

**BYLAWS  
OF  
ST. LAWRENCE COUNTY INDUSTRIAL DEVELOPMENT AGENCY CIVIC  
DEVELOPMENT CORPORATION  
(May 12, 2010)**

**ARTICLE I - THE CORPORATION**

Section 1.     Name.

The name of the Corporation shall be as provided in its Certificate of Incorporation and is currently St. Lawrence County Industrial Development Agency Civic Development Corporation.

Section 2.     Seal.

The Corporation's seal shall be in the form of a circle and shall bear the name of the Corporation and the year of its organization.

Section 3.     Office.

The office of the Corporation shall be located at 80 State Highway 310, Suite 6, Canton, New York 13617, or such other address as the Corporation may designate, from time to time, by resolution.

**ARTICLE II - MEMBER**

The County of St. Lawrence (the "County") acting through its Board of Legislators shall be the sole Member of the Corporation.

**ARTICLE III - BOARD**

Section 1.     Power of the Board and Qualification of Directors.

The Corporation shall be overseen and governed by its Board who shall exercise oversight and control over the officers and staff of the Corporation. Each Director shall be at least eighteen years of age. The Board shall have all powers conferred on Boards of public benefit corporations and local public authorities pursuant to New York State law, including, without limitation, the Public Authorities Law, as amended (the "PAL") and any other New York State Law that is applicable to the Corporation.

Section 2.     Number of Directors and Term of Office.

(a) The Board shall consist of the same number of Directors as the St. Lawrence County Industrial Development Agency (the "Agency") has members, all of whom shall be appointed by the County. Each Director shall serve a term concurrent with his or her term as member of the Agency and continue to hold office until his or her successor is appointed and has been elected and qualified. Those individuals elected by the County to serve as

members of the Agency shall automatically become Directors of the Corporation. As used in this Article, "entire Board" means the total number of Directors entitled to vote which the Corporation would have if there were no vacancies.

(b) No Director, including the Chairman, shall serve as the Corporation's Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, Comptroller, or hold any other equivalent executive position or office while also serving as a Director.

(c) As soon as practicable and in compliance with Section 2825 of PAL, the majority of the Directors of the Board shall be Independent Directors, as such term is defined in paragraph (d) below.

(d) Independence. For the purposes of these By-laws, an Independent Director is one who:

(i) is not, and in the past two (2) years has not been, a staff member of or otherwise employed by the Corporation or another corporate body having the same ownership and control of the Corporation in an executive capacity;

(ii) is not, and in the past two (2) years has not been, employed by an entity that received remuneration valued at more than fifteen thousand dollars (\$15,000.00) for goods and services provided to the Corporation or received any other form of financial assistance valued at more than fifteen thousand dollars (\$15,000.00) from the Corporation;

(iii) is not a relative of an executive officer or employee in an executive position of the Corporation or another corporate body having the same ownership and control of the Corporation; and

(iv) is not, and in the past two (2) 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 Corporation or another corporate body having the same ownership and control of the Corporation.

(e) Each Director shall have one vote.

### Section 3. Organization.

At each meeting of the Board, the Chairman, or, in the absence of the Chairman, a Vice Chairman shall preside, or in the absence of either of such officers, a chair chosen by a majority of the Directors present shall preside. The Secretary shall act as secretary of the Board. In the event the Secretary shall be absent from any meeting of the Board, an Assistant Secretary shall act as the secretary for such meeting.

### Section 4. Resignations and Removal of Directors.

(a) Any Director of the Corporation may resign at any time by giving written notice to the Chairman or to the Secretary. Such resignation shall take effect at the time specified therein or, if no time be specified, then on delivery.

(b) Any or all of the Directors may be removed for cause by vote of the County, or by vote of the Directors provided there is a quorum of not less than a majority of the entire Board of Directors present at the meeting of Directors at which such action is taken. Any or all of the Directors may be removed without cause by vote of the County.

Section 5. Newly Created Directorships and Vacancies.

Newly created Directorships resulting from an increase in the number of Directors and vacancies occurring in the Board of Directors for any reason shall be filled by vote of the County. Directors elected to fill newly created Directorships shall hold office until their successors have been elected or appointed and qualified. Directors elected to fill vacancies shall serve for the remaining term of the Director for whom they are replacing, and until their successors are elected and have qualified.

Section 6. Action by the Board.

Except as otherwise provided by law or in these By-laws, the act of the Board means action taken at a meeting of the Board by vote of a majority of the Directors present at the time of the vote, if a quorum is present at such time.

Section 7. Place of Meeting.

The Board may hold its meetings at 80 State Highway 310, Suite 6, Canton, New York 13617, or at such place or places within the State of New York as the Board may from time to time by resolution determine.

Section 8. Annual Meetings.

The annual meeting of the Corporation shall be held in June of each calendar year at a date and time as announced by the Chairman.

Section 9. Regular Meetings.

Regular meetings of the Board may be held without notice at such times as may be fixed from time to time by resolution of the Board.

Section 10. Special Meetings.

Special meetings of the Board shall be held whenever called by the Chairman or in the absence of the Chairman by a Vice Chairman, or by any two (2) of the Directors. Notice shall be given orally, by telefax, by e-mail, or by mail and shall state the purposes, time and place of the meeting. If notice is given orally, in person or by telephone, it shall be given not less than two (2) days before the meeting; if it is given by telefax, by e-mail or by mail, it shall be given not

less than three (3) days before the meeting. At such special meeting no business shall be considered other than that designated in the notice.

Section 11. Waivers of Notice.

Notice of a meeting need not be given to any Director who submits a signed waiver of notice whether before or after the meeting, or who attends the meeting without protesting, prior thereto or at its commencement, the lack of notice to him or her.

Section 12. Quorum.

(a) A majority of the entire Board of Directors shall constitute a quorum for the transaction of business.

(b) A majority of the Directors present, whether or not a quorum is present, may adjourn any meeting to another time and place without notice to any Director.

Section 13. Compensation.

Directors shall receive no compensation for their services but may be reimbursed for the expenses reasonably incurred by them in the performance of their duties.

Section 14. Annual Independent Audit.

The Board of Directors shall present to the County the annual independent audit report performed in accordance with the requirements of the PAL and generally accepted government auditing standards certified by a firm of independent public accountants selected by the Board.

Section 15. Annual Budget.

The Board of Directors shall present to the County the annual budget prepared in accordance with the PAL.

Section 16. Open Meetings Law.

The Corporation shall comply with the Open Meetings Law.

## **ARTICLE IV - COMMITTEES**

Section 1. Audit & Finance Committee.

There shall be an Audit & Finance Committee consisting of not less than three Independent Directors of the Corporation who shall constitute a majority on the committee. The Chairman shall appoint committee members and assign the chairmanship role. To the extent

practicable, members of the Audit & Finance Committee shall possess the necessary skills to understand the duties and functions of the committee and should be familiar with corporate financial and accounting practices. The Audit & Finance Committee shall recommend to the Board the hiring of a certified independent accounting firm in compliance with the Public Authorities Law of New York State to conduct the annual independent audit, establish the compensation to be paid to the accounting firm and provide direct oversight of the performance of the annual independent audit. In addition, it shall be responsibility of the Audit & Finance Committee to review proposals for the issuance of debt by the Corporation and its subsidiaries and make recommendations. In the event the Corporation has fewer than three Independent Directors, the Corporation may appoint non-Independent Directors to the Audit & Finance Committee, provided that the Independent Directors must constitute a majority of the members of the Audit & Finance Committee.

Section 2. Governance Committee.

There shall be a Governance Committee consisting of not less than three Independent Directors of the Corporation who shall constitute a majority on the committee. The Chairman shall appoint committee members and assign chairmanship roles. The Governance Committee shall keep the Board informed of current best governance practices, review corporate governance trends, update the Corporation's governance principles, advise the Board on the skills and experience required of potential Directors, to examine ethical and conflict of interest issues; to perform board self-evaluations; and to recommend bylaws which include rules and procedures for conduct of business. In the event the Corporation has fewer than three Independent Directors, the Corporation may appoint non-Independent Directors to the Governance Committee, provided that the Independent Directors must constitute a majority of the members of the Governance Committee.

Section 3. Other Standing Committees.

The Board of Directors, by resolution adopted by a majority of the entire Board, may designate from among its members other standing committees consisting of three (3) or more Directors, which can make recommendations to the entire Board. The standing committees shall have such authority as the Board shall by resolution provide, except that no such committee shall have authority as to the following matters:

(a) the submission to the County of any action requiring County approval under the law;

(b) the filling of vacancies in the Board or in any committee;

(c) the amendment or repeal of the By laws, or the adoption of new By laws;

or

(d) the amendment or repeal of any resolution of the Board which by its terms, shall not be so amendable or repealable.

Section 4. Special Committees.

The Chairman may designate special committees, each of which shall consist of such persons and shall have such authority as is directed by the Chairman.

Section 5. Meetings.

Meetings of committees, of which no notice shall be necessary, shall be held at such time and place as shall be fixed by the Chairman of the Board or the chairman of such committee or by vote of a majority of all the members of the committee.

Section 6. Quorum and Manner of Acting.

Unless otherwise provided by resolution of the Board, a majority of all of the members of a committee shall constitute a quorum for the transaction of business and the vote of a majority of all of the members of the committee shall be the act of the committee.

The procedures and manner of acting of the committees of the Board shall be subject at all times to the direction of the Board.

Section 7. Tenure of Members of Committees of the Board.

Each committee of the Board and every member thereof shall serve at the pleasure of the Board.

Section 8. Alternate Members.

The Board may designate one (1) or more members as alternate members of any standing committee of the Board, who may replace any absent member or members at any meeting of such committee.

## **ARTICLE V - BOARD OFFICERS**

Section 1. Officers.

The Officers of the Corporation's Board shall be a Chairman, a Vice Chairman, a Secretary and/or such other officers as the Board may in its discretion determine. Any two (2) or more offices may be held by the same person, except the offices of Chairman and Secretary.

Section 2. Term of Office and Qualifications.

Those officers whose titles are specifically mentioned in Section 1 of this Article shall be elected by the Board at its Annual Meeting. Unless a shorter term is provided in the resolution of the Board electing such officer, the term of office of each officer shall extend to the next Annual Meeting and until the officer's successor is elected and qualified.

Section 3. Additional Officers.

Additional officers may be elected for such period, have such authority and perform such duties, either in an administrative or subordinate capacity, as the Board may from time to time determine.

Section 4. Removal of Officers.

Any officer may be removed by the Board with or without cause at any time.

Section 5. Resignation.

Any officer may resign his or her position as an officer at any time by giving written notice to the Board, to the Chairman or to the Secretary. Any such resignation shall take effect at the time specified therein, or, if no time be specified, then upon delivery.

Section 6. Vacancies.

A vacancy in any office shall be filled by the Board.

Section 7. Chairman.

The Chairman shall preside at all meetings and of the Board at which the Chairman is present. In the absence or incapacity of the Chief Executive Officer of the Corporation or the Chief Financial Officer, and except as otherwise authorized by resolution of the Board, the Chairman shall execute all agreements, contracts, deeds, and any other instruments of the Corporation. At each meeting, the Chairman shall submit recommendations and information as he or she may consider proper concerning the business, affairs, the bonds, the notes, the loans, the projects and facilities of the Corporation, the economic benefits to be conferred on project applicants and occupants, and the policies of the Corporation. Nothing in this provision shall be construed as granting the Chairman the exclusive right to bring matters before the Corporation for consideration.

Section 8. Vice Chairman.

In the absence or incapacity to act of the Chairman, or if the office of Chairman be vacant, the Vice Chairman shall preside at all meetings of the Board, and shall perform the duties and exercise the powers of the Chairman, subject to the right of the Board from time to time to extend or confine such powers and duties or to assign them to others. The Vice Chairman shall have such powers and shall perform such other duties as may be assigned by the Board or the Chairman.

Section 9. Secretary.

It shall be the duty of the Secretary to act as secretary of all meetings of the Board, and to keep the minutes of all such meetings in a proper book or books to be provided for that purpose; the Secretary shall see that all notices required to be given by the Corporation are duly given and served; the Secretary shall keep a current list of the Directors and officers of the Corporation's Board and their residence addresses; the Secretary shall be custodian of the seal of the

Corporation and shall affix the seal, or cause it to be affixed, to all agreements, documents and other papers requiring the same. The Secretary shall have custody of the minute book containing the minutes of all meetings of Directors, the Audit & Finance Committee, and the Governance Committee and any other committees which may keep minutes, and of all other contracts and documents which are not in the custody of the Treasurer of the Corporation, or in the custody of some other person authorized by the Board to have such custody.

Section 10. Appointed Officers.

The Board may delegate to any officer or committee the power to appoint and to remove any subordinate officer, agent or employee.

**ARTICLE VI - EXECUTIVE OFFICERS AND OTHER PERSONNEL**

Section 1. Chief Executive Officer.

The Corporation shall appoint a Chief Executive Officer by resolution. The Chief Executive Officer shall not be a member of the Board of Directors of the Corporation.

Section 2. Duties and Responsibilities of Chief Executive Officer.

The Chief Executive Officer shall report to the Chairman of the Board of the Corporation and he or she shall have general supervision and management of the Corporation and all Corporation staff and employees shall report directly to the Chief Executive Officer. Except as may otherwise be authorized by a resolution adopted by the Board, the Chief Executive Officer shall:

- (a) execute all agreements, bonds, notes, contracts, agreements, deeds, leases and any other instruments of the Corporation;
- (b) sign all financial instruments and checks;
- (c) cosign all purchase orders and instruments and checks over certain dollar thresholds as may be established from time to time by the Board (said instruments may be countersigned by the Chief Financial Officer, or other officer or Director as shall be designated by the Board);
- (d) prepare the annual budget of the Corporation with the consultation and cooperation of the Audit & Finance Committee, the Chief Financial Officer and Deputy Financial Officer for submission to the Board for approval; and
- (e) sign all purchase orders, under the direction of the board by resolution and the Chief Financial Officer.

Furthermore, the Chief Executive Officer shall assist the Chairman with such matters as the Chairman or the Board may request in furtherance of the Corporation's public purposes. The Chief Executive Officer shall be charged with leading the Corporation in carrying out its Mission



Statement and fulfilling its public purposes. The Chief Executive Officer shall also perform all other duties customarily incident to the office of a Chief Executive Officer of a local development corporation and local public authority of the State of New York and such other duties as from time to time may be assigned by the Board. The Chief Executive Officer of the Corporation shall be the Contracting Officer of the Corporation for the disposition of real and personal property in accordance with the provisions of the PAL.

Section 3. Chief Financial Officer.

The Corporation shall appoint a Chief Financial Officer.

Section 4. Duties and Responsibilities of Chief Financial Officer.

In the absence or incapacity of the Chief Executive Officer, the Chief Financial Officer shall exercise the duties and responsibilities of the Chief Executive Officer. Except as may otherwise be authorized by a resolution of the Board, if the office of the Chief Executive shall be vacant the Chief Financial Officer of the Corporation shall be the Acting Chief Executive Officer of the Corporation until such time as the Board has appointed a replacement Chief Executive Officer. The Chief Financial Officer of the Corporation shall assist the Chief Executive Officer in the carrying out of the Corporation's purposes and in fulfillment of the Corporation's public purposes. The Chief Financial Officer shall oversee the maintenance of the books and accounts of the Corporation. The Chief Financial Officer shall also perform all other duties customarily incident to the office of a Chief Financial Officer of a public benefit corporation and public authority of the State of New York and such other duties as from time to time may be assigned by the Board. The Chief Financial Officer shall be the Chief Compliance Officer of the Corporation for purposes of ensuring that the Corporation is in full compliance with all provisions of the PAL applicable to the Corporation. The Chief Financial Officer shall prepare and distribute all annual reports required by the PAL and as may otherwise be required by the Office of the Comptroller of the State of New York. The Chief Financial Officer of the Corporation shall assist the Chief Executive Officer, Deputy Financial Officer and Chairman in preparing the annual budget of the Corporation for submission to the Board for approval and he or she shall distribute all copies of the annual budget of the Corporation to all persons required by the PAL. The Chief Financial Officer shall assist the Audit & Finance Committee of the Board in carrying out their functions. The Chief Financial Officer shall be the Freedom of Information Officer of the Corporation in accordance with the provisions of the New York State Freedom of Information Law, Article 6 of the New York Public Officers Law.

Section 5. Compliance Officer.

The Corporation shall appoint a Compliance Officer, who may be the Chief Financial Officer, or any other employee of the Corporation. The Compliance Officer shall be responsible for insuring that the Corporation complies with all financial and other reporting requirements imposed by law, including those requirements in the General Municipal Law and the Public Authorities Law of New York State. The Compliance Officer shall be the “Contracting Officer” (as such term is defined in Section 2895 of New York’s Public Authorities Law).

Section 6. Additional Personnel.

The Corporation may from time to time employ such personnel as the Corporation, upon the recommendation of the Chief Executive Officer, deems necessary to exercise the Corporation’s powers, duties and functions as prescribed by the PAL and all other laws of the State of New York applicable thereto. The selection and compensation of all personnel shall be determined by the Corporation subject to the laws of the State of New York.

Section 7. County Personnel.

The Corporation may, with the consent of the County, use the agents, employees and facilities of the County. In such event, the Corporation will, by resolution, enter into a contract with the County providing the terms upon which the County will provide the use of its agents, employees and facilities to the Corporation and the compensation, if any, that the Corporation shall pay to the County for the use by the Corporation of the County’s agents, employees and facilities.

**ARTICLE VII - CONTRACTS, CHECKS, DRAFTS AND BANK ACCOUNTS**

Section 1. Execution of Contracts.

The Board, except as in these By-laws otherwise provided, may authorize any officer or officers, agent or agents, in the name of and on behalf of the Corporation to enter into any contract or execute and deliver any instrument, and such authority may be general or confined to specific instances; but, unless so authorized by the Board, or expressly authorized by these By-laws, no officers, agent or employee shall have any power or authority to bind the Corporation by any contract or engagement or to pledge its credit or to render it liable pecuniarily in any amount for any purpose.

Section 2. Loans.

No loans shall be contracted on behalf of the Corporation unless specifically authorized by the Board.

Section 3. Checks, Drafts, etc.

All checks, drafts and other orders for the payment of money out of the funds of the Corporation, and all notes or other evidences of indebtedness of the Corporation, shall be signed

on behalf of the Corporation in such manner as shall from time to time be determined by these By-laws or by resolution of the Board.

Section 4. Deposits.

All funds of the Corporation not otherwise employed shall be deposited from time to time to the credit of the Corporation in such banks, trust companies or other depositories as the Board may select or in the absence of such selection by the Board, as the Chief Executive Officer in consultation with the Chief Financial Officer.

**ARTICLE VIII - INDEMNIFICATION AND INSURANCE**

Section 1. Authorized Indemnification.

Unless clearly prohibited by law or Section 2 of this Article, the Corporation shall indemnify any person ("Indemnified Person") made, or threatened to be made, a party in any action or proceeding, whether civil, criminal, administrative, investigative or otherwise, including any action by or in the right of the Corporation, by reason of the fact that he or she (or his or her testator or intestate), whether before or after adoption of this Section, (a) is or was a Director or officer of the Corporation, or (b) in addition is serving or served, in any capacity, at the request of the Corporation, as a Director or officer of any other corporation, or any partnership, joint venture, trust, employee benefit plan or other enterprise. The indemnification shall be against 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 in good faith determines, 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 in fact 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 between the interests of the parties.

Section 4. Indemnification of Others.

Unless clearly prohibited by law or Section 2 of this Article, the Board may approve Corporation indemnification as set forth in Section 1 of this Article or advancement of expenses as set forth in Section 3 of this Article, to a person (or the testator or intestate of a person) who is or was employed by the Corporation or who is or was a volunteer for the Corporation, and who is made, or threatened to be made, a party in any action or proceeding, by reason of the fact of such employment or volunteer activity, including actions undertaken in connection with service at the request of the Corporation in any capacity for any other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise.

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 shall, upon written request by the Indemnified Person, determine whether and to what extent indemnification is permitted pursuant to these By-laws. Before indemnification can occur the Board 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 action or proceeding concerning which indemnification is sought, shall participate in this determination. If a quorum of disinterested Directors is not obtainable, the Board shall act only after receiving the opinion in writing of independent legal counsel that indemnification is proper in the circumstances under then applicable law and these By-laws.

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 By-laws with respect to any event, action or omission occurring prior to the date of such amendment.

Section 7. Insurance.

The Corporation is not required to purchase Directors' and officers' liability insurance, but the Corporation may purchase such insurance if authorized and approved by the Board. 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.

Section 8. Nonexclusive Rights.

The provisions of this Article shall not limit or exclude any other rights to which any person may be entitled under law or contract. The Board is authorized to enter into agreements on behalf of the Corporation with any Director, officer, employee or volunteer providing them rights to indemnification or advancement of expenses in connection with potential indemnification in addition to the provisions therefore in this Article, subject in all cases to the limitations of Section 2 of this Article.

## **ARTICLE IX - CONFLICTS OF INTEREST**

### **Section 1. Definition of Conflicts of Interest.**

A conflict of interest will be deemed to exist whenever an individual is in the position to approve or influence Corporation policies or actions which involve or could ultimately harm or benefit financially: (a) the individual; (b) any family member (spouse, domestic partner, grandparents, parents, children, grandchildren, great grandchildren, brothers or sisters (whether whole or half blood), and spouses of these individuals); or (c) any organization in which he or a family member is a director, trustee, officer, member, partner or more than 10% of the total (combined) voting power. Service on the board of another not-for-profit corporation does not constitute a conflict of interest.

### **Section 2. Disclosure of Conflicts of Interest.**

A Director or officer shall disclose a conflict of interest: (a) prior to voting on or otherwise discharging his duties with respect to any matter involving the conflict which comes before the Board or any committee; (b) prior to entering into any contract or transaction involving the conflict; (c) as soon as possible after the Director or officer learns of the conflict; and (d) on the annual conflict of interest disclosure form.

The Secretary of the Corporation shall distribute annually to all Directors, officers and key employees (as identified by the Corporation), a form soliciting the disclosure of all conflicts of interest, including specific information concerning the terms of any contract or transaction with the Corporation and whether the process for approval set forth in this policy was used. Such disclosure form may require disclosure of other relationships that may not constitute an actual conflict of interest, but which are required to be disclosed in order for the Corporation to comply with its annual reporting requirements.

### **Section 3. Approval of Contracts and Transactions Involving Potential Conflicts of Interest.**

A Director or officer who has or learns about a potential conflict of interest should disclose promptly to the Secretary of the Corporation the material facts surrounding any potential conflict of interest, including specific information concerning the terms of any contract or transaction with the Corporation. All effort should be made to disclose any such contract or transaction and have it approved by the Board before the arrangement is entered into.

Following receipt of information concerning a contract or transaction involving a potential conflict of interest, the Board shall consider the material facts concerning the proposed

contract or transaction, including the process by which the decision was made to recommend entering into the arrangement on the terms proposed. The Board shall approve only those contracts or transactions in which the terms are fair and reasonable to the Corporation and the arrangements are consistent with the best interests of the Corporation. Fairness includes, but is not limited to, the concepts that the Corporation should pay no more than fair market value for any goods or services which the Corporation receives and that the Corporation should receive fair market value consideration for any goods or services that it furnishes others. The Board shall set forth the basis for its decision with respect to approval of contracts or transactions involving conflicts of interest in the minutes of the meeting at which the decision is made, including the basis for determining that the consideration to be paid is fair to the Corporation.

Section 4. Validity of Actions.

No contract or other transaction between the Corporation and one or more of its Directors or officers, or between the Corporation and any other corporation, firm, association or other entity in which one or more of its Directors or officers are directors or officers, or have a substantial financial interest, shall be either void or voidable for this reason alone or by reason alone that such Director or Directors or officer or officers are present at the meeting of the Board of Directors, or of a committee thereof, which authorizes such contract or transaction, or that his or their votes are counted for such purpose, if the material facts as to such Director's or officer's interest in such contract or transaction and as to any such common directorship, officership or financial interest are disclosed in good faith or known to the Board or committee, and the Board or committee authorizes such contract or transaction by a vote sufficient for such purpose without counting the vote or votes of such interested Director or officers. Common or interested Directors may be counted in determining the presence of a quorum at a meeting of the Board of Directors or committee which authorizes such contract or transaction. At the time of the discussion and decision concerning the authorization of such contract or transaction, the interested Director or officer should not be present at the meeting.

Section 5. Employee Conflicts of Interest.

An employee of the Corporation with a potential conflict of interest in a particular matter shall promptly and fully disclose the potential conflict to his supervisor. The employee shall thereafter refrain from participating in deliberations and discussion, as well as any decisions, relating to the matter and follow the direction of the supervisor as to how the Corporation decisions which are the subject of the conflict will be determined. The Chief Executive Officer shall be responsible for determining the proper way for the Corporation to handle Corporation decisions which involve unresolved employee conflicts of interest. In making such determinations, the Chief Executive Officer may consult with legal counsel.

The CEO shall report to the Board at least annually concerning employee conflicts of interest which have been disclosed and contracts and transactions involving employee conflicts which the CEO has approved.

## **ARTICLE X - COMPENSATION**

### **Section 1. Reasonable Compensation.**

It is the policy of the Corporation to pay no more than reasonable compensation for personal services rendered to the Corporation by officers and employees. The Directors shall not receive compensation for fulfilling their duties as Directors, although Directors may be reimbursed for actual out-of-pocket expenses, which they incur in order to fulfill their duties as Directors. Expenses of spouses will not be reimbursed by the Corporation unless the expenses are necessary to achieve a Corporation purpose.

### **Section 2. Approval of Compensation.**

The Board must approve in advance the amount of all compensation for officers of the Corporation.

Before approving the compensation of an officer, the Board shall determine that the total compensation to be provided by the Corporation to the officer is reasonable in amount in light of the position, responsibility and qualification of the officer for the position held, including the result of an evaluation of the officer's prior performance for the Corporation, if applicable. In making the determination, the Board shall consider total compensation to include the salary and the value of all benefits provided by the Corporation to the individual in payment for services. At the time of the discussion and decision concerning an officer's compensation, the officer should not be present in the meeting. The Board shall obtain and consider appropriate data concerning comparable compensation paid to similar officers in like circumstances.

The Board shall set forth the basis for its decisions with respect to compensation in the minutes of the meeting at which the decisions are made, including the conclusions of the evaluation and the basis for determining that the individual's compensation was reasonable in light of the evaluation and the comparability data.

## **ARTICLE XI - GENERAL**

### **Section 1. Books and Records.**

These shall be kept at the office of the Corporation: (1) correct and complete books and records of accounts; (2) minutes of the proceedings of the Board and the standing and special Committees of the Corporation; (3) a current list of the Directors and the officers of the Corporation and their residence addresses; (4) a copy of these By-laws; (5) a copy of the Corporation's application for recognition of exemption with the Internal Revenue Service (if applicable); and (6) copies of the past three (3) years' information returns to the Internal Revenue Service (if applicable).

### **Section 2. Loans to Directors and Officers.**

No loans shall be made by the Corporation to its Directors or Officers, or to any other company, corporation, firm, association or other entity in which one or more of the Directors or

Officers of the Corporation are members, director or officers or hold a substantial financial interest except as allowed by law.

Section 3. Fiscal Year.

The fiscal year of the Corporation shall be the calendar year, unless otherwise provided by the Corporation.

Section 4. Training.

All Directors shall participate in training approved by the State of New York regarding their legal, fiduciary, financial and ethical responsibilities as Directors within one (1) year of appointment to the Board. All Directors of the Board 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 the Corporation and the adhere to the highest standards of responsible governance.

**ARTICLE XII - AMENDMENTS**

Section 1. Amendments to By-laws.

The By-laws of the Corporation may be amended or repealed by the County or a majority of all of the Directors at a regular meeting or special meeting. Any By-law adopted by the Board may be amended or repealed by the County. At least seven (7) days written notice thereof of the proposed amendments must be provided to the County and the Directors prior to adoption.