

**BY-LAWS  
OF  
MADISON COUNTY  
INDUSTRIAL DEVELOPMENT AGENCY**  
(as amended through October 24, 2006)

**ARTICLE I**

**THE AGENCY**

**Section 1. Name.** The name of the Agency shall be “Madison County Industrial Development Agency”.

**Section 2. Corporate Seal of the Agency.** The corporate seal of the Agency shall be in the form of a circle and shall bear the name of the Agency and the year of its organization. The corporate seal of the Agency may be used by causing it to be impressed directly upon an instrument of writing, upon adhesive substance affixed thereto or by facsimile, whether engraved, printed, stamped or reproduced by photographic process.

**Section 3. Office Of Agency.** The office of the Agency shall be at the Canastota Business Center, Suite 1, Madison Boulevard, Canastota, New York, but the Agency may have such other offices at such other places as the members of the Agency may from time to time designate by resolution.

**Section 4. Execution of Instruments.** Except as otherwise provided in these bylaws, instruments and documents of the Agency may be signed or countersigned, executed, verified or acknowledged by such officer or officers of the Agency or other person or persons as the members of the Agency may designate by resolution.

**ARTICLE II**

**MEMBERS AND OFFICERS OF THE BOARD;**

**Section 1. Appointment of Members; Qualifications Thereof.** (A) Pursuant to Article 18-a of the General Municipal Law of the State of New York (the “Act”), the members of the Agency (each, a “Member”) are appointed by, and serve at the pleasure of, the Board of Supervisors of Madison County, New York. Pursuant to Section 3 of the Public Officers Law of the State of New York (the “Public Officers Law”), each Member must be at least eighteen years of age and each Member must be a citizen of the United States and a resident of Madison County, New York. A public officer or employee may be appointed as a Member of the Agency without forfeiture of any other public office or employment.

(B) Except for Members who serve as Members by virtue of holding a civil office of the State, the majority of the remaining Members appointed after January 13, 2006 shall be “Independent Members”.

(C) For purposes of these bylaws, the term “Independent Member” means a Member one who: (1) is not, and in the past two years has not been, employed by the Agency (or an “Affiliate” of the Agency) in an executive capacity; (2) is not, and in the past two years has not been, employed by an entity that received remuneration valued at more than \$15,000 for goods and services provided to the Agency or received any other form of financial assistance valued at more than \$15,000 from the Agency; (3) is not a relative of an executive officer or employee in

an executive position of the Agency (or an “Affiliate” of the Agency); and (4) is not, and in the past two years has not been, a lobbyist registered under a state or local law and paid by a client to influence the management decisions, contract awards, rate determinations or any other similar actions of the Agency (or an “Affiliate” of the Agency).

(D) For purposes of these bylaws, the term “Affiliate” means a corporate body having substantially the same ownership or control as the Agency.

**Section 2. Responsibilities of Members; Training Requirement.** (A) The Members of the Agency constitute the governing body of the Agency (the “Board”), and shall have and shall responsibly exercise all of the powers prescribed by the Act and other applicable law, including but not limited to Chapter 766 of the 2005 Laws of the State of New York (the “Public Authority Accountability Act”).

(B) The Board shall appoint an Executive Director and a Chief Financial Officer of the Agency, neither of whom shall be a Member of the Agency.

(C) Every annual financial report of the Agency must be approved by the Board.

(D) The Members of the Agency shall: (1) execute direct oversight of the Executive Director of the Agency and other senior management of the Agency in the effective and ethical management of the Agency; and (2) understand, review and monitor the implementation of fundamental financial and management controls and operational decisions of the Agency.

(E) The Board shall not, directly or indirectly, including through a subsidiary, extend or maintain credit or arrange for the extension of credit, or renew an extension of credit, in the form of a personal loan to or for any officer, Member or employee (or equivalent thereof) of the Agency.

(F) Members of the Agency shall file annual financial disclosure statements with the Madison County Board of Ethics.

(G) Individuals newly appointed to the Board of the Agency must participate in state approved training regarding their legal, fiduciary, financial and ethical responsibilities within one year of appointment to such Board. Existing Members shall participate in such continuing training as may be required to remain informed of best practices, regulatory and statutory changes relating to the effective oversight of the management and financial activities of public authorities and to adhere to the highest standards of responsible governance.

**Section 3. Officers of the Board.** (A) Except as otherwise provided in these bylaws, each officer of the Board must be a Member of the Agency. All officers of the Board (except the first Chairman) shall be appointed at the annual meeting of the Board from among the Members. All officers of the Board shall remain in office for one year. Any two or more offices of the Board, except the offices of Chairman and Secretary, may be held by the same person.

(B) The officers of the Board shall be a Chairman, two Vice Chairmen, a Secretary, two Assistant Secretaries (one of whom may be the Executive Director of the Agency), a Treasurer, and an Assistant Treasurer.

(C) The officers of the Board shall perform the duties and functions specified in these bylaws and such other duties and functions as may from time to time be authorized by resolution of the Board of the Agency or required to effect the statutory purposes of the Agency.

(D) Should any office of the Board become vacant, the Agency shall appoint a successor from among its Members at the next regular meeting, and such appointment shall be for the unexpired term of said office.

**Section 4. Chairman.** (A) The Chairman of the Agency shall preside at all meetings of the Board.

(B) Except as otherwise authorized by resolution of Board, the Chairman shall execute all instruments and documents of the Agency, including all instruments of indebtedness. The Chairman shall have the authority, at all times, to execute, on behalf of the Agency, instruments and documents of a ministerial or procedural nature which the Chairman deems expedient in order to further the statutory purposes of the Agency, provided the execution of such instruments and documents does not contravene any provision of these bylaws or any resolution of the Board.

(C) Except as otherwise authorized by resolution of the Board, all checks for the payment of money of the Agency shall be signed by the Treasurer of the Agency and countersigned by the Chairman of the Agency

**Section 5. Vice Chairman.** The Vice Chairman of the Agency shall perform the duties of the Chairman in the absence or incapacity of the Chairman; and in case of the resignation or death of the Chairman, the Vice Chairman shall perform such duties as are imposed on the Chairman until such time as the Board shall appoint a new Chairman.

**Section 6. Secretary.** (A) The Secretary of the Agency shall be an Independent Member of the Board.

(B) The Secretary of the Agency shall keep the records of the Board, shall act as secretary at the meetings of the Board and record all votes of the Board, shall keep a record of the proceedings of the Board in a journal of proceedings to be kept for such purposes, and shall perform all duties incident to the office of Secretary of the Agency.

(C) The Secretary of the Agency shall keep in safe custody the corporate seal of the Agency and shall have the power to affix such corporate seal to all instruments and documents authorized to be executed by the Agency. When a facsimile corporate seal is authorized to be used, the Secretary of the Agency shall have the power to approve the manner and fashion of such facsimile and authorize such minor variations as are expedient to implement the process by which such facsimile is created.

(D) The Secretary of the Agency shall chair of the Governance Committee of the Agency.

**Section 7. Assistant Secretary.** (A) The first Assistant Secretary of the Agency shall be an Independent Member of the Board. The second Assistant Secretary of the Agency need not be a member of the Board, and in particular the Executive Director of the Agency may be designated as a second Assistant Secretary of the Agency, subject to such restrictions as may be imposed upon his exercise of such duties by these bylaws or by resolution of the Board.

(B) The Assistant Secretary of the Agency shall perform the duties of the Secretary in the absence or incapacity of the Secretary; and in case of the resignation or death of the Secretary, the Assistant Secretary shall perform such duties as are imposed on the Secretary until such time as the Board shall appoint a new Secretary.

**Section 8. Treasurer.** (A) The Treasurer of the Agency shall be an Independent Member of the Board.

(B) Except as otherwise authorized by resolution of the Board, the Treasurer of the Agency shall sign all checks for the payment of money of the Agency; and shall pay out and disburse such moneys under the direction of the Board. Except as otherwise authorized by resolution of the Board, all such checks shall be countersigned by the Chairman of the Agency.

(C) The Treasurer of the Agency shall be the chair of the Audit Committee of the Agency.

**Section 9. Assistant Treasurer.** (A) The Assistant Treasurer of the Agency shall be an Independent Member of the Board.

(B) The Assistant Treasurer of the Agency shall perform the duties of the Treasurer in the absence or incapacity of the Treasurer; and in the case of the resignation or death of the Treasurer, the Assistant Treasurer shall perform such duties as are imposed on the Treasurer until such time as the Board shall appoint a new Treasurer.

### ARTICLE III

#### MEETINGS OF THE BOARD

**Section 1. Annual Meeting.** The first meeting of the Board held during the month of September of each year (or if no meeting of the Agency shall be held during the month of September, then the next meeting of the Members of the Agency held after the month of September) shall be the annual meeting of the Agency.

**Section 2. Regular Meetings.** Regular meetings of the Board may be held at such times and places as from time to time may be determined by resolution of the Board.

**Section 3. Special Meetings.** The Chairman of the Agency may, when the Chairman deems it desirable, and the Chairman and the Secretary shall, upon the written request of any two Members of the Agency, call a special meeting of the Board for the purpose of transacting any business designated in the call. The call for a special meeting may be delivered to each Member of the Agency, mailed to the business or home address of each Member of the Agency or delivered by telephone to each Member of the Agency at least two days prior to the date of such special meeting. Waivers of notice may be signed by any Members failing to receive proper notice of a special meeting. At such special meeting no business shall be considered other than as designated in the call, but if all the Members of the Agency are present at a special meeting, with or without notice thereof, any and all business may be transacted at such special meeting.

**Section 4. Quorum.** (A) At all meetings of the Board, a majority of the Members of the Agency shall constitute a quorum for the purpose of transacting business; provided that a smaller number may meet and adjourn to some other time or until the quorum is obtained.

(B) Pursuant to Section 41 of the General Construction Law of the State of New York, a resolution or other action of the Board shall not be effective unless adopted by a majority of whole number of the Members of the Board.

**Section 5. Procedure.** (A) All meetings of the Board shall be held in Madison County, New York. Except as otherwise provided in Article 7 of the Public Officers Law (the "Open Meetings Law"), every meeting of the Board shall be open to the public. Notice of each meeting of the Board shall be given to the news media and to the public in the manner required by the Open Meetings Law.

(B) The order of business and all other matters of procedure at every meeting of the Board may be determined by the person presiding at the meeting.

(C) Unless otherwise determined by the person presiding at the meeting, at the regular meetings of the Board, the following shall be the order of business: (1) Roll call; (2) Reading and approval of the minutes of the previous meeting; (3) Bills and communications; (4) Report of the Treasurer; (5) Reports of the Committees; (6) Unfinished business; (7) New business; and (8) Adjournment.

**Section 6. Resolutions.** All resolutions shall be in writing and shall be copied in or attached to a journal of the proceedings of the Agency.

**Section 7. Manner of Voting.** (A) Pursuant to the Open Meetings Law, Members of the Agency must be present either in person or via videoconferencing at a meeting of the Board to vote on a question coming before the Agency.

(B) The voting on all questions coming before the Agency shall be by roll call, and the yeas and nays shall be entered on the minutes of such meeting, except in the case of appointments when the vote may be by ballot.

## ARTICLE IV

### COMMITTEES OF THE BOARD

**Section 1. Standing Committees.** The Board shall have the following standing committees, each consisting of not less than three Members: (A) an Audit Committee; and (B) a Governance Committee.

**Section 2. Audit Committee.** (A) As indicated above, the Treasurer of the Agency shall be the Chair of the Audit Committee. The Assistant Treasurer of the Agency shall also be a member of the Audit Committee. The Chairman shall appoint the balance of the members of the Audit Committee, each of whom shall be an Independent Member of the Board.

(B) To the extent practicable, Members of the Audit Committee should be familiar with corporate financial and accounting practices.

(C) The Audit Committee shall ensure that the Agency arranges for the timely preparation and appropriate filing of the annual budget, the annual financial statements, the annual financial reports and the annual financial audit required by the Act.

(D) The Audit Committee shall recommend to the Board the hiring of a certified independent public accounting firm for the Agency, establish the compensation to be paid to the accounting firm, and provide direct oversight of the performance of the independent audit performed by the accounting firm hired for such purpose. The Audit Committee shall not recommend the hiring of a certified independent public accounting firm to provide audit services to the Agency if the Executive Director, comptroller, Chief Financial Officer, chief accounting

officer, or any other person serving in an equivalent position for the Agency was employed by that certified independent public accounting firm and participated in any capacity in the audit of the Agency during the one year period preceding the date of the initiation of the audit.

(E) If the lead (or coordinating) audit partner (having primary responsibility for the audit) of the certified independent public accounting firm proposing to provide an annual independent audit for the Agency, or the audit partner responsible for reviewing the audit, has performed audit services for the Agency in each of the five previous fiscal years of the Agency, the Audit Committee shall prohibit such certified independent public accounting firm from providing an annual independent audit for the Agency.

(F) The Audit Committee shall require that each certified independent public accounting firm that performs for the Agency an audit required by law shall timely report to the Audit Committee: (1) all critical accounting policies and practices to be used; (2) all alternative treatments of financial information within generally accepted accounting principles that have been discussed with management officials of the Agency, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the certified independent public accounting firm; and (3) other material written communications between the certified independent public accounting firm and the management of the Agency, such as the management letter along with management's response or plan of corrective action, material corrections identified or schedule of unadjusted differences, where applicable.

(G) The Audit Committee shall prohibit the certified independent public accounting firm providing an annual independent audit for the Agency from performing any non-audit services to the Agency contemporaneously with the audit, unless receiving previous written approval by the Audit Committee, including: (1) bookkeeping or other services related to the accounting records or financial statements of the Agency; (2) financial information systems design and implementation; (3) appraisal or valuation services, fairness opinions, or contribution-in-kind reports; (4) actuarial services; (5) internal audit outsourcing services; (6) management functions, (7) broker or dealer, investment advisor, or investment banking services; and (8) legal services and expert services unrelated to the audit.

**Section 3. Governance Committee.** (A) As indicated above, the Secretary of the Agency shall be the Chair of the Governance Committee. The Assistant Secretary of the Agency shall also be a member of the Governance Committee. The Chairman shall appoint the balance of the members of the Governance Committee, each of whom shall be an Independent Member of the Board.

(B) The Governance Committee shall: (1) keep the Board informed of current best governance practices; (2) review corporate governance trends; (3) update the Agency's corporate governance principles; and (4) advise the County Executive on the skills and experiences required of potential Members of the Board.

**Section 4. Meetings of Committees.** (A) Committees of the Board shall meet at such times and places and the respective chairmen of said committees shall determine and the notice of the meeting shall specify.

(B) Meetings of committees of directors shall be governed by the provisions of Sections 4 through 7 of Article III of these by-laws, which govern meetings of the entire Board.

## ARTICLE V

### EXECUTIVE OFFICERS AND EMPLOYEES

**Section 1. Executive Director.** (A) The Executive Director shall be appointed by the Board, and shall be the chief executive officer of the Agency. The person appointed as Executive Director of the Agency may **not** be a Member of the Board.

(B) The Executive Director shall have general supervision over the administration of the business and affairs of the Agency, subject to the direction of the Board. Whenever possible, the Executive Director shall attend each meeting of the Board, and shall submit such recommendations and information to the Board as the Executive Director may consider proper concerning the business, affairs and policies of the Agency.

(C) The Executive Director shall be charged with the management of all projects of the Agency.

(D) The Executive Director shall also serve as the Contracting Officer of the Agency, and, as such, be responsible for (1) the disposition of property of the Agency, and (2) the Agency's compliance with the Agency's property use and disposition guidelines.

(E) Every annual financial report of the Agency must be certified in writing by the Executive Director that based on the Executive Director's knowledge (1) the information provided therein is accurate, correct and does not contain any untrue statement of material fact; (2) does not omit any material fact which, if omitted, would cause the financial statements to be misleading in light of the circumstances under which such statements are made; and (3) fairly presents in all material respects the financial condition and results of operations of the Agency as of, and for, the periods presented in the financial statements.

**Section 2. Chief Financial Officer.** (A) The Chief Financial Officer shall be appointed by the Board, and shall be the chief financial officer of the Agency. The person appointed as Chief Financial Officer of the Agency may **not** be a Member of the Board.

(B) The Chief Financial Officer shall have the care and custody of all funds of the Agency and shall deposit the same in the name of the Agency in such bank or banks as the Board may select or, if the Board have not so selected a bank or banks, which the Chief Financial Officer selects.

(C) The Chief Financial Officer shall keep regular books of accounts showing receipts and expenditures, and shall render to the Audit Committee at each regular meeting thereof an account of such transactions and also of the financial condition of the Agency.

(D) The Chief Financial Officer shall give such bond for the faithful performance of his duties as the agency may determine.

(E) Every annual financial report of the Agency must be certified in writing by the Chief Financial Officer that based on the Chief Financial Officer's knowledge (1) the information provided therein is accurate, correct and does not contain any untrue statement of material fact; (2) does not omit any material fact which, if omitted, would cause the financial statements to be misleading in light of the circumstances under which such statements are made; and (3) fairly

presents in all material respects the financial condition and results of operations of the Agency as of, and for, the periods presented in the financial statements.

**Section 3. Additional Personnel.** The Agency may from time to time employ such personnel as it deems necessary to exercise its statutory powers, duties and functions. The selection and compensation of all personnel shall be determined by the Agency.

**Section 4. Financial Disclosure.** Officers and employees of the Agency shall file annual financial disclosure statements with the Madison County Board of Ethics.

**Section 5. Term of Office.** The Executive Director and the Chief Financial Officer shall, unless otherwise determined by the Board (including by any contract between the Agency and such officer), hold office until the next annual meeting of the Board and until their successors have been elected or appointed and qualified. Each additional officer appointed or elected by the Board shall hold office for such term as shall be determined from time to time by the Board (including by any contract between the Agency and such officer) and until his or her successor has been elected or appointed and qualified. Any officer, however, may be removed or have his or her authority suspended by the Board at any time, with or without cause. If the office of any officer becomes vacant for any reason, the Board shall have the power to fill such vacancy.

**Section 6. Resignation.** Any officer may resign at any time by notifying the Secretary of the Agency in writing. Such resignation shall take effect at the time specified therein and unless otherwise specified in such resignation, the acceptance thereof shall not be necessary to make it effective.

**Section 7. Duties of Officers May Be Delegated.** In case of the absence or disability of an officer of the Agency, or for any other reason that the Board may deem sufficient, the Board, except where otherwise provided by law, may delegate, for the time being, the powers or duties of any officer to any other officer, or to any member of the Board.

## ARTICLE VI

### INDEMNIFICATION OF DIRECTORS AND OFFICERS

**Section 1. Right of Indemnification.** Each Member and officer of the Agency, whether or not then in office, and any person whose testator or intestate was such a Member or officer, shall be indemnified by the Agency for the defense of, or in connection with, any threatened, pending or completed actions or proceedings and appeals therein, whether civil, criminal, administrative or investigative, in accordance with and to the fullest extent permitted by the Section 18 of the Public Officers Law of the State of New York or other applicable law, as such law now exists or may hereafter be adopted or amended; provided, however, that the Agency shall provide indemnification in connection with an action or proceeding (or part thereof) initiated by such a Member or officer only if such action or proceeding (or part thereof) was authorized by the Board.

**Section 2. Advancement of Expenses.** (A) Expenses incurred by a Member or officer in connection with any action or proceeding as to which indemnification may be given under Section 1 of this Article VI may be paid by the corporation in advance of the final disposition of such action or proceeding upon (1) the receipt of an undertaking by or on behalf of such Member or officer to repay such advancement in case such Member or officer is ultimately found not to be entitled to indemnification as authorized by this Article VI and (2) approval by the Board.



(B) To the extent permitted by law, the Board shall not be required to find that the Member or officer has met the applicable standard of conduct provided by law for indemnification in connection with such action or proceeding before the Agency makes any advance payment of expenses hereunder.

**Section 3. Availability and Interpretation.** To the extent permitted under applicable law, the rights of indemnification and to the advancement of expenses provided in this Article VI (A) shall be available with respect to events occurring prior to the adoption of this Article VI, (B) shall continue to exist after any rescission or restrictive amendment of this Article VI with respect to events occurring prior to such rescission or amendment, (C) shall be interpreted on the basis of applicable law in effect at the time of the occurrence of the event or events giving rise to the action or proceeding or, at the sole discretion of the Member or officer (or, if applicable, at the sole discretion of the testator or intestate of such Member or officer seeking such rights), on the basis of applicable law in effect at the time such rights are claimed and (D) shall be in the nature of contract rights that may be enforced in any court of competent jurisdiction as if the Agency and the Member or officer for whom such rights are sought were parties to a separate written agreement.

**Section 4. Other Rights.** The rights of indemnification and to the advancement of expenses provided in this Article VI shall not be deemed exclusive of any other rights to which any Member or officer of the Agency or other person may now or hereafter be otherwise entitled, whether contained in these by-laws, a resolution of the Board or an agreement providing for such indemnification, the creation of such other rights being hereby expressly authorized. Without limiting the generality of the foregoing, the rights of indemnification and to the advancement of expenses provided in this Article VI shall not be deemed exclusive of any rights, pursuant to statute or otherwise, of any Member or officer of the Agency or other person in any action or proceeding to have assessed or allowed in his or her favor, against the Agency or otherwise, his or her costs and expenses incurred therein or in connection therewith or any part thereof.

**Section 5. Severability.** If this Article VI or any part hereof shall be held unenforceable in any respect by a court of competent jurisdiction, it shall be deemed modified to the minimum extent necessary to make it enforceable, and the remainder of this Article VI shall remain fully enforceable. Any payments made pursuant to this Article VI shall be made only out of funds legally available therefor.

## ARTICLE VII

### CORPORATE FINANCE

**Section 1. Corporate Funds.** (A) Pursuant to Section 860 of the Act, the Agency shall have power to contract with the holders of any of its bonds or notes as to the custody, collection, securing, investment and payment of any moneys of the Agency or any moneys held in trust or otherwise for the payment of bonds or notes or in any way to secure bonds or notes and to carry out any such contract.

(B) Except as provided in subsection (A) of this Section 1, the funds of the Agency shall be deposited in its name with such banks, trust companies or other depositories as the Board may from time to time designate.

(C) Except as provided in subsection (A) of this Section 1, all checks, notes, drafts and other negotiable instruments of the Agency shall be signed by such officer or officers, agent or agents, employee or employees as the Board from time to time may designate. No officers, agents or employees of the Agency, alone or with others, shall have the power to make any

checks, notes, drafts or other negotiable instruments in the name of the Agency or to bind the Agency thereby, except as provided in this Section.

**Section 2. Fiscal Year.** The fiscal year of the Agency shall be the calendar year unless otherwise provided by the Board.

**Section 3. Loans to Members and Officers.** No loans shall be made by the Agency to its Members or officers.

**Section 4. Gifts.** The Board or any authorized officer, employee or agent of the Agency may accept on behalf of the Agency any contribution, gift, bequest or devise for any general or special purpose or purposes of the Agency.

**Section 5. Voting of Securities Held by the Agency.** Stocks or other securities owned by the Agency may be voted in person or by proxy as the Board shall specify. In the absence of any direction by the Board, such stocks or securities shall be voted by the Executive Director as the Executive Director shall determine.

**Section 6. Income from Agency Activities.** All income from activities of the Agency shall be applied to the maintenance, expansion or operation of the lawful activities of the Agency.

## ARTICLE VIII

### AMENDMENTS

**Section 1. Amendments To By-Laws.** These bylaws of the Agency may be amended at any meeting of the Board, but no such amendment shall be adopted unless at least seven days written notice of such meeting shall have been previously given to all Members of the Board and shall have included specification of the proposed action, or unless all Members shall have waived the right to receive such notice. Any amendment of these bylaws must be adopted by a majority of all of the members of the Board of the Agency.