

**BY-LAWS OF**  
**TOWN OF MONTGOMERY INDUSTRIAL DEVELOPMENT AGENCY**  
**(as amended)**

**Article I**

**THE AGENCY**

**SECTION 1. NAME.** The name of the Agency shall be “Town of Montgomery 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 (1971). The corporate seal of the Agency may be used by causing it to be impressed directly upon an instrument of writing, upon adhesive substance affixed thereto or by facsimile, whether engraved, printed, stamped or reproduced by photographic process.

**SECTION 3. OFFICE OF AGENCY.** The office of the Agency shall be in the Town Government Center, 110 Bracken Road, Second Floor, Conference Room, Town of Montgomery, New York but the Agency may have such other offices at such other places as the members of the Agency may from time to time designate by resolution.

**SECTION 4. ENABLING STATUTORY AUTHORITY.** The Town of Montgomery Industrial Development Agency was created by special act of the New York State Legislature dated 1971 and codified at Section 911-c of the New York State General Municipal Law.

**SECTION 5. MEMBERS.** (A) The Agency shall be comprised of seven (7) members (each, a “Member”) as appointed by the Town Board of the Town of Montgomery. Each such Member shall serve for a three (3) year term or until such Member dies, resigns or is replaced for cause by resolution of the Town Board. The Members’ terms shall be staggered so that no more than three (3) Members’ terms shall expire in the same calendar year. Each Member must be a resident of the Town of Montgomery. 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 are required to 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.

(E) If the term of any Agency member should terminate, his or her term of office as

an officer of the Board shall also terminate.

## ARTICLE II

### GOVERNING BOARD OF THE AGENCY; OFFICERS OF THE BOARD; COMMITTEES OF THE BOARD

#### SECTION 1. GOVERNING BOARD OF THE AGENCY; 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 Article 18-a of the General Municipal Law of the State of New York (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") and Chapter 506 of the 2009 Laws of the State of New York, commonly referred to as the Public Authorities Reform Act (the "PARA").

(B) The Board shall appoint a Chief Executive Officer and a Chief Financial Officer 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 or Affiliate, 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 financial disclosure statements with both (1) the Town of Montgomery Board of Ethics and (2) the Orange County Board of Ethics.

(G) Individuals appointed to the Board of the Agency after January 13, 2006 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 2. OFFICERS OF THE BOARD. (A) The officers of the Board shall be a Chairperson, a First Vice-Chairperson, a Second Vice-Chairperson, a Secretary, an Assistant Secretary, a Treasurer and an Assistant Treasurer.

(B) The officers of the Board of the Agency shall be appointed by the Board at the annual meeting of the Board. All officers of the Board shall remain in office until the next annual meeting of the Board. Any two or more offices of the Board, except the offices of Chairperson and Secretary, may be held by the same person.

(C) The officers of the Board shall perform the duties and functions specified in these bylaws and such other duties and functions as may from time to time be authorized by resolution of the Board of the Agency or required to effect the statutory purposes of the Agency.

(D) Should any office of the Board become vacant, the Agency shall appoint a successor at the next regular meeting, and such appointment shall be for the unexpired term of said office.

SECTION 3. CHAIRPERSON. The Chairperson shall preside at all meetings of the Board of the Agency. At each meeting, the Chairperson shall submit such recommendations and information as he or she may consider proper concerning the business, affairs and policies of the Agency.

(B) Except as otherwise authorized by resolution of the Board, the Chairperson shall sign all agreements, contracts, deeds and any other instruments of the Agency. The Chairperson shall have the authority, at all times, to execute, on behalf of the Agency, instruments and documents of a ministerial or procedural nature which the Chairperson deems expedient in order to further the statutory purposes of the Agency, provided the execution of such instruments and documents does not contravene any provision of these bylaws or any resolution of the Board.

(C) Except as otherwise authorized by resolution of the Board, all instruments of indebtedness of the Agency and checks for the payment of money of the Agency shall be signed by the Treasurer of the Agency and countersigned by the Chairperson of the Agency.

SECTION 4. FIRST VICE-CHAIRPERSON AND SECOND VICE-CHAIRPERSON. The First Vice-Chairperson shall perform the duties of the Chairperson in the absence or incapacity of the Chairperson; and in the case of the resignation or death of the Chairperson, the First Vice-Chairperson shall perform such duties as are imposed on the Chairperson until such time as the Agency shall appoint a new Chairperson. The Second Vice-Chairperson shall perform all of the duties of the First Vice-Chairperson if the First Vice-Chairperson is absent, incapacitated, dies or resigns.

SECTION 5. SECRETARY. (A) The Secretary shall keep the records of the Board, shall act as secretary at the meetings of the Board and record all votes of the Board and shall keep a record of the proceedings of the Board in a journal of proceedings to be kept for such purposes and shall perform all duties incident to the office of Secretary of the Agency.

(B) The Secretary of the Agency shall keep in safe custody the seal of the Agency and shall have power to affix such seal to all contracts and other documents authorized to be executed by the Agency. When a facsimile corporate seal is authorized to be used, the Secretary of the Agency shall have the power to approve the manner and fashion of such facsimile and authorize such minor variations as are expedient to implement the process by which such facsimile is created.

SECTION 6. ASSISTANT SECRETARY. The Assistant Secretary of the Agency 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 perform such duties as are imposed on the Secretary until such time as the Board shall appoint a new Secretary.

SECTION 7. TREASURER. (A) Except as otherwise authorized by resolution of the Agency, the Treasurer shall have the care and custody of all funds of the Agency and shall deposit all such funds in the name of the Agency in such bank or banks as the Agency shall select. Except as otherwise authorized by resolution of the Agency, the Treasurer shall payout and disburse such moneys under the direction of the Agency.

(B) Except as otherwise authorized by resolution of the Agency, the Treasurer shall sign all instruments of indebtedness of the Agency and all checks for the payment of money of the Agency. Except as otherwise authorized by resolution of the Agency, all such instruments of indebtedness, orders and checks shall be countersigned by the Chairperson.

(C) The Treasurer shall keep regular books of accounts showing all receipts expenditures and shall render to the Agency at each regular meeting an account of his or her transactions and also of the financial condition of the Agency.

SECTION 8. ASSISTANT TREASURER. The Assistant Treasurer shall perform the duties of the Treasurer in the absence or incapacity of the Treasurer and in case of resignation or death of the Treasurer, the Assistant Treasurer shall perform such duties as are imposed on the Treasurer until such time as the Agency shall appoint a new Treasurer.

SECTION 9. ADDITIONAL DUTIES. The officers of the Board shall perform such other duties and functions as may from time to time be required by the Agency, by the By-laws of the Agency, by the rules and regulations of the Agency and/or by controlling law.

SECTION 10. GOVERNANCE COMMITTEE. (A) The Chairperson shall appoint a Governance Committee, to be comprised of Independent Members of the Agency.

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

SECTION 11. AUDIT COMMITTEE. (A) The Chairperson shall appoint an Audit Committee, to be comprised of Independent Members of the Agency.

(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 the Act and by the PAAA.

(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.

**SECTION 12. FINANCE COMMITTEE.** (A) The Chairperson 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 Agency and make recommendations on the issuance of such and will meet on an as needed basis.

## **ARTIVLE III**

### **MEETINGS OF THE BOARD**

**SECTION 1. ANNUAL MEETING.** The annual meeting of the Agency shall be held during the month of December of each year at the regular meeting place of the Agency unless otherwise resolved by the Agency. The exact date, time and place of the annual meeting shall be noticed to all of the Members and to the local newspaper and to the public.

**SECTION 2. REGULAR MEETINGS.** Regular meetings of the Agency may be held upon notice to all Members at such times and places as from time to time may be determined by resolution of the Agency. Notice of such meetings must be posted on the Town signboard and supplied to the Wallkill Valley Times or any other local newspaper of general circulation in the Town.

**SECTION 3. SPECIAL MEETINGS.** The Chairperson of the Agency may, when the Chairperson deems it desirable, and shall, upon written request of 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 two days prior to the date of such special meeting and notice of such meeting also must be posted on the Town signboard and supplied to the Wallkill Valley Times or any other local newspaper of general circulation in the Town. Waivers of notice may be signed by any Members failing to receive a proper notice. At such special meeting, no business shall be considered other than as designated

in the call, but if all the Members of the Agency are present at a special meeting, with or without notice thereof, any and all business may be transacted at such special meeting.

**SECTION 4. QUORUM.** At all meetings of the Agency, a majority of the 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 until the quorum is obtained.

**SECTION 5. ORDER OF BUSINESS.** (A) At the regular meetings of the Agency, the following shall be the order of business:

1. Roll Call
2. Reading and approval of the minutes of the previous meeting
3. Bills and communications
4. Reports of the Treasurer
5. Reports of the Committees
6. Unfinished business
7. New business
8. Adjournment

(B) Whenever possible, all resolutions shall be in writing. A written copy of all resolutions adopted by the Board shall be copied in or attached to a journal of the proceedings of the Board.

**SECTION 6. MANNER OF VOTING.** (A) The voting on all questions coming before the Agency shall be by roll call and the yeas and nays shall be entered on the minutes of such meeting, except in the case of appointments when the vote may be by ballot.

(B) All resolutions of the Agency shall be passed by a majority of the Members of the Agency. In order to vote on a resolution, a Member of the Agency must be present at a meeting of the Board either in person or via videoconference.

## **ARTICLE IV**

### **EXECUTIVE OFFICERS AND EMPLOYEES**

**SECTION 1. CHIEF EXECUTIVE OFFICER.** (A) The Chief Executive Officer shall be appointed by the Board, and shall be the chief executive officer of the Agency.

(B) The Chief Executive Officer shall have general supervision over the administration of the business and affairs of the Agency, subject to the direction of the Board. Whenever possible, the Chief Executive Officer shall attend each meeting of the Board, and shall submit such recommendations and information to the Board as the Chief Executive Officer may consider proper concerning the business, affairs and policies of the Agency.

(C) The Chief Executive Officer shall be charged with the management of all projects of the Agency.

(D) 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.

(E) 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.

(F) The Chief Executive Officer shall file an annual financial disclosure statement with the Town of Montgomery Board of Ethics.

**SECTION 2. 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.

(B) 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.

(C) The Chief Financial Officer shall give such bond for the faithful performance of his duties as the agency may determine.

(D) 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.

(E) The Chief Financial Officer shall file an annual financial disclosure statement with both (1) the Town of Montgomery Board of Ethics and (2) the Orange County Board of Ethics.

**SECTION 3. ADDITIONAL PERSONNEL.** The Agency may from time to time employ such personnel as it deems necessary to exercise its statutory powers, duties and functions as prescribed by the New York State Industrial Development Agency 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.

## **ARTICLE V**

### **INDEMNIFICATION OF DIRECTORS AND OFFICERS**

**SECTION 1. RIGHT OF INDEMNIFICATION.** Each Member and officer of the Agency, whether or not then in office, and any person whose testator or intestate was such a Member or officer, shall be indemnified by the Agency for the defense of, or in connection with, any threatened, pending or completed actions or proceedings and appeals therein, whether civil, criminal, administrative or investigative, in accordance with and to the fullest extent permitted by the Section 18 of the Public Officers Law of the State of New York or other applicable law, as such law now exists or may hereafter be adopted or amended; provided, however,

that the Agency shall provide indemnification in connection with an action or proceeding (or part thereof) initiated by such a Member or officer only if such action or proceeding (or part thereof) was authorized by the Board.

**SECTION 2. ADVANCEMENT OF EXPENSES.** (A) Expenses incurred by a Member or officer in connection with any action or proceeding as to which indemnification may be given under Section 1 of this Article V may be paid by the corporation in advance of the final disposition of such action or proceeding upon (1) the receipt of an undertaking by or on behalf of such Member or officer to repay such advancement in case such Member or officer is ultimately found not to be entitled to indemnification as authorized by this Article V and (2) approval by the Board.

(B) To the extent permitted by law, the Board shall not be required to find that the Member or officer has met the applicable standard of conduct provided by law for indemnification in connection with such action or proceeding before the Agency makes any advance payment of expenses hereunder.

**SECTION 3. AVAILABILITY AND INTERPRETATION.** To the extent permitted under applicable law, the rights of indemnification and to the advancement of expenses provided in this Article V (A) shall be available with respect to events occurring prior to the adoption of this Article V, (B) shall continue to exist after any rescission or restrictive amendment of this Article V with respect to events occurring prior to such rescission or amendment, (C) shall be interpreted on the basis of applicable law in effect at the time of the occurrence of the event or events giving rise to the action or proceeding or, at the sole discretion of the Member or officer (or, if applicable, at the sole discretion of the testator or intestate of such Member or officer seeking such rights), on the basis of applicable law in effect at the time such rights are claimed and (D) shall be in the nature of contract rights that may be enforced in any court of competent jurisdiction as if the Agency and the Member or officer for whom such rights are sought were parties to a separate written agreement.

**SECTION 4. OTHER RIGHTS.** The rights of indemnification and to the advancement of expenses provided in this Article V shall not be deemed exclusive of any other rights to which any Member or officer of the Agency or other person may now or hereafter be otherwise entitled, whether contained in these by-laws, a resolution of the Board or an agreement providing for such indemnification, the creation of such other rights being hereby expressly authorized. Without limiting the generality of the foregoing, the rights of indemnification and to the advancement of expenses provided in this Article V shall not be deemed exclusive of any rights, pursuant to statute or otherwise, of any Member or officer of the Agency or other person in any action or proceeding to have assessed or allowed in his or her favor, against the Agency or otherwise, his or her costs and expenses incurred therein or in connection therewith or any part thereof.

**SECTION 5. SEVERABILITY.** If this Article V or any part hereof shall be held unenforceable in any respect by a court of competent jurisdiction, it shall be deemed modified to the minimum extent necessary to make it enforceable, and the remainder of this Article V shall remain fully enforceable. Any payments made pursuant to this Article V shall be made only out of funds legally available therefor.

## **ARTICLE VI**

### **AMENDMENTS**

**SECTION 1. AMENDMENTS TO BY-LAWS.** The By-laws of the Agency may be amended only with the approval of at least a majority of all of the Members of the Agency at a regular meeting or a special meeting, but no such amendment shall be adopted unless at least seven days prior written notice thereof has been previously given to all members of the Agency. In the event that the By-Laws of the Agency are inconsistent with the provisions of the Act, as amended from time to time, then the provisions of said Act shall control.