

**BY LAWS**  
**OF**  
**ONEONTA RAIL YARDS LOCAL DEVELOPMENT CORPORATION**

ARTICLE I  
THE CORPORATION

Section 1. Name. The name of the Corporation shall be: “Oneonta Rail Yards Local Development Corporation”.

Section 2. Seal of Corporation. The seal of the Corporation shall be in the form of a circle and shall bear the name of the Corporation and the year of its organization.

Section 3a. Office of Corporation. The office of the Corporation shall be 189 Main Street, Oneonta, New York 13820, but the Corporation may have other offices at such other places as the Corporation may from time to time designate by resolution.

Section 3b. Address of the Corporation. The address shall be 189 Main Street, Oneonta, New York 13820. All correspondence regarding Corporation business should be directed to and from this address, except in the cases of emergency.

ARTICLE II  
MEMBERS, DIRECTORS, AND OFFICERS

Section 1. Sole Member. County of Otsego Industrial Development Agency (the “Agency”) shall be the sole member of the Corporation.

Section 2. Board of Directors. (A) The Corporation shall consist of not less than three nor more than nine Directors. The Directors will be appointed by the governing body of the Agency and shall include (a) the Chairman of County of Otsego Industrial Development Agency, (b) the Vice-Chairman of County of Otsego Industrial Development Agency, (c) the Treasurer of County of Otsego Industrial Development Agency, (d) the Secretary of County of Otsego Industrial Development Agency, and (e) any additional members of County of Otsego Industrial Development Agency so appointed.

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

(C) For purposes of these bylaws, the term “Independent Director” means a Director who: (1) is not, and in the past two years has not been, employed by the Corporation (or an “Affiliate” of the Corporation) 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 Corporation or received any other form of financial assistance valued at more than \$15,000 from the Corporation; (3) is not a relative of an executive officer or employee in an executive position of the Corporation (or an “Affiliate” of the Corporation); 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 Corporation (or an “Affiliate” of the Corporation).

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

Section 3. Responsibilities of Directors; Training Requirement. (A) The Directors of the Corporation constitute the governing body of the Corporation (the “Board”), and shall have and shall responsibly exercise all of the powers provided under 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 a Chief Executive Officer and a Chief Financial Officer of the Corporation.

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

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

(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, Director or employee (or equivalent thereof) of the Corporation.

(F) Directors of the Corporation shall file annual financial disclosure statements as required by applicable New York law.

(G) Individuals newly appointed to the Board must participate in state approved training regarding their legal, fiduciary, financial and ethical responsibilities within one year of appointment to such Board. Directors who have completed state approved training 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 4. Officers. The officers of the Corporation shall be Chairman, Vice Chairman, Secretary, Treasurer, and Assistant Secretary/Treasurer.

Section 5. Chairman. The Chairman shall preside at all meetings of the Corporation. Except as otherwise designated herein or as otherwise provided by resolution, the Chairman is authorized to sign all agreements, contracts, deeds, or other instruments which have been approved by resolution. At each meeting the Chairman shall submit such recommendations and information as he may consider proper concerning the business, affairs and policies of the Corporation. The Chairman shall, in cooperation with the Chief Executive Officer, prepare an agenda for each meeting. In addition to topics of his own choosing, the Chairman will include as part of the meeting agenda, topics which have been requested by one or more of the Directors of the Corporation.

Section 6. Vice Chairman. The Vice Chairman 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 act in the full capacity of the Chairman until such time as the Corporation elects a new Chairman.

Section 7. Secretary. The Secretary shall review the records of the Corporation and shall approve all which he believes to be correct and complete. The Secretary shall insure that the seal of the Corporation and the records of the Corporation are kept in safe custody, are made accessible to any and all Directors of the Corporation 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 Corporation to all contracts and other instruments which have been authorized by resolution to be executed by the Corporation.

Section 8. Treasurer. Except at otherwise provided by resolution of the Corporation, the Treasurer, shall: (i) have the care and custody of all funds of the Corporation; (ii) deposit the same in the name of the Corporation in such bank or banks as the Corporation 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 Corporation. Except as otherwise authorized by resolution of the Corporation, all such checks and orders shall be countersigned by another officer of the Corporation. The Treasurer shall keep regular books of accounts showing receipts and expenditures, and shall render to the Corporation 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 Corporation. The Treasurer shall give such bond for the faithful performance of duties as the Corporation may, by resolution, determine.

Section 9. Assistant Secretary/Treasurer. The Assistant Secretary/Treasurer shall perform the duties of the Secretary and or Treasurer in the absence or incapacity of the Secretary or Treasurer; and in case of the resignation or death of the Secretary or Treasurer, the Assistant Secretary/Treasurer shall act in the full capacity of the Secretary or Treasurer until such time as the Corporation elects a new Secretary or Treasurer.

Section 10. Election of Officers. All officers of the Corporation shall be elected from among the Directors of the Corporation at a meeting preceding the annual meeting of the Corporation.

Section 11. Term of Officers. The term of office for all officers shall be one year or until successors are elected.

Section 12. Filling of Vacancies. Should any Director position become vacant, the Corporation will recommend to the Agency one or more nominees to fill the unexpired term of the vacant membership. The decision to appoint a particular individual as a Director rests solely with the Agency. Should any office become vacant, the Corporation shall elect a successor from among its existing Directors 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 13. Chief Executive Officer. (A) The Chief Executive Officer may be appointed by and serve at the pleasure of the Corporation. He shall, subject to the direction of the Corporation, have general supervision and responsibility for the administration of business and the affairs of the Corporation. The Chief Executive Officer may, by resolution of the Corporation, sign agreements, contracts, deeds, or other instruments. The Chief Executive Officer will, in cooperation with the Chairman, prepare an agenda for each meeting, and has the responsibility to have the agenda in the hands of the Directors at least five working days prior to each meeting.

(B) The Chief Executive Officer shall also serve as the Contracting Officer (as such term is defined in the PAAA) of the Corporation, and, as such, be responsible for (1) the disposition of property

of the Corporation, and (2) the Corporation's compliance with the Corporation's property use and disposition guidelines.

(C) Every annual financial report of the Corporation 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 Corporation as of, and for, the periods presented in the financial statements.

Section 14. Chief Financial Officer. (A) The Chief Financial Officer shall have the care and custody of all funds of the Corporation and shall deposit the same in the name of the Corporation in such bank or banks as the Board may select or, if the Board has 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 Corporation. The Chief Financial Officer shall give such bond for the faithful performance of his duties as the Corporation may determine. Every annual financial report of the Corporation 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 Corporation as of, and for, the periods presented in the financial statements.

Section 15. Administrative Assistant. An Administrative Assistant may be appointed by and serve at the pleasure of the Corporation. 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 Directors of the Corporation 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 Directors of the Corporation 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 16. Committees. There will be standing committees on Audit, Governance, and Finance. Each committee will be elected by the Board at its organizational meeting prior to the annual meeting and will be chaired by one of the Directors. Each committee may have as a member at least one person who is not a Director whenever possible. Each committee will meet on as needed basis. The Chairman of the Corporation may establish special committees for the purpose of obtaining special expertise, insight and/or recommendations regarding specific topics. Committee responsibilities are set forth below.

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

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

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

(D) The Audit Committee shall recommend to the Board the hiring of a certified independent public accounting firm for the Corporation, 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 Corporation if the Chief Executive Officer, comptroller, Chief Financial Officer, chief accounting officer, or any other person serving in an equivalent position for the Corporation was employed by that certified independent public accounting firm and participated in any capacity in the audit of the Corporation 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 Corporation, or the audit partner responsible for reviewing the audit, has performed audit services for the Corporation in each of the five previous fiscal years of the Corporation, the Audit Committee shall prohibit such certified independent public accounting firm from providing an annual independent audit for the Corporation.

(F) The Audit Committee shall require that each certified independent public accounting firm that performs for the Corporation 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 Corporation, 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 Corporation, 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 Corporation from performing any non-audit services to the Corporation 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 Corporation; (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 Directors.

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

III.) Finance Committee. (A) The Chairman shall appoint a Finance Committee, to be comprised of Independent Directors.

(B) The Finance Committee shall review proposals for the issuance of debt by the Corporation and any subsidiaries and make recommendations on the issuance of such debt.

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

Section 17. Legal Counsel. The Corporation will appoint a Legal Counsel who will serve at the pleasure of the Corporation and will, upon request of the Corporation, provide legal advice. The appointment shall be made annually at the organizational meeting.

Section 18. Auditor. The Corporation will appoint, subject to review and recommendation by the Audit Committee, an Auditor who will serve at the pleasure of the Corporation and will, as a minimum, make an annual independent review of the financial records of the Corporation.

Section 19. Additional Personnel. The Corporation may from time to time employ such personnel as it deems necessary to exercise its powers, duties and functions as prescribed by Section 1411 of the New York State Not for Profit Corporation Law and the Corporation's certificate of incorporation. The Directors shall not receive any compensation for their service to the Corporation and the compensation of all personnel shall be determined by the Corporation subject to the laws of the State of New York.

Section 20. Conflict of Interest and Liability. Each Director of the Corporation 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 Chairman, in cooperation with the Legal Counsel, will annually certify that there is in full force and effect insurance to protect the Corporation and individual members thereof, from legal action which might be brought against them because of their activities related to the Corporation.

Section 21. 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 Corporation, and the Corporation shall be liable for the costs incurred under the provisions of such Section 18.

Section 22. Financial Disclosure. Officers and employees of the Corporation shall file annual financial disclosure statements as required by applicable New York law.

### ARTICLE III

#### OBJECTIVES

Section 1. Purpose. The Corporation was created to lessen the burdens of government by fulfilling the purposes now or hereafter referred to in the New York State Not For Profit Corporation Law including, without limitation, by means of engaging in the following activities:

(A) Promoting community and economic development and the creation of jobs in the non-profit and for-profit sectors for the citizens of Otsego County, New York (the "County").

(B) Undertaking projects within the County for the purpose of relieving and reducing unemployment, bettering and maintaining job opportunities and by encouraging the development of, or retention of, an industry in the County, and lessening the burdens of government and acting in the public interest.

(C) Entering into contracts with any other economic development organizations to help achieve the purposes described in subparagraphs (A) and (B) above.

(D) In general, performing any and all acts and things, and exercise any and all powers which may now or hereafter be lawful for the Corporation to do or exercise under and pursuant to the laws of the State of New York for the purpose of accomplishing any of the foregoing purposes of the Corporation.

Section 2. Interaction with other Agencies. The Corporation may, by resolution, agree to cooperate in joint ventures with agencies of similar nature in other governmental jurisdictions.

## ARTICLE IV

### MEETINGS

Section 1. Conduct. Meetings of the Corporation shall be conducted by the Chairman and may be Regular, Annual or Special in nature.

Section 2. Annual. The annual meeting of the Corporation shall be held within the first 60 days of the fiscal year at a place designated by resolution. Notice shall be mailed to each Director and shall be made public at least 3 calendar days prior to the meeting.

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

Section 4. Special. The Chairman of the Corporation may, when he deems it desirable, and shall, upon written request of at least two Directors of the Corporation call a special meeting of the Corporation for the purpose of transacting any business designated in the call. The call for a special meeting may be delivered to each Director of the Corporation or may be mailed to the business or home address of each Director of the Corporation at least five working days prior to the date of such special meeting. Waivers of notice may be signed by any Directors failing to receive proper notice. At special meeting only business designated in the call shall be considered, but if all Directors of the Corporation 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 Corporation four Directors of the Corporation shall constitute a quorum for the purpose of transacting business; provided that a smaller number may meet and adjourn at some other time or place in an effort to obtain a quorum.

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

1. Roll Call
2. Reading, amendment and approval of the minutes of the previous meeting
3. Presentation of bills

4. Report of Treasurer
5. Reports of Committees
6. Old Business
7. Chief Executive Officer's Report
8. New Business
9. Preview of next meeting
10. Adjournment

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

Section 7. Executive Sessions. When determined by the Corporation that any matter pending before it is confidential in nature, and also being consistent with the statutes governing freedom of information and open meetings laws, it may upon its own motion, establish an executive session, exclude non-Directors 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 Corporation 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.

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 Directors of the Corporation in a timely manner as elsewhere specified.

## ARTICLE V

### AMENDMENTS

Section 1. Amendments to By-Laws. The by-laws of the Corporation shall be amended only with the consent of the Agency and the approval of a majority of all of the Directors of the Corporation 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 the Agency and all Directors of the Corporation at least seven working days prior to the meeting.

## ARTICLE VI

### REPORTS

Section 1. Periodic. Periodic reports shall include, but not be limited to, the following: (i) The minutes of each meeting, (ii) The Treasurer's report, and (iii) The Auditor's Report. The need for additional periodic reports may be established and/or canceled by resolution of the Corporation.

Section 2. Special. The need for special reports may be established by resolution of the Corporation or of the Agency.