

**CORTLAND COUNTY BUSINESS DEVELOPMENT CORP.
BYLAWS**

ARTICLE I – NAME AND OFFICE

Section 1. Name

The name of the Corporation shall be the Cortland County Business Development Corp., a not-for-profit corporation organized under the laws of the State of New York (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

In accordance with the Certificate of Incorporation, the purposes of the Corporation are as follows:

To construct, acquire, rehabilitate and improve for use by others industrial or manufacturing plants in the territory in which its operations are principally to be conducted, to assist financially in such construction, acquisition, rehabilitation, and improvement, to maintain such plants for others in such territory, to disseminate information and furnish advice, technical assistance and liaison with federal, state and local authorities with respect thereto, to acquire by purchase, lease, gift, bequest, device, or otherwise real or personal property or interests therein, to borrow money and to issue negotiable bonds, notes and other obligations therefor, and notwithstanding section 510 (Disposition of all or substantially all assets) without leave of the court, to sell, lease, mortgage or otherwise dispose of or encumber any such plants or any of its real or personal property or any interest therein upon such terms as it may determine and, in connection with loans from the New York job development authority, to enter into covenants and agreements and to comply with all the terms, corporate purposes and to foster and encourage the location or expansion of industrial or manufacturing plants in the territory in which the operations of such corporations are principally to be conducted, provided however, that no such corporation shall 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.

ARTICLE III – MEMBERS

Section 1. Members

The corporation shall have one class of members. The individuals appointed as members to the Cortland County Industrial Development Agency (“IDA”) by the Cortland County Legislature shall be the Members of the Corporation. There shall be no other members of the Corporation.

Section 2. Term of Membership

The term of membership shall parallel the Member’s appointment to the IDA. Membership in the Corporation shall terminate upon such Member ceasing to be a member of the IDA.

Section 3. 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 first meeting following the appointment of members to the IDA by the Cortland County Legislature.

Section 3. Term of Office.

The term of office for the selected officers shall be for one year or until the 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 bylaws and appropriate statutes, by the Board of Directors, by the Members, by the Chairman, or in the adopted parliamentary authority.

- A. Duties of the Chairman.** The Chairman shall:
 - 1. preside at all meetings of the Members and the Board of Directors;
 - 2. 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, deed, leases, and other instruments.
- B. Duties of the Vice Chairman.** The Vice Chairman shall:
 - 1. perform the duties of the Chairman in the Chairman's absence or inability to perform such duties;
 - 2. 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. ensure that accurate minutes of all meetings of the Members and Board of Directors are recorded;
 - 2. verify that the official minutes of such meetings are maintained in an appropriate minute book;

3. sign official documents of the Corporation and apply the Corporation seal when the document requires endorsement by the Secretary or at the direction of the Board of Directors or the Members.

D. Treasurer. The Treasurer shall:

1. oversee the Chief Financial Officer in the execution of his/her duties;
2. review the books, records, and accounts of the Corporation;
3. advise the CFO regarding the charge, custody, and investment of all funds and securities of the Corporation;
4. 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;
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, deed, 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, the Board of Directors or the Members;
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.

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 Members 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 Agency shall be held within the first quarter of the year or such time that the Members may determine at the regular meeting place of the Agency or such other time and place as the Agency shall determine.

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 two Members of the Corporation.
- B. Notice of a special meeting shall be delivered or mailed to each 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. Action by Consent of the Members.

Any action required or permitted to be taken at any meeting of the Members, may be taken without such meeting if a consent in writing, setting forth the action to be taken, shall be signed by all Members entitled to vote with respect thereto

Section 4. Quorum.

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

Section 5. Voting.

- A. 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 bylaws or statute.
- B. Voting shall be by roll call, with the vote recorded in the minutes.

ARTICLE VI – BOARD OF DIRECTORS

Restriction on Directors

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 thirteen (13) Directors of the Corporation who shall constitute the Board of Directors of the Corporation. A majority of Directors shall be Independent Members as defined in the Public Authorities Accountability Act of 2005.

Section 2. Classification.

There shall be two classifications of Directors – Member-Directors and Non-Member Directors.

- A. Member Directors
 - The seven (7) members of the Corporation appointed in accordance with Article II of these bylaws shall be the Member-Directors of the Corporation.
- B. Non-Member Directors
 - There shall be six (6) Non-Member Directors selected by the Members of the Corporation.

Section 3. Term of Office.

- A. The seven (7) Member-Directors shall serve for a term to parallel their membership in the Corporation.
- B. The Non-Member Directors shall serve for a term of three (3) years or until their successors are selected and assume office. Terms of office shall commence on January 1 of each calendar year.

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, subject to the laws of the State of New York.

Section 5. Compensation.

- A. No Director shall be compensated for his/her services.
- B. A Director may be reimbursed for expenses actually and reasonably incurred in the performance of his/her duties as a Director.

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 bylaws or statute.
- B. Voting shall be by roll call, with the vote recorded in the minutes.
- C. Selection of officers may be by ballot if there is more than one candidate for an office.

Section 10. Action Without Meeting.

No meeting need be held by the Board of Directors to take any action required or permitted to be taken by law, provided all members of the Board shall individually or collectively consent in writing to such action, and such written consent, or consents, is filed with the minutes of the proceedings of the Board. Action by written consent shall have the same force and effect as action by unanimous vote of the Directors. Any certificate or other document filed under any provision of law which relates to action so taken shall state that the action was taken by unanimous written consent of the Board of Directors without a meeting.

ARTICLE VII – COMMITTEES

Section 1. Audit Committee. The Audit Committee shall:

- A. consist of no less than three (3) members nor more than five (5) independent members;
- B. have as a member the Treasurer who shall not serve as Chair of the committee;
- C. shall be appointed by the Chairman of the Corporation to serve a term of one (1) year or until the successors are appointed and assume office;
- D. select its own Chairman;
- E. recommend to the Board of Directors the hiring of an independent Certified Public Accountant to conduct the annual independent audit in accordance with the Public Authorities Accountability Act of 2005, as amended;
- F. establish the compensation to be paid to the Certified Public Accountant;
- G. provide direct oversight of the performance of the annual audit; and
- H. 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) members nor more than five (5) independent members;
- B. shall be appointed by the Chairman of the Corporation 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. provide input to the Members of the skills and experience preferred for Non-Member Directors of the Corporation; and
- F. perform such other responsibilities as directed by the Board of Directors or required by law.

Section 3. Special Committees.

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

Section 4. 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 5. 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 of 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 deliberative 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 requested 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 Bylaws 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 Members 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.