profit Local Development Corporation
Under Section 1411 of the Not-For-Profit
Corporation Law of the State of New York

The undersigned, a natural person of the age of eighteen years or over, desiring to form a corporation under Section 1411 of the Not-For-Profit Corporation Law of the State of New York, certifies as follows:

FIRST: The name of the corporation is Cortland County Development Corporation (the "Corporation").

SECOND: The Corporation is a "corporation" as defined in the New York Not-For-Profit Corporation Law §102(a)(5) and specifically is a "Local Development Corporation" as defined in the New York Not-For-Profit Corporation Law §1411.

THIRD: The purposes for which the Corporation is formed and operated are exclusively for charitable purposes within the meaning of §501(c)(3) of the Internal Revenue Code of 1986, as amended, to relieve and reduce unemployment, to promote and provide for additional and maximum employment, to better and maintain job opportunities, to instruct or train individuals to improve or develop their capabilities for jobs, to carry on scientific research for the purpose of aiding the community of Cortland County (the "County") by attracting industry to the community and by encouraging the development of, or retention of, industry in the community, and to lessen the burdens of

government and act in the public interest. In addition, the Corporation shall have and exercise all of the general and special powers of corporations set forth in New York Not-For-Profit Corporation Law §1411(c). In furtherance of said purposes, the Corporation's powers shall include the right:

- (a) to foster the creation, retention and expansion of jobs and economic opportunities for the benefit of the County, State and local economies; and
- (b) to construct, acquire, rehabilitate and improve for use by others, facilities 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;
- (c) to acquire by purchase, lease, gift, bequest, devise or otherwise real or personal property or interests therein;
- (d) to apply for loans and borrow money without limit as to amount; to make, draw, accept, endorse, execute and issue negotiable bonds, debentures, notes and other obligations therefore;
- (e) 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 such terms as it may determine;
- (f) 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 such Corporation are principally to be conducted;

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

(h) 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;

(i) 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 shall be a Type C corporation under New York Not-For-Profit Corporation Law §201.

FIFTH: The lawful public or quasi-public objectives which each business purpose of the Corporation will achieve are the reduction of unemployment, the training of the members of the community to develop and improve their job skills, the improvement of job opportunities in the community, the development of industry in the community, and the general economic improvement and growth of the community.

SIXTH: The office of the Corporation shall be located in the County of Cortland, State of New York. The territory in which the Corporation's operation are principally to be conducted is Cortland County, New York.

SEVENTH: The Corporation shall be managed by a Board of Directors consisting of seven (7) Directors. Any subsequent increase or decrease in the size of

the Board of Directors will require the unanimous approval of the Member and the affirmative vote of a majority of the Directors. The first Board of Directors shall be seven (7) in number, their names and addresses being as follows:

John Shirley, 901 Alfred Lane, Homer, New York 13077
Stephen Compagni, 1657 Lighthouse Hill Road, Homer, New York 13077
William Breidinger, 2118 State Route 13, Cortland, New York 13045
Edward Telling, 3928 Highland Road, Cortland, New York 13045
Michael McMahon, 5005 Creal Road, Homer, New York 13077
John O. Reagan, 96 Elm Street, Cortland, New York 13045
Johanna Ames, 972 Beechwood Lane, Cortland, New York 13045

EIGHTH: The Corporation designates the Secretary of State of the State of New York as its agent upon whom process against it may be served. The post office address of the Corporation within the state to which the Secretary of State can mail a copy of any process against the Corporation served upon the Secretary of State is as follows: c/o the Corporation, 37 Church Street, Cortland, New York 13045.

NINTH: Pursuant to the requirements of §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 earnings will accrue and be paid to the New York State Job Development Authority to the extent required by §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 of the Corporation shall inure to the benefit or profit 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 State Job Development Authority, the Corporation shall be dissolved in accordance with the provisions of paragraph (g) of §1411 of the Not-For-Profit Corporation Law upon the repayment or other discharge in full by the Corporation of all such loans.

TENTH: In the event of the dissolution of the Corporation or the winding up of its affairs, the Board of Directors shall, after paying or making provisions for the payment of all debts and liabilities of the Corporation of whatsoever kind or nature, distribute all of the remaining assets and property of the Corporation to the County for furtherance of the purposes set forth in §1411 of the Not-For-Profit Corporation Law. Any of such assets not so disposed of shall be disposed of by order of the Supreme Court of the State of New York pursuant to §1008 of the Not-For-Profit Corporation Law.

ELEVENTH: The offices of the Corporation shall be functionally separate from those of the County or any of its affiliated entities (collectively, the "County Entities") (although such office may be in a facility leased from the County or any of its affiliates on arms-length terms). The Corporation at all times shall:

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

- (b) not divert the Corporation's funds to any other person or use the Corporation's funds for any other use other than Corporation use and not commingle any of the Corporation's assets with those of the County Entities;
- (c) pay any employee, consultant or agent 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 County Entities;
- (d) maintain its own deposit account or accounts, separate from those of the County Entities, with commercial banking institutions 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, fairly allocate to or among the Corporation and such persons for whose benefit the goods and services are provided the costs incurred in so doing, 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 County Entities only on an arms-length basis;
- (g) observe all necessary, appropriate and customary corporate formalities including, but not limited to, holding all 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 County Entities);

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

(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 County Entities;

(l) cause any financial reports required of the Corporation to be prepared in accordance with generally accepted accounting principles and be audited annually and be issued separately from, although they may be consolidated with, any reports prepared for any member of the County Entities; and

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

TWELFTH: The types or classes of Membership in the Corporation and the number of Members of the Corporation shall be described in the By-laws. The initial Member of the Corporation shall be the County. The By-laws of the Corporation may be adopted, amended or repealed by a majority of the Directors of the Corporation.

THIRTEENTH: The duration of the Corporation shall be perpetual.

FOURTEENTH: 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.

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


(a) Without the affirmative vote of a majority of all Members of the Corporation and the affirmative vote of a majority of the 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 a majority of the 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 or 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 all of the 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 Article THIRD hereof, sell all or substantially all 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 6th day of January, 2011.



Jack Williams, Organizer
Chairman of the Cortland County Legislature

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OF

CORTLAND COUNTY DEVELOPMENT CORPORATION

Under Section 1411 of the Not-For-Profit Corporation Law

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Filed By:

Menter, Rudin & Triveliece, P.C.
308 Maltble Street, Suite 200
Syracuse, New York 13204
Attn: John P. Sidd, Esq.

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DEPARTMENT OF STATE
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