

**SIXTEENTH AMENDED  
BY-LAWS  
of the  
MONROE COUNTY INDUSTRIAL DEVELOPMENT CORPORATION**

**ARTICLE I  
PURPOSE AND REQUIREMENTS OF CORPORATION**

A. The Monroe County Industrial Development Corporation (the "Corporation") has been formed as a not-for-profit local development Corporation under the Membership Corporation Law and operated under its successor statute, Article 14 of the Not-For-Profit Corporation Law. Its purpose is promoting and providing economic development opportunities within the County of Monroe, providing additional employment and job opportunities, and promotion of scientific research, all as more fully set forth in the Certificate of Incorporation as amended, and initially filed in the New York State Department of State on November 2, 1962.

B. The Corporation shall invest in economic development in each of the states in the Areas of Operation in which it has a portfolio, with the Board of Directors approving investments through its budget review. The Corporation shall prepare a written report to be provided to the SBA for each state in which it has an outstanding SBA 504 loan.

C. The Corporation shall maintain such internal control policies as required by 13 CFR §128.826.

D. There can be no further delegation or redelegation by the Board of its authority.

**ARTICLE II  
MEMBER**

**Section 1. Composition of Membership.** The sole member of the Corporation shall be Monroe County, New York, acting by and through its County Executive, ex officio (the "Member"). The Corporation shall be managed by its Board of Directors in accordance with the provisions contained herein.

## **MEETINGS**

**Section 2. Annual Meetings.** The annual meeting of the Corporation, for the transaction of such other business as may be set forth in the notice of meeting, shall be held at the principal office of the Corporation, or at such place within the State of New York as the Board shall determine, at eight o'clock in the forenoon on the second Tuesday of December of each year. If that day is a legal holiday in any year, the meeting shall be held at the same hour and place on the next day following that is not a legal holiday.

## **ARTICLE III**

### **DIRECTORS**

**Section 1. Management of Corporate Affairs.** The management of the affairs of the Corporation shall be vested in a Board of Directors. The Board of Directors shall have and exercise all corporate powers and be responsible for all corporate actions and business in such manner and upon such terms and conditions as it may determine. The Board is responsible for insuring that the structure and operation of the Corporation as set forth in these By-Laws complies in all aspects and respects with the SBA's loan program requirements.

**Section 2. Directors Qualifications, Restrictions and Requirements.**

A. The number of Directors shall be at least 9 and not more than 25. At a minimum, the Board must have Directors with background and expertise in internal controls, financial risk management, commercial lending, legal issues relating to commercial lending and corporate governance.

B. The Board shall have at least one voting Director that represents the economic, community or workforce development fields, and at least two voting Directors, other than the Board's Executive Director, that represent the commercial lending field.

C. Directors from the commercial lending field must comprise less than fifty percent (50%) of the representation of the Board.

D. Directors shall be appointed by the County Executive of the County of Monroe, New York and shall serve a 3-year term.

E. No member of the Corporation's staff may be a voting member of the Board of Directors; however, the Corporation's Executive Director may be a voting member of the Board of Directors.

F. No contractor or associate of a contractor may be a voting or non-voting member of the Board of Directors.

G. No Board member may serve on the Board of another CDC. Other than approved affiliates under 13 CFR §120.820, the Corporation may not permit more than one of its Directors to be employed by or serve on the Board of Directors of any single entity (including the entity's affiliates), unless that entity is a civic, charitable or comparable organization that is not involved in financial services or other economic development activities.

H. The Board of Directors must be actively involved in encouraging economic development in all Area of Operations.

I. Directors may be either currently employed or retired. Retirees may represent the field from which they retire.

J. It is the Board's policy that no Board member shall engage in any conduct or take any action that creates an actual conflict of interest or the appearance of same pursuant to a written policy that has been adopted by the Board.

**Section 3. Executive Director.** The Executive Director will be the Monroe County Director of Planning and Development and shall be responsible for management and operation of the Corporation. The Executive Director reports to the County Executive and the Board of Directors.

**Section 4. Vacancies on the Board.** Vacancies on the Board of Directors occurring during the year for any reason, including an increase in the number of Directors, shall be filled for the remainder of that year by the County Executive.

**Section 5. Resignation.** Any Director may resign at any time by giving his or her resignation to the President or the Secretary. Such resignation shall take effect at the time specified therein, and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

**Section 6. Removal of Directors.** Any Director may be removed with or without cause by the County Executive or for cause by the vote of the Directors, provided there is a quorum of not less than a majority of the entire Board present at the meeting at which such action is taken.

**Section 7. Meeting of Directors.** There shall be a regular meeting of the Board of Directors scheduled at least quarterly to make decisions including those relating to policy. Regular and special meetings of the Board of Directors shall be held at such times and at such places in New York or elsewhere as the Board of Directors or the President or, in his or her absence, any Vice President, may determine. Directors may participate in any meeting of the Corporation or any committee thereof by telephonic or other electronic means by which all Directors participating in the meeting are able to hear and speak with all other participants in the meeting however these Directors do not count towards a quorum and cannot vote.

**Section 8. Responsibility to Attend Meetings.** Every Director is required to attend regularly scheduled Board meetings and no Director shall miss more than one quarter of the regularly scheduled meetings within a calendar year as set forth in the annual Meeting Dates schedule. Proxies do not meet the requirement for attendance.

**Section 9. Notice of Meetings of Board of Directors.** Notice of each meeting of the Board of Directors, stating the time and place and purposes thereof, shall be given by the President, the Secretary, or the Assistant Secretary, or by any Director of the Board to each Director of the Board not less than ten days before the meeting by mail, or not less than five days before the meeting by personal service of the notice or by electronic means. Meetings of the Board of Directors may also be held at any place and time without notice by unanimous consent of all the Directors. The notice of any meeting of the Board of Directors may be waived by a Director either before or after such meeting.

**Section 10. Quorum.** A quorum shall be required for the transaction of business and shall be no less than fifty percent (50%) of the voting members of the Board. Unless otherwise provided, the vote of a majority of the Directors present shall decide any question that may come before the meeting. A majority of the Directors present at any meeting, although less than a quorum, may adjourn the same from time to time, without notice other than announcement at the meeting, until a quorum is present.

**Section 11. Procedure.** The order of business and all other matters of procedure at every meeting of Directors may be determined by the presiding Officer.

**Section 12. Annual Report.** The Executive Director shall present at the annual meeting of the Corporation an income statement showing the financial and other affairs of the Corporation during the preceding year and a proposed budget for the coming year. The Corporation shall provide a copy of its budget for the coming fiscal year to the Director no later than fifteen (15) days prior to the commencement of its fiscal year. The audited financial statements shall be presented to the Corporation and the Director no later than May of the following year.

**Section 13. Compensation of Directors.** No Director of the Board shall receive, directly or indirectly, salary, compensation or emolument from the Corporation, either as a Director or in any other capacity, except reasonable compensation for services actually rendered in effecting one or more of its corporate purposes.

**Section 14. Loan Approval Policies.** When the Board votes on SBA loan approval or servicing action, at least two Directors with commercial loan experience, other than the CDC manager, must be present and vote. All 504 loan applications must have credit approval prior to submission to the Board.

**Section 15. Annual Certification.** All Directors of the Board must certify annually in writing that they have read and understand 13 CFR §120.823, and copies of the certifications must be included with the Annual SBA Report.

## ARTICLE IV

### **COMMITTEES OF DIRECTORS**

**Section 1.** The Board of Directors, by resolution or resolutions, may designate one or more committees, which to the extent provided in said resolution or resolutions, shall have and may exercise such powers as may be lawfully delegated by the Board of Directors. Delegation to committee(s) does not relieve the Board of responsibility imposed by law or Loan Program Requirements.

**Section 2. Executive Committee.** There shall be an Executive Committee comprised of the Officers and one additional Director, all of which shall meet the same organizational and representational requirements as the Board of Directors, except that the Executive Committee

must have a minimum of five voting members present to transact business. The Executive Committee may act for the Corporation between meetings except that it may not hire and fire staff, officers or employees or change the compensation of any staff or employee.

**Section 3. Loan Committee.** There shall be a Loan Committee of eight Directors who shall review and recommend for action any loan proposal or debenture guaranty; the Members of the Loan Committee shall be designated by the Directors of the Board and must include at least two Directors who have commercial lending experience. A quorum shall be required for the transaction of business and shall be at least five voting members. No staff of the Corporation shall serve on the Loan Committee.

Loans will be presented to the Loan Committee which will make its recommendation to the full board for ratification of the Loan Committee decision, and subsequent recommendation to the SBA for 504 loans, or final approval for other non SBA loans. All loan proposals will be distributed to the full Board prior to the Loan Committee meeting. Board Directors are encouraged to attend or submit their concerns or questions to the Corporation's staff. The Loan Committee will then be apprised of the concerns or questions at or prior to the loan committee meeting. The credit approval process shall be administered pursuant to its policy manual detailing credit approval criteria. All 504 loan applications must have credit approval prior to submission to the SBA.

However, consideration on timing of loan requests and scheduled Board meetings may create extenuating circumstances that require a more timely response. The Full Board delegates to the Executive Director the authority to make such a determination. If the Executive Director determines that the loan request requires immediate action, the Full Board delegates final approval authority for credit approval for loans up the \$2,000,000 to the Loan Committee. In such case, the loan proposal(s) will be presented to the full Board after the Loan Committee approval to ratify any such loan prior to closing or debenture funding. Board Directors are encouraged to attend or submit their concerns or questions to the Corporation's staff. The Loan Committee will then be apprised of the concerns or questions at or prior to the Loan Committee meeting. Any actions taken by the Loan Committee pursuant to this authority will be reported to the Full Board at the next Full Board Meeting.

No Loan Committee Member shall vote or have any input on any loan for which the Member is employed by or otherwise associated with the Third Party Lender; or otherwise participate in any loan in which the Director has a direct or actual conflict of interest.

The Loan Committee is bound by the Corporation's Conflict of Interest Policy which prohibits any actual or the appearance of conflict of interest with respect to all loans.

Notwithstanding anything contained herein to contrary, the Loan Committee may exercise the authority of the Board only as set forth in 13 CFR §120.823(d)(4)(ii); however, any such delegation for the Board authority does not relieve it of any responsibility imposed by law or any SBA loan program requirements.

Any and all members of the Loan Committee must live and/or work in its Area of Operations unless the project falls under one of the exceptions listed in 13 CFR §120.839.

**Section 4. Governance Committee.** There shall be a Committee on Governance comprised of at least five independent Directors (who shall constitute a majority on the Committee) who shall have responsibility for the education and training of Directors; it shall also act as the Nominating Committee for Officers of the Corporation, and Membership and participation on the Loan Committee and other committees established by the Board. The Committee shall periodically review the by-laws and make recommendations for changes to be presented to the Annual or Special Meeting of the Board. Among its duties, the Committee shall:

- (a) Keep the Board informed of best governance practices;
- (b) Review Corporate governance trends;
- (c) Update the Board's Corporate governance practices;
- (d) Advise the Board on the skills and experiences required of potential board members;
- (e) Examine ethical and conflicts of interest issues;
- (f) Perform Board self-evaluations; and
- (g) Recommend by-laws which include rules and procedures for conduct of Board business.

**Section 5. Finance Committee.** There shall be a Committee on Finance comprised of at least three independent Directors (who shall constitute a majority of the committee), including the Secretary, who shall have responsibility for the deposit and investment process and all Directors shall seek to act responsibly as custodians of the Corporation's trust. All Directors shall refrain

from personal business activity that could conflict with proper execution of the investment program or the deposit of the Corporation's funds or which could impair their ability to make impartial investment decisions. The Committee shall also review proposals for the issuance of debt by the Corporation and its subsidiaries and make recommendations.

**Section 7. Audit Committee.** The Board shall appoint a standing Audit Committee comprised of at least three (3) independent members who shall constitute a majority of the Committee. The members shall be familiar with corporate financial and accounting practices. The responsibilities of the Audit Committee shall include:

- (a) Recommending to the Board the hiring of a certified independent accounting firm;
- (b) Establishing the compensation to be paid to the accounting firm; and
- (c) Providing direct oversight of the performance of the independent audit performed by the accounting firm hired for such purpose.

## **ARTICLE V**

### **OFFICERS**

**Section 1. Officers.** At the annual meeting of the Corporation, the County Executive shall appoint or elect from its number a President, and shall appoint or elect one or more Vice Presidents, a Secretary, a Treasurer, and such other Officers as it shall deem necessary; such additional Officers to hold their offices for such terms and to exercise such powers and perform such duties as shall be determined from time to time by the Board of Directors. All Officers shall be selected from among the Directors.

**Section 2. Term of Office.** The Officers of the Corporation specified above shall, unless otherwise determined by the Directors, hold office for one year and until their successors are elected and have qualified. Any Officer, however, may be removed at any time with or without cause by the affirmative vote of a majority of the Board of Directors. If the office of any Officer becomes vacant, such vacancy shall be filled by the Board of Directors.

**Section 3. The President.** The President shall be the Chief Executive Officer of the Corporation. The President shall preside at all meetings of the Directors and of the Board of Directors. The President shall have the general powers and duties of supervision and management of the Corporation which usually pertain to the office, and shall perform all such other duties as are properly required of the President by the Board of Directors.



**Section 4. The Vice Presidents.** The Vice Presidents may be designated by such title or titles as the Board of Directors may determine, and each Vice President in such order of seniority as may be determined by the Board, shall in the absence or at the request of the President, perform the duties and exercise the powers of the President. The Vice Presidents also shall have such powers and perform such duties as usually pertain to their office or as are properly required by the Board of Directors.

**Section 5. The Secretary.** The Secretary shall issue notices of all meetings by law or these By-laws. The Secretary shall attend all meetings of Directors and of the Board of Directors and keep the minutes thereof. The Secretary shall affix the corporate seal to and sign such instruments as require the seal and the Secretary's signature and shall perform such other duties as usually pertain to the office or as are properly required of the Secretary by the Board of Directors.

**Section 6. The Treasurer.** The Treasurer shall have the care and custody of all the moneys and securities of the Corporation. The Treasurer shall cause to be entered in books of the Corporation to be kept for that purpose full and accurate accounts of all moneys received by the Treasurer and paid by the Treasurer on account of the Corporation. The Treasurer shall make and sign such reports, statements, and instruments as may be required of the Treasurer by law or the Board of Directors, and shall perform such other duties as usually pertain to the Treasurer's office or as are properly required of the Treasurer by the Board of Directors.

**Section 7. Officers Holding Two or More Offices.** Any two of the above-mentioned offices, except that of President, may be held by the same person.

**Section 8. Compensation of Officers.** No Officer of the Corporation shall receive, directly or indirectly, any part of the income or earnings of the Corporation nor any pecuniary profit from the operation of the Corporation but each Officer may receive reasonable compensation for services actually rendered in effecting one or more of the corporate purposes.

**ARTICLE VI**  
**ADVISORY BOARD**

The Directors upon the recommendation of the Governance Committee may elect former Directors and other prominent or worthy individuals to the Advisory Board of the Corporation. Membership on the Advisory Board shall entitle any person so elected to attend and participate in all meetings of the Corporation and the Board of Directors but the Members of the Advisory Board shall not be entitled to vote on any matter coming before the Corporation or the Board. The Advisory Board shall provide general advice and guidance to the Board and the Corporation consistent with the purposes of the Corporation set forth in its Certificate of Incorporation and these By-laws.

**ARTICLE VII**  
**INSURANCE**

The Board of Directors shall maintain Directors' and Officers' Liability and Errors and Omissions insurance in such amounts as established by SBA and published by notice in future SOPS.

**ARTICLE VIII**  
**FINANCES**

**Section 1. Finances.** The funds of the Corporation shall be deposited in its name with such bank or banks, trust company or trust companies as the Finance Committee may from time to time designate. All checks, notes, drafts and other negotiable instruments of the Corporation shall be signed by such Officer or Officers, agent or agents, employee or employees as the Board of Directors from time to time by resolution may designate. No Officers, agents or employees of the Corporation, alone or with others, shall have the power to make any checks, notes, drafts or other negotiable instruments in the name of the Corporation or to bind the Corporation thereby, except as herein provided.

**Section 2. Fiscal Year.** The fiscal year of the Corporation shall be the calendar year unless otherwise provided by the Board of Directors.

**Section 3. Examination of Books and Records.** The County Executive or his or her designee shall be permitted to examine the books and records of the Corporation upon reasonable notice

during normal business hours and to cause or direct an audit of the books and records of the Corporation.

**ARTICLE IX**  
**CORPORATE SEAL**

**Section 1. Form of Seal.** The seal of the Corporation shall be circular in form with the words "Monroe County Industrial Development Corporation, Rochester-New York" in the outer circle and the words "Corporate Seal — 1962" in the inner circle. The seal on any certificates or corporate obligations for the payment of money may be placed by facsimile, engraved or printed.

**ARTICLE X**  
**AMENDMENTS**

These By-laws may be added to, amended, altered, or repealed at any meeting of Directors, at any meeting of the Board of Directors, by the affirmative vote of two-thirds of the Board of Directors and upon the written consent of the Member. Notice of any amendment and the substance thereof shall be given to the Directors at least ten days in advance of the meeting at which the proposed changes are to be considered. The Certificate of Incorporation of the Corporation may be amended or re-appealed only by the Member.

Amended and Adopted: 12/13/16  
Re-adopted: 3/8/2017  
Re-adopted: 3/13/2018