

BY LAWS
OF
YATES COUNTY INDUSTRIAL DEVELOPMENT AGENCY

Amended June 3, 1986
Amended November 15, 1989
Amended December 20, 1989
Amended June 19, 1991
Amended November 20, 1995
Amended March 21, 2007

ARTICLE I

THE AGENCY

Section 1. Name. The name of the Agency shall be: "Yates County Industrial Development Agency".

Section 2. Seal of Agency. The 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.

Section 3a. Office of Agency. The office of the Agency shall be in the Keuka Business Park, Penn Yan, New York, but the Agency may have other offices at such other places as the Agency may from time to time designate by resolution.

Section 3b. Address of the Agency. The address shall be 1 Keuka Business Park, Suite 104, Penn Yan, NY 14527-8981. All correspondence regarding agency business should be directed to and from this address, except in the cases of emergency.

ARTICLE II

MEMBERS AND OFFICERS

Section 1. Board Members. (A) The Agency shall consist of seven voting Board members, a Chief Executive Officer, an Administrative Assistant, and the Chairperson (or Delegate) of the Yates County Legislature. 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 County Legislature of Yates County. Each Member must be a resident of Yates County. No voting member may serve for more than three consecutive two year terms. 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 “PAAA”).

(B) The Board shall appoint an Chief Executive Officer 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 Chief Executive Officer 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 disclosure statements with the Yates 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. The officers of the Agency shall be Chairperson, Vice Chairperson, Secretary, Assistant Secretary, and Treasurer.

Section 4. Chairperson. The Chairperson shall preside at all meetings of the Agency. Except as otherwise designated herein or as otherwise provided by resolution, the Chairperson is authorized to sign all agreements, contracts, deeds, or other instruments which have been approved by resolution. At each meeting the Chairperson shall submit such recommendations and information as he may consider proper concerning the business, affairs and policies of the Agency. The Chairperson shall, in cooperation with the Chief Executive Officer, prepare an agenda for each meeting. In addition to topics of his own choosing, the Chairperson will include as part of the meeting agenda, topics which have been requested by one or more of the members of the Agency.

Section 5. Vice Chairperson. The Vice Chairperson shall perform the duties of the Chairperson in the absence or incapacity of the Chairperson; and in case of the resignation or death of the Chairperson, the Vice Chairperson shall act in the full capacity of the Chairperson until such time as the Agency elects a new Chairperson.

Section 6. Secretary. The Secretary shall review the records of the Agency and shall approve all which he believes to be correct and complete. The Secretary shall insure that the seal of the Agency and the records of the Agency are kept in safe custody, are made accessible to any and all members of the Agency during normal business hours, and shall perform all other duties incident to his office. The Secretary shall have the power to affix the seal of the Agency to all contracts and other instruments which have been authorized by resolution to be executed by the Agency.

Section 7. Assistant Secretary. The Assistant Secretary 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 act in the full capacity of the Secretary until such time as the Agency elects a new Secretary.

Section 8. Treasurer. Except at otherwise provided by resolution of the Agency, the Treasurer, shall: (i) have the care and custody of all funds of the Agency; (ii) deposit the same in the name of the Agency in such bank or banks as the Agency may select; (iii) sign all checks and other orders for the payment of money; and (iv) payout and disburse such moneys under the direction of the Agency. Except as otherwise authorized by resolution of the Agency, all such checks and orders shall be countersigned by another officer of the Agency. The Treasurer shall keep regular books of accounts showing receipts and expenditures, and shall render to the Agency at least quarterly an accounting of the transactions, a listing of assets and liabilities, and such other accounting instruments as may be necessary to show the financial condition of the Agency. The Treasurer shall give such bond for the faithful performance of duties as the Agency may, by resolution, determine.

Section 9. Election of Officers. All officers of the Agency shall be elected from among the voting members of the Agency at a meeting preceding the annual meeting of the Agency.

Section 10. Term of Officers. The term of office for all officers shall be one year or until successors are elected.

Section 11. Filling of Vacancies. Should any voting membership become vacant, the Agency will recommend to the Yates County Legislature one or more nominees to fill the unexpired term of the vacant membership. Should any office become vacant, the Agency shall elect a successor from among its membership at a regular or special meeting no later than two months from when the vacancy was created. The election shall be for the unexpired term of the vacant office.

Section 12. Chief Executive Officer. (A) An **Chief Executive Officer** may be appointed by and serve at the pleasure of the Agency. He shall, subject to the direction of the Agency, have general supervision and responsibility for the administration of business and the affairs of the Agency. The **Chief Executive Officer** may, by resolution of the Agency, sign agreements, contracts, deeds, or other instruments. The **Chief Executive Officer** will, in cooperation with the Chairperson, prepare an agenda for each meeting, and has the responsibility to have the agenda in the hands of the members of the Agency at least five working days prior to each meeting. In cooperation with the Project Committee, the Chief Executive Officer will prepare an Annual Program Plan. The Program Plan will include, but not be limited to: (i) Goals and Objectives, (ii) Review of on-going programs, (iii) Definition of proposed new programs, (iv) Methods, (v) Calendar, (vi) Budget, and (vii) Policy recommendations. The final draft of the Plan will be submitted to the members of the Agency at the regular monthly meeting of the Board in

December in order to solicit revisions and present a final plan for approval no later than the Annual Meeting of each year.

(B) The Chief Executive Officer 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.

(C) Every annual financial report of the Agency must be certified in writing by the Chief Executive Officer that based on the Chief Executive 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 13. Chief Financial Officer. (A) 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. 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. The Chief Financial Officer shall give such bond for the faithful performance of his duties as the agency may determine. 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 14. Administrative Assistant. An Administrative Assistant may be appointed by and serve at the pleasure of the Agency. The Administrative Assistant shall work under the general supervision of the Chief Executive Officer and shall be responsible for accomplishing such tasks as he may assign. These tasks include, but are not limited to: (i) taking and preparing for approval the minutes of each meeting, (ii) having the minutes of the previous meeting in the hands of the members of the Agency no later than five working days prior to the meeting at which they will be submitted for approval, (iii) acting as a focal point for establishing and maintaining good copies of documents for timely distribution to the members of the Agency that are pertinent to their deliberations, (iv) receiving and making payments, (v) maintaining journals and ledgers, and (vi) preparing monthly and quarterly financial reports.

Section 15. Committees. There will be standing committees on Finance, Marketing, Project and Facility. Each committee will be elected by the Board at its organizational meeting prior to the annual meeting and will be chaired by a voting IDA Director. Each committee shall have at least one non-agency member whenever possible. Each committee will meet on as needed basis. The Chairperson of the Agency may establish special committees for the purpose of obtaining special expertise, insight and/or recommendations regarding specific topics. Committee responsibilities are set forth below.

REQUIRED COMMITTEES:

I.) Audit Committee. (A) The Chairman shall appoint an Audit Committee, to be comprised of Independent Members.

(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 Article 18-A of the General Municipal Law.

(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 Chief Executive Officer, 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.

II.) Governance Committee. (A) The Chairman shall appoint a Governance Committee, to be comprised of Independent Members.

(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 Legislature on the skills and experiences required of potential Members of the Board.

OTHER COMMITTEES AS NEEDED:

III.) Marketing Committee. The Marketing Committee shall be responsible for review of marketing plans and budget, and recommend action. The committee will perform any other duties from time to time as may be required.

IV.) Project Committee. The standing committee on projects shall regularly review the standing of existing projects and make recommendations to the Board regarding proposed actions. The committee shall also review actions to be pursued by the agency, the committee will review applicants for their appropriateness for but not limited to the following: tenancy in the Keuka Business Park, pursuit of loan, grant, or bond funds with the IDA appropriate. It will be the duty of the committee to recommend priority of projects requiring agency effort, including marketing, client, grantsmanship, and any other initiative that may come before the agency.

The Project Committee shall consist of the Agency Chairperson, Chairpersons of the committees on Marketing and Finance, and at least one representative of the Yates County Legislature.

V.) Facility Committee. The Facility Committee shall review proposals and plans for the rehabilitation, renovation and/or maintenance of the IDA's physical plant, reviewing plans for the rehabilitation, renovation and/or maintenance of the physical plant and recommend action to the Board. The committee will perform any other duties from time to time as may be required.

VI.) Appointment to Committees. Appointments to committee may be made at any time. The committee chairperson shall bring nominations for committee membership to the Board which may act immediately on the proposed appointment.

Section 16. Legal Counsel. The Agency will appoint a Legal Counsel who will serve at the pleasure of the Agency and will, upon request of the Agency, provide legal advice. The appointment shall be made annually at the organizational meeting.

Section 17. Auditor. The Agency will appoint, subject to review and recommendation by the Audit Committee, an Auditor who will serve at the pleasure of the Agency and will, as a minimum, make an annual independent review of the financial records of the Agency.

Section 18. Additional Personnel. The Agency may from time to time employ such personnel as it deems necessary to exercise its powers, duties and functions as prescribed by the New York State Industrial Development Act, as amended, and all other laws of the State of New York applicable thereto. The selection and compensation of all personnel shall be determined by the Agency subject to the laws of the State of New York.

Section 19. Conflict of Interest and Liability. Each member of the Agency will certify annually that he is not involved in any activities which constitute conflict of interest, illegalities, or are contrary to high ethical behavior. In return the Chairperson, in cooperation with the Legal Counsel, will annually certify that there is in full force and effect insurance to protect the Agency and individual members thereof, from legal action which might be brought against them because of their activities related to the Agency.

Section 20. Defense and Indemnification of Officers and Employees. The benefits of Section 18 of the Public Officers Law of the State of New York relating to the defense and indemnification of officers and employees of public entities are conferred on all persons who are employees of the IDA

within the meaning of such law, and the IDA shall be liable for the costs incurred under the provisions of such Section 18.

Section 21. Annual Disclosure. Officers and employees of the Agency shall file annual disclosure statements with the Yates County Board of Ethics.

ARTICLE III

OBJECTIVES

Section 1. Economic Development Mission. The economic development mission of the Agency is to improve the quantity, quality, stability, and variety of employment opportunities in Yates County, and to increase the wealth of its citizens. The mission shall be achieved through any or all legal activities specifically enabled or allowed by Article 18-A (Industrial Development) of the New York State General Municipal Law.

Section 2. Goals and Objectives. The specific goals and objectives of the Agency shall be established as a component in the Annual Program Plan (Article II, Section 10 of these Bylaws).

Section 3. Use of Funds. As a matter of course, the Agency will have government funds available to it for investment in pursuit of the Agency's objectives. The Agency will use these funds in a responsible, prudent, and entrepreneurial manner.

Section 4. Interaction with other Agencies. The Agency may, by resolution, agree to cooperate in joint ventures with agencies of similar nature in other governmental jurisdictions.

ARTICLE IV

RESPONSIBILITIES

Section 1a. Agency Responsibilities to New York State. The Agency is the statutory entity in Yates County for the issuance of industrial revenue bonds.

Section 1b. Agency Responsibilities to the County of Yates. The Agency provides annual reports to the legislature which describe the general state of the economy and recommend policies and programs for legislative action. The Agency may provide managerial and technical supervision for certain county economic development programs, including, but not limited to, lending operating capital and owning real property.

Section 1c. Agency Responsibilities to the Community. The Agency shall be responsible to the community to fulfill the MISSION (Article III, Sec. 1). The agency shall employ any or all of its duties and powers to assist individuals, groups, firms, and municipalities to achieve the Agency's goals and objectives whenever practicable. The Agency shall also employ entrepreneurial methods on its own to fulfill the MISSION to the community's benefit.

Section 2a. Member Responsibilities for Outreach and Development. Members of the Agency will be responsible for developing contacts with new and existing businesses according to various special interests (geographic, sectorial, etc.). The Agency members are important means of establishing and maintaining networks and promoting economic activity.

Section 2b. Member Responsibilities for Mentorship. Members of the Agency are leaders with public recognition and trust. They are often confidential advisors for local firms and entrepreneurs, and sometimes network builders and deal as brokers between suppliers and buyers of services.

Section 3a. Staff Responsibilities for Information and Referral. The Agency Staff maintains directories and information useful to all individuals needing local, state or federal assistance or direction. In some cases, the Agency acquires the needed technical assistance or follows requests through the system for immediate results.

Section 3b. Staff Responsibilities for Training and Management Assistance. The Agency Staff will broker technical assistance to individual start-up companies, and will arrange for training for groups of new small businesses. The Agency will provide continuing technical assistance and managerial training through existing agencies or new school programs.

Section 3c. Staff Responsibilities for Project and Contract Supervision. The Agency Staff will initiate program reviews, including fiscal, schedule and technical matters. The Agency Staff will provide daily liaison, control, communication and follow-up. There will be, from time to time, several programs to supervise and manage. These programs will include, but not be limited to, buildings, land, construction activities and contracts, and cash and material assets.

Section 3d. Staff Responsibilities for Client Proposals. Once the Agency has developed a client to the point of start up or expansion, or recognizes a client through his self declared interest, the Agency Staff will help to generate and will process proposals in a timely and equitable manner. Established procedures will be followed to ensure compliance with state, federal and commercial standards.

Section 3e. Staff Responsibilities for Grant Applications. The Agency Staff will seek, or cause others to seek, outside funds and technical assistance to multiply local capital and organizational capacities. The Agency Staff will create and motivate an entrepreneurial environment in all of its activities and relationships.

ARTICLE V

MEETINGS

Section 1. Conduct. Meeting of the Agency shall be conducted by the chairperson and may be Regular, Annual or Special in nature.

Section 2. Annual. The annual meeting of the Agency shall be held within the first 90 days of the fiscal year at a place designated by resolution. Notice shall be mailed to each Agency member and shall be made public at least 14 calendar days prior to the meeting.

Section 3. Regular. Regular meetings of the Agency will be held at such times and places as are determined by resolution.

Section 4. Special. The Chairperson of the Agency may, when he deems it desirable, and shall, upon written request of at least two members of the Agency call a special meeting of the Agency 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 or may be mailed to the business or home address of each

member of the Agency at least five working days prior to the date of the such special meeting. Waivers of notice may be signed by any members failing to receive proper notice. At special meeting only business designated in the call shall be considered, but if all voting members of the Agency are present at a special meeting, with or without notice thereof, any and all business may be transacted in the normal manner.

Section 5. Quorum. At all meetings of the Agency four voting 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 place in an effort to obtain a quorum.

Section 6. Order of Business. At the regular meetings of the Agency, the following shall be the order of business:

- 1. Call to Order/Introductions**
- 2. Reading, amendment and approval of the minutes of the previous meeting**
- 3. Changes to the Agenda**
- 4. Finance Committee Report**
- 5. Reports of Committees**
- 6. Chief Executive Officer's Report**
- 7. Old Business**
- 8. New Business**
- 9. Executive Session**
- 10. Preview of next meeting**
- 11. Adjournment**

All resolutions shall be in writing and shall be copied in or attached to a journal of the proceedings of the Agency by the Administrative Assistant.

Section 7. Executive Sessions. When determined by the Agency that any matter pending before it is confidential in nature, and also being consistent with the statues governing freedom of information and open meetings laws, it may upon its own motion, establish an executive session, exclude non-members from such a session, and maintain the confidential nature of the material discussed.

Section 8. Manner of Voting. The voting on all questions coming before the Agency shall be by roll call, and the yeas and nays shall be entered in the minutes of such meeting, except in the cases of appointments and elections when the voting may be by ballot. Approval shall require four affirmative votes by the voting members.

Section 9. Minutes. The Administrative Assistant shall keep the minutes of each meeting, shall put them in a signed draft form, and shall distribute them to the members of the Agency in a timely manner as elsewhere specified.

ARTICLE VI

AMENDMENTS

Section 1. Amendments to By-Laws. The by-laws of the Agency shall be amended only with the approval of a majority of all of the members of the Agency at a regular or special meeting, but no such amendment shall be voted upon nor adopted unless copies of the proposed amendment(s) and

written notice of the meeting have been provided to all members of the Agency at least seven working days prior to the meeting.

ARTICLE VII

REPORTS

Section 1. Monthly. Regular monthly reports shall include, but not be limited to, the following: (i) The Chief Executive Officer's Report, (ii) The minutes of each meeting, (iii) The Finance Committee's report, and (iv) The Revolving Loan Fund Report. The need for additional monthly reports may be established and/or canceled by resolution of the Agency.

Section 2. Annual. In accordance with GML and the PAAA, the following annual reports shall include, but not be limited to, the following: (i) Annual Report required by the NYS Authorities Budget Office (ABO), (ii) Budget report to ABO and Yates County Legislature, (iii) annual Independent Audit report issued to the Board of Directors and sent to the ABO, Comptrollers Office, Empire State Development Office and the Yates County Legislature, (iv) NYS Comptroller's Report on project activity, (v) Real Property Inventory to ABO, (vi) Real Property Disposal Guidelines to ABO, and (vii) ST-340 Notice of Sales Tax Agent Appoints made by the Agency

Section 2. Special. The need for special reports may be established by resolution of the state, Agency or of the Yates County Legislature, including all real property disposition notices as required by the 2006 Public Authorities Accountability Act.