

CCDC RESOLUTION

A regular meeting of the Cayuga County Development Corporation (CCDC) was convened on Tuesday, September 18, 2007 at 4:00 P.M. at the Cayuga County Office Building, 160 Genesee Street in Auburn, N.Y. where the following resolution was duly offered and seconded, to wit:

RESOLUTION #01 OF 2007

RESOLUTION OF THE CAYUGA COUNTY DEVELOPMENT CORPORATION ADOPTING AMENDMENTS TO ITS BY-LAWS IN CONNECTION WITH THE PUBLIC AUTHORITIES ACCOUNTABILITY ACT OF 2005

WHEREAS, the CAYUGA COUNTY DEVELOPMENT CORPORATION (hereinafter called the “CCDC”) was created in June, 2002 as a Not-For-Profit Local Development Corporation under Section 1411 of the Not-For-Profit Corporation Law of the State of New York, for the purposes set forth in Section 1141(a) of such law and whose formation and operation are exclusively for charitable purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, which is to relieve and reduce unemployment, promote and provide for additional and maximum employment, better and maintain job opportunities and lessen the burden of government and act in the public interest; and

WHEREAS, pursuant to Article II, Section 1 of the adopted By-laws of the CCDC, the sole member of the CCDC shall be the Cayuga County Industrial Development Agency (the “Member”) with the authority to have and exercise all the rights and powers of the corporate membership of the CCDC created by the laws of the State of New York, the Certificate of Incorporation and the By-laws of the CCDC; and

WHEREAS, pursuant to Article III, Section 1 of the By-laws of the CCDC, the CCDC shall be managed by its Board of Directors, which shall establish all general policies governing its operations; and

WHEREAS, the Public Authorities Accountability Act of 2005 (the “PAAA”) which was signed into law on January 13, 2006 as Chapter 766 of the Laws of 2005, was enacted by the New York State Legislature to insure greater accountability and openness of public authorities throughout the State; and

WHEREAS, pursuant to Section 2 of the Public Authorities Law (the “PAL”) of the State, the provisions of the PAAA apply to certain defined “local authorities”, including the CCDC; and

WHEREAS, the CCDC desires to adopt an amendment to its By-Laws necessary to comply with the provisions of the PAAA and formally appoint individuals to the positions of Executive Director and Treasurer;

NOW, THEREFORE, BE IT RESOLVED by the members of the Board of the CCDC (the “Board”) as follows:

CAYUGA COUNTY DEVELOPMENT CORPORATION
CAYUGA COUNTY OFFICE BUILDING / 5TH FLOOR / 160 GENESEE STREET, AUBURN, NY 13021
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SECTION 1. ARTICLE III, BOARD OF DIRECTORS, Section 2 (Number, Election and Term of Directors), of the By-Laws shall be amended by the addition of the following sub-section (d): The number of Directors on the Board of Directors shall be seven (7) members.

SECTION 2. ARTICLE IV, COMMITTEES, Section 1 (Standing Committees), of the By-Laws shall be amended by the deletion of existing sub-section (b) and the addition of a new subsection (b) as follows:

(b) Until changed by amendment to these By-Laws, the corporation shall have the following Standing Committees:

(i) Corporate Governance Committee.

1. Purpose: The purpose of the Corporate Governance Committee (the “Committee”) shall be to assist the CCDC Chair and the Board in (a) developing and recommending to the Board, policies to promote honest and ethical conduct by Board members, officers and employees, and enhance public confidence in the CCDC; (b) developing, recommending to the Board and overseeing implementation of CCDC policies relating to corporate governance; and (c) reviewing on a regular basis the overall corporate governance of the CCDC and recommending improvements when necessary.

2. Committee Membership: The Committee shall consist of no less than three (3) members of the CCDC Board and shall include the CCDC Chair. Appointment to the Board shall be through nomination and approval by a majority of the Board at a regular meeting of the Board of Directors. The Committee shall select and appoint the Committee Chair.

(ii) Audit Committee.

1. Purpose: The purpose of the Audit Committee (the “Committee”) shall be to (a) assure the at the Cayuga County Development Corporation’s Board fulfills its responsibilities for the corporation’s internal and external audit process, the financial reporting process and the system of risk assessment and internal controls over financial reporting; and (b) provide an avenue of communication between management, the independent auditors, the internal auditors and the Board of Directors.

2. Powers of the Audit Committee: It shall be the responsibility of the Audit Committee to:

- Appoint, compensate, and oversee the work of any public accounting firm employed by the Corporation.
- Conduct or authorize investigations into any matters within its scope of responsibility.

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- Seek any information it requires from Corporation employees, all of whom should be directed by the Board to cooperate with the Committee requests.
- Meet with Corporation staff, officers, independent auditors or outside counsel, as necessary.
- Retain, at the Corporation's expense, such outside counsel, experts and other advisors as the Audit Committee may deem appropriate.

The Cayuga County Development Corporation Board will ensure that the Audit Committee has sufficient resources to carry out its duties.

3. Composition of Audit Committee and Selection of Members: The Audit Committee shall consist of at least three (3) members of the Board of Directors who are independent of Corporation operations. The Corporation's Board of Directors shall appoint the Audit Committee and the Audit Committee Chair by a majority vote of the Board of Directors at a regular meeting of the Board. Selection of Audit Committee Members shall comply with the following requirements: (a) Audit Committee Members shall be prohibited from being an employee of the Corporation or the immediate family member of an employee of the Corporation; (b) Audit Committee Members shall not engage in any private business transactions with the Corporation or receive compensation from any private entity that has material business relationships with the Corporation, or be an immediate family member of an individual that engages in private business transactions with the Corporation or receives compensation from an entity that has material business relationships with the Authority.

4. Responsibilities: The Audit Committee shall:

- Appoint, compensate and oversee independent auditors retained by the Corporation and pre-approve all audit services by the independent auditor.
- Establish procedures for the engagement of the independent auditor to provide permitted audit services. The Corporation's independent auditor shall be prohibited from providing non-audit services unless having received previous written approval from the audit committee.
- Review and approve the Corporation's audited financial statements, associated management letter, report on internal controls and all other audit communications.
- Review significant accounting and reporting issues, including complex or unusual transactions and management decisions, and recent professional and regulatory pronouncements and understand their impact on the financial statements.
- Meet with the independent audit firm on a regular basis to discuss any significant issues that may have surfaced during the course of the audit.

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- Review and discuss any significant risks reported in the independent audit findings and recommendations and assess the responsiveness and timeliness of management's follow-up activities pertaining to same.
- Present annually to the Corporation's Board a report of how it has met its responsibilities as outlined in the By-laws.
- Obtain any information or training needed to enhance the committee member's understanding of the role of internal audits, the independent auditor, the risk management process, internal controls and a certain level of familiarity in financial reporting standards and processes.
- Review the Corporation's By-laws annually, reassess its adequacy and recommend any proposed changes to the Board of the Corporation.

(iii) Loan Committee:

1. Purpose: The purpose of the Loan Committee (the "Committee") shall be to (a) to establish policy and procedures for the Corporation's loan programs and to make recommendations to the Board of Directors regarding review, approval and adoption of the loan program's policy and procedures to be established by a majority vote of the Board at a regularly scheduled Board meeting; (b) to review from time to time and recommend to the Board of Directors, as appropriate, amendments to the established policy and procedures of the various loan programs; and (c) to review and approve, approve with conditions, or disapprove loan applications made to the Corporation through the various loan programs established by the Corporation and in accordance and compliance with the established policy and procedures of the Corporation's loan programs.

2. Loan Committee Membership: The Committee membership shall be no less than three (3) and no more than five (5) members of the Board of Directors, appointed by the Board of Directors and approved by majority vote of the Board at a regularly scheduled meeting of the Corporation. The Chair of the Loan Committee shall be the Chair of the Corporation.

SECTION 3. ARTICLE V. OFFICERS, Section 1. (~~President, Vice-President, Other Officers~~).
Pursuant to subdivision 3 of Section 2824 of the PAL, no Board member, including the Chairperson, shall serve as the Corporation's President / CFO, Administrative Director, Executive Director, Treasurer / Chief Financial Officer, Comptroller, Assistant Secretary-Treasurer/CFO or hold any other equivalent position while also serving as a member of the Board.

SECTION 4. ARTICLE VI. CONTRACTS, CHECKS, DRAFTS AND BANK ACCOUNTS, Section 2. (Loans) shall be repealed in its entirety and replaced with the following:

- (a) The Chairman of the Loan Committee shall be duly authorized to execute Loan Agreements with applicants to the Loan Committee, as directed by the Loan Committee and

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on behalf of the Corporation, in accordance with the policy and procedures established by the various loan programs of the Corporation.

(b) No other loans shall be contracted on behalf of the Corporation unless specifically authorized by majority vote of the Board of Directors.

EXHIBIT A

ARTICLE V – OFFICERS

Section 1. OFFICERS. The Officers of the Corporation shall be an Executive Director, a President, a Secretary, a Treasurer, and Assistant Secretary-Treasurer, and such other vice-presidents and assistant officers as the Board of Directors may determine. Any two or more offices, except the offices of the Executive Director and Secretary, may be held by the same person.

Section 2. EXECUTIVE DIRECTOR. The Executive Director shall not be a member of the Board. The Executive Director shall have general supervision over the administration of the business and affairs of the Corporation, subject to the direction of the Board. The Executive Director shall be charged with the management of all projects of the Corporation.

Section 3. SECRETARY. The Secretary may be a Board member. The Secretary shall keep the records of the Corporation, shall act as the Secretary of the meetings of the Corporation and record all votes, and shall keep a record of the proceedings of the Corporation in a journal of proceedings to be kept for such purpose, and shall perform all duties incident to the office. The Secretary shall keep in safe custody the seal of the Corporation and shall have power to affix such seal to all contracts and other instruments to be executed by the Corporation.

Section 4. TREASURER. The Treasurer shall not be a Board member. The Treasurer 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 Corporation may select. The Treasurer shall sign all orders, and all checks for payment of money; and shall pay out and disburse such moneys under the direction of the Corporation. The Treasurer shall keep regular books of accounts showing receipts and expenditures, and shall render to the Corporation at each regular meeting an account of their transactions and also the financial condition of the Corporation. The Treasurer shall give such bond for the faithful performance of his or her duties as the Corporation may determine.

Section 5. ASSISTANT SECRETARY-TREASURER. The Assistant Secretary-Treasurer shall not be a Board member. The Assistant Secretary-Treasurer shall perform the duties of the Secretary or Treasurer in the absence or incapacity of either, and in the case of the resignation or death of the Secretary or Treasurer, the Assistant Secretary-Treasurer shall perform such duties as are imposed on the Secretary, or Treasurer, as shall be the case, until such time as the Corporation shall appoint a new Secretary or Treasurer. As such Assistant Secretary-Treasurer, he or she shall give such bond for the faithful performance of his or her duties as the Corporation may determine.

Section 6. ADDITIONAL DUTIES.