

**AMENDED AND RESTATED  
BY-LAWS  
OF EMERALD CORPORATE CENTER  
ECONOMIC DEVELOPMENT CORPORATION  
DATED AS OF FEBRUARY 13, 2002  
(A New York Not-For-Profit Corporation)**

**ARTICLE 1**

**MEMBERS**

**Section 1. Members.** The Corporation shall have one class of members. Each member shall be at least eighteen years of age.

**Section 2. Membership.** There shall not be less than three nor more than nine members, the number of members to be determined from time to time by resolution of the members. Membership shall be held by the Chairman of the Sullivan County Legislature, Chairman of the Public Works Committee, County Manager, and Commissioner of Planning and Community Development which memberships shall continue, without interruption and without regard to the named individual holding such position. The remaining initial members shall be appointed to serve staggered terms by the Chairman of the Legislature of Sullivan County, subject to Legislative approval. No more than two of the initial members will hold membership for two years and then three years for each successive term of membership. Three of the initial members will hold membership for three years and then three years for each successive term of membership. At each Annual Meeting of members, the appropriate number of members shall be elected by the members to hold membership until their successors have been elected and qualified.

**Section 3. Annual Meetings.** A meeting of members entitled to vote shall be held for the election of directors and the transaction of business in the month of January of each year on any day in that month as determined by the Board of Directors.

**Section 4. Special Meetings.** Special meetings of the members may be called at any time by the Chairman, the Board of Directors, or members entitled to cast ten percent (10%) of the total number of votes entitled to be cast at such a meeting.

**Section 5. Action by Members Without A Meeting.** Whenever under the Not-For-Profit Corporation Law, the members are required or permitted to take any action by vote, such action may be taken without a meeting or written consent, setting forth the action so taken, signed by all members entitled to vote thereon.

**Section 6. Place of Meetings.** Meetings of Members shall be held at the principal office of the Corporation or at such other place, within or without the State of New York, as may be fixed by the Board of Directors.

### **Section 7. Notice of Meetings.**

- (b) Written notice shall be given of each meeting of members, shall state the place, date and hour of the meeting and, unless it is an Annual Meeting, shall also indicate that it is being issued by or at the direction of the person or persons calling the meeting. Notice of a special Meeting shall also state the purpose or purposes for which it is being called.
- (c) Meetings of the Members shall be held whenever called by the Chairman, or by any two of the members. Notice shall be given orally, by telefax, by first class mail or by e-mail and shall state the purpose, time and place of the meeting. In the event that notice is given orally, in person or by telephone, it shall be given not less than one day before the meeting; if it is given by telefax, e-mail, it shall be given not less than three days before the meeting.
- (d) Notice of meeting need not be given to any member who submits a signed waiver of notice, in person or by proxy, without protesting prior to the conclusion of the meeting the lack of notice of such meeting, shall constitute a waiver of notice by him.

### **Section 8. Qualification of Voters.**

- (b) Every member of record of the Corporation, in good standing, shall be entitled at every meeting of the members to one vote.
- (c) The Board may fix a date as the record date for the purpose of determining the members entitled to vote at any meeting of members or any adjournment thereof, or to express consent to or dissent from any proposal without a meeting. The record date shall not be more than fifty (50) nor less than ten (10) days before the date of the meeting.

### **Section 9. Quorum and Adjourned Meetings.**

- (b) Members entitled to cast a majority of the total number of votes entitled to be cast at a meeting of members shall constitute a quorum for the transaction of any business, provided that when a specified item of business is required to be voted on by a class of members, voting as a class, members entitled to cast a majority of the total number of votes by such class shall constitute a quorum for the transaction of such specified items of business. When a quorum is once present to organize a meeting, it is not broke by the subsequent withdrawal of any members.
- (c) Despite the absence of a quorum, the members present may adjourn the meeting to another time and place and it shall not be necessary to give notice of the adjourned meeting if the time and place to which the meeting is adjourned are announced at the meeting at which the adjournment is taken. If a quorum is present at the adjourned meeting, any business may be transacted that might have been taken o the original date of the meeting. If after the adjournment, however, the Board of Directors fixes a new record date for determining the members entitled to vote at the adjourned meeting, a notice of the adjourned meeting shall be given to each member then entitled to notice under Section 7 of this Article I of the by-laws.

**Section 10. Organization.** At every meeting of the members, the Chairman, or in the absence of the Chairman, the President, or in the absence of such officers, a person selected by the members at the meeting, shall act as the chairman of the meeting. The Secretary or, in the absence of the Secretary,

any Assistant Secretary, shall act as secretary of the meeting, and in the absence of both the Secretary and any Assistant Secretary, a person selected by the members at the meeting shall act as secretary of the meeting.

#### **Section 11. Voting.**

- (b) Whenever any corporate action, other than the election of Directors, is to be taken by vote of the members, it shall except as otherwise required by law or by the Certificate of Incorporation be authorized by a majority of the votes cast at such meeting.
- (c) Directors shall be elected by a majority of the votes cast at a meeting of members except as otherwise required by law.

#### **Section 12. Proxies.**

- (b) Every member entitled to vote at a meeting of members or to express consent or dissent without a meeting may authorize another person or persons to act for such member by proxy.
- (c) Every proxy must be signed by the member or the member's attorney-in-fact. No proxy shall be valid after the expiration of eleven (11) months from the date thereof unless otherwise provided in the proxy. Every proxy shall be revocable at the pleasure of the member executing it, except as otherwise provided by law.
- (d) The authority of the holder of a proxy to act shall not be revoked by the incompetence or death of the member who executed the proxy unless, before the authority is exercised, written notice of an adjudication of incompetence or of death is received by the Secretary or an Assistant Secretary.

#### **Section 13. Inspectors of Election.**

- (b) The Board of Directors, in advance of any meeting of members, may appoint one or more inspectors to act at the meeting or any adjournment thereof. If inspectors are not so appointed, the person presiding at a meeting of members may, and on the request of any member entitled to vote thereat shall, appoint one or more inspectors. In case any person appointed fails to appear or act, the vacancy may be filled by appointment made by the Board of Directors in advance of the meeting by the person presiding thereat. Each inspector, before entering upon the discharge of his duties, shall take and sign an oath faithfully to execute the duties of inspector at such meeting with strict impartiality and according to the best of his ability.
- (c) The inspectors shall determine the number of membership certificates outstanding and the voting power of each, the certificates represented at the meeting, the existence of a quorum, the validity and effect of proxies, and shall receive votes, ballots or consents, hear and determine all challenges and questions arising in connection with the right to vote, count and tabulate all votes, ballots or consents, determine the result, and do such acts as are proper to conduct the election or vote with fairness to all members. On request of the person presiding at the meeting or any member entitled to vote thereat, the inspectors shall make a report in writing of any challenge, question or matter determined by them and execute a certificate of

any fact found by them. Any report or certificate made by them shall be prima facie evidence of the facts stated and of the vote as certified by them.

**Section 14. List of Members at Meeting.** A list or record of members entitled to vote, certified by the Secretary or any Assistant Secretary, shall be produced at any meeting of members upon the request therefore of any member who has given written notice to the corporation that such request shall be made at least ten (10) days prior to such meeting. If the right to vote at any meeting is challenged, the inspectors of election, or person presiding thereat shall require such list or record of members to be produced as evidence of the of the person challenged to vote at such meeting, and all persons who appear from such list of record to be members entitled to vote thereat may vote at such meeting.

## ARTICLE II

### BOARD OF DIRECTORS

**Section 1. Power of Board and Qualification of Directors.** The Corporation shall be managed by its Board of Directors. Each director shall be at least eighteen years of age.

**Section 2. Number and Term of Office.**

- (a) The board of Directors shall consist of not less than three nor more than nine members, the number of directors to be determined from time to time by resolution of the entire Board of Directors provided that no decrease in the number of directors shall shorten the term of any incumbent director. As used in the Article, "entire Board of Directors" means the total number of directors entitled to vote which the Corporation would have if there were no vacancies.
- (b) Directorships held by the Chairman of the Sullivan county Legislature, chairman of the Public Works Committee, County Manager, and Commissioner of Planning and Community Development shall not be subject to any term limitation, and shall continue, without interruption, and without regard to the named individual holding such position. The terms of the remaining initial directors shall be staggered. No more than two of the initial directors will hold office for two years and then three years for each successive term of office. Three of the initial directors will hold office for three years and then three years for each successive term of office.
- (c) At the Annual Meeting of members, if appropriate, directors shall be elected to hold office until their successors have been elected and qualified.
- (d) Each director shall have one vote.

**Section 3. Organization.** At each meeting of the Board of Directors, the Chairman, or, in the absence of the Chairman, the President, shall preside. In the absence of either of such officers, a chairman chosen by a majority of the directors present shall preside. The Secretary shall act as secretary of the Board of directors. In the event the Secretary shall be absent from any meeting of the Board of Directors, the directors at the meeting shall select its secretary.

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

- (a) Any director of the Corporation may resign at any time by giving written notice to the President 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 members, 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 members.

**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 a majority of directors then in office, regardless of their number. Directors elected to fill newly created directorships shall hold office in accordance with the term to which they are elected and until their successors have been elected and qualified; there shall be no classification of these directors until the next annual meeting of members. Directors elected to fill vacancies shall serve until the next annual meeting at which the election of directors for their particular term is in the regular order of business and until their successors are elected and have qualified.

**Section 6. Action of the Board of Directors.**

- (a) Except as otherwise provided by law or in these by-laws, the act of the Board of Directors means action at a meeting of the Board by vote of majority of the Directors present at the time of the vote, if a quorum is present at such time.
- (b) Any action required or permitted to be taken by the Board of Directors or any committee thereof may be taken without a meeting if all members of the Board or the committee consent in writing to the adoption of a resolution authorizing the action. The resolution and the written consents thereto by the members of the Board or committee shall be filed with the minutes of the proceedings of the Board or committee.
- (c) Any one or more members of the board of Directors or any committee thereof may participate in a meeting of such Board or committee by means of a conference telephone or similar communications equipment allowing all persons participating in the meeting to hear each other at the same time. Participation by such means shall constitute presence in person at a meeting.

**Section 7. Place of Meeting.** The Board of Directors may hold its meetings at the principal office of the corporation, or at such place or places within or without the State of New York as the Board of Directors may from time to time by resolution determine.

**Section 8. Annual Meetings.** As soon as practical after January 1, 2003 and each year thereafter, the Board of Directors shall meet for the purpose of reorganization and the transaction of other business. Notice of such meeting need not be given. Such first meeting may be held at any other time; and, if it is held at another time, notice shall be given as hereinafter provided for special meetings of the Board of Directors.

**Section 9. Regular Meetings.** Regular meetings of the Board of Directors may be fixed by resolution of the Board of Directors. Notice of regular meetings shall be given in advance, if possible.

**Section 10. Special Meetings.** Special meetings of the Board of Directors shall be held whenever called by the President, or by any two of the directors. Notice shall be given orally, by telefax, by first class mail or by e-mail and shall state the purpose, time and place of the meeting. In the event that notice is given orally, in person or by telephone, it shall be given not less than one day before the meeting; if it is given by telefax, e-mail, or first class mail, it shall be given not less than three days before the meeting.

**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.

**Section 12. Quorum.** A majority of the entire Board of Directors shall constitute a quorum for the transaction of business. 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 reasonable incurred by them in the performance of their duties.

**Section 14. Annual Report.** The Board of Directors shall present at the Annual Meeting of members a report verified by a majority of the directors, showing in appropriate detail the following:

- (a) The assets and liabilities of the Corporation, including the trust funds, as of the end of the twelve-month fiscal period terminating not more than six months prior to said meeting.
- (b) The principal changes in assets and liabilities, including trust funds, during said fiscal period.
- (c) The revenue or receipts of the Corporation, both unrestricted and restricted to particular purposes during said fiscal period.
- (d) The expenses or disbursements of the Corporation for both general and restricted purposes, during said fiscal period.
- (e) The number of members of the Corporation as of the date of the report, together with a statement of increase or decrease in such number during said fiscal period and a statement of the place where the names and places of residence of the current members may be found.

This report shall be filed with the records of this Corporation and a copy thereof entered in the minutes of the proceedings of the Annual Meeting of members.

### ARTICLE III

#### COMMITTEES

**Section 1. Executive Committee and Other Standing Committees.** The Board of Directors, by resolution adopted by a majority of the entire Board, may designate from among its members an Executive Committee and other standing committees consisting of three or more directors. The standing committees shall have such authority as the Board shall by resolution provide; and the Executive Committee shall have all the authority of the Board, except that no committee shall have authority as to the following matters:

- (a) The submission to members of any action requiring members' approval under the law.
- (b) The filling of vacancies in the Board or in any committee.
- (c) The fixing of compensation of the directors for serving on the Board or on any committee.
- (d) The amendment or repeal of the by-laws, or the adoption of new by-laws.
- (e) The amendment or repeal of any resolution of the Board which by its terms shall not be so amendable or repealable. Any reference in these by-laws to the Board of Directors shall include the Executive Committee unless the context or express provision otherwise indicates.

**Section 2. Special Committees.** The Board of Directors may designate special committees, each of which shall consist of such persons and shall have such authority as is provided in the resolution designating the committee, except that such authority shall not exceed the authority conferred on the Executive Committee by Section 1 of this Article III.

**Section 3. 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 President of the Corporation or the chairman of the committee or by vote of a majority of all of the members of the committee.

**Section 4. Quorum and Manner of Acting.** Unless otherwise provided by resolution of the Board of Directors, 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 Executive Committee and of the committees of the Board shall be subject at all times to the directions of the board of Directors.

**Section 5. 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 6. Alternate Members.** The Board of Directors may designate one or more directors as alternate members of the Executive Committee or of any standing committee of the Board, who may replace any absent member or members at any meeting of such committee.

## ARTICLE IV

### OFFICERS

**Section 1. Number.** The officers of the Corporation shall be a Chairman of the Board, a President, one or more Vice Presidents, a Treasurer, a Secretary and/or such other officers as the Board of Directors may in its discretion determine. Any two or more offices may be held by the same person, except the offices of President and Secretary.

**Section 2. Term of Office and Qualifications.** Those officers whose titles are specifically mentioned in Section 1 of this Article IV shall be elected each year by the Board of Directors 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. The President shall be elected from among the directors.

**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 of Directors may from time to time determine.

**Section 4. Removal of Officers.** Any officer may be removed by the Board of Directors with or without cause at any time.

**Section 5. Resignation.** Any officer may resign at any time by giving written notice to the Board of Directors, or to the president 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 of Directors.

**Section 7. Chairman.** The Chairman shall preside at all meetings of the Board of Directors. The Chairman shall act as the chief executive officer of the Corporation and shall supervise generally the management of the affairs of the Corporation subject only to the supervision of the Board.

**Section 8. President.** In the absence or incapacity to act of the Chairman, or if the office of Chairman be vacant, the President shall preside at all meetings of the Board of Directors, 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 President shall also perform such other duties as may be assigned from time to time by the Board.

**Section 9. Vice President.** In the absence or incapacity to act of the President, or if the office of President be vacant, the Vice President or, if there be more than one Vice President, the Vice presidents in order of seniority as determined by the Board of Directors, shall preside at all meetings of the Board of Directors, and shall perform the duties and exercise the powers of the President, 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. Each vice President shall have such powers and shall perform such other duties as may be assigned by the Board of Directors or the president.

**Section 10. Treasurer.** The Treasurer shall, if required by the Board of Directors, obtain a bond for the faithful discharge of his duties, in such sum and with such sureties as the Board of Directors shall require. The Treasurer shall keep and maintain the books of account and shall have charge and custody of, and be responsible for, all funds and securities of the Corporation, and shall deposit all such funds in the name of and to the credit of the Corporation in such banks, trust companies, or other depositories as shall be selected by the Board of Directors. The Treasurer shall also perform all other duties customarily incident to the office of Treasurer and such other duties as from time to time may be assigned by the Board of Directors.

**Section 11. Secretary.** It shall be the duty of the Secretary to act as secretary of all meetings of the Board of Directors, 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 Corporation's directors and officers 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 the directors, the Executive 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 of Directors to have such custody.

**Section 12. Appointed Officers.** The Board of Directors may delegate to any officer or committee the power to appoint and to remove any subordinate officer, agent or employee.

**Section 13. Assignment and Transfer of Stocks, Bonds and Securities.** The President, the Vice Presidents, the Treasurer, the Secretary, and each of them, shall have the power to assign, or to endorse for transfer, under the corporate seal, and to deliver, any stock, bonds, subscription rights, or other securities, or any beneficial interest therein, held or owned by the Corporation.

## ARTICLE V

### CONTRACTS, CHECKS, DRAFTS AND BANK ACCOUNTS

**Section 1. Execution of Contracts.** The Board of Directors, except as in these by-laws otherwise provided, may authorize any officer or officers, agent or agents, in the name 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 of Directors, or expressly authorized by these by-laws, no officer, agent or employee shall have any power to authority to bind the Corporation by any contract or engagement or to pledge its credit or to render it liable, in any manner, financially and/or otherwise, for any purpose.

**Section 2. Loans.** No loans shall be contracted on behalf of the Corporation unless specifically authorized by the Board of Directors.

**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 resolution of the Board of Directors. Unless otherwise specified, there shall be two signatories on each check issued by the Corporation.

**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 of Directors may select.

## ARTICLE VI

### INDEMNIFICATION AND INSURANCE

**Section 1. Authorized Indemnification.** Unless clearly prohibited by law or Section 2 of this Article VI, 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 counsel to 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 or counsel to 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 of Directors 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 VI. 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 conflict between the interests of the parties.

**Section 4. Indemnification of Others.** Unless clearly prohibited by law or Section 2 of this Article VI, the Board of Directors may approve Corporation indemnification as set forth in Section 1 of this Article VI or advancement of expenses as set forth in Section 3 or this Article VI, 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 of Directors 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 of Directors must explicitly find that such indemnification will not violate the provisions of Section 2 of the Article VI. 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 of Directors 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 of Directors. To the extent permitted by law, such insurance may insure the Corporation for any obligation it incurs as a result of this Article VI or operation of law and it may insure directly the Directors, officers, employees or volunteers of the Corporation for liabilities against which they are entitled or permitted to be indemnified by the Corporation.

**Section 8. Nonexclusive Rights.** The provision of this Article VI shall not limit or exclude any other rights to which any person may be entitled under law or contract. The Board of Directors 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 VI, subject in all cases to the limitations of Section 2 of this Article VI.

## ARTICLE VII

### CONFLICTS OF INTEREST

**Section 1. Definition of Conflict 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 member of his immediate family (spouse, parents, children, brothers or sisters, and spouses of these individuals); or (c) any organization in which he or an immediate family member is a director, trustee, officer, member, partner or more than 10% shareholder. 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 and officers, 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 Section 3 of this Article VIII was used.

**Section 3. Approval of Contracts and Transaction 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 actual or 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 interest 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 Corporation 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 officer. Common or interested Directors may be counted in determining the presence of a quorum at a meeting of the Board of Directors or committee that 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 Chairman shall be responsible for determining the proper way for the corporation to handle Corporation decisions that involve unresolved employee conflicts of interest. In making such determinations, the Chairman of the board may consult with legal counsel.

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

## **ARTICLE VIII**

### **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 of the Corporation 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.

**Section 2. Approval of Compensation.** The Board of Directors 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 date.

## ARTICLE IX

### GENERAL

**Section 1. Office.** The office of the Corporation shall be at such place in the County of Sullivan, State of New York as the board of Directors may determine.

**Section 2. Books and Records.** There shall be kept at the office of the Corporation: (1) correct and complete books and records of account, (2) minutes of the proceedings of the members, the Board of Directors and the Executive Committee, (3) a current list of the directors and officers of the Corporation and their residence addresses, (4) a list of the record containing the names and addresses of all members, (5) a copy of these by-laws, (6) a copy of the Corporation's application for recognition of exemption with the Internal Revenue Service, and (7) copies of the most recent three years of information returns to the Internal Revenue Service.

**Section 3. Seal.** The corporate seal shall be in the form of a circle and shall have inscribed thereon the following: Emerald Corporate Center Economic Development Corporation, 2000, New York Not-for-Profit Corporation.

**Section 4. Loans to Directors and Officers.** No loans shall be made by the Corporation to its directors or officers, or to any other corporation, firm, association or other entity in which one or more of its directors or officers are directors or officers or hold a substantial financial interest except as allowed by law.

**Section 5. Fiscal Year.** The fiscal year of the Corporation shall commence January 1 in each calendar year and end on December 31.

## ARTICLE X

### AMENDMENTS

**Section 1. Amendments.** The By-laws of the Corporation may be amended or repealed by the members at the time entitled to vote in the election of directors or by the board of Directors. Any by-law adopted by the Board may be amended or repealed by the members and unless otherwise provided in the by-laws adopted by the members, any by-law adopted by the members may be amended or repealed by the Board. If any by-law regulating an impending election of directors is adopted, amended or repealed by the Board of Directors, there shall be set forth in the notice of the next meeting of the members for the election of directors the by-laws so adopted, emended or repealed, together with a concise statement of the changes made.