

**RESOLUTION WITH REGARD TO
PUBLIC AUTHORITY ACCOUNTABILITY ACT OF 2005**

A regular meeting of the Carthage Industrial Development Corporation was convened on November 4, 2009, at 7:30 PM.

The following resolution was duly offered and seconded:

Resolution No. 11-4-09

**RESOLUTION OF THE CARTHAGE INDUSTRIAL DEVELOPMENT
CORPORATION ADOPTING CERTAIN POLICIES, STANDARDS
AND PROCEDURES IN CONNECTION WITH THE PUBLIC
AUTHORITIES ACCOUNTABILITY ACT OF 2005**

WHEREAS, by Section 1411 of the New York Not-for-Profit Corporation Law (the "Law"), of the State of New York, (hereinafter collectively called the "Act"), the **CARTHAGE INDUSTRIAL DEVELOPMENT CORPORATION** (hereinafter called the "Corporation") was created as a corporation of the State; and

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

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

WHEREAS, the Corporation desires to adopt certain policies, standards and procedures necessary to comply with the provisions of the PAAA.

NOW, THEREFORE, BE IT RESOLVED by the members of the Board of the Corporation (the "Board") as follows:

Section 1. Pursuant to subdivision 3 of Section 2824 of the PAL, no Board member, including the President, shall serve as the Corporation's chief executive officer, chief financial officer, or hold any other equivalent position while also serving as a member of the Board.

Section 2. Pursuant to subdivision 2 of Section 2824 of the PAL, any members of the Board appointed on or after January 13, 2006 shall participate in State-approved training regarding their legal, fiduciary, financial and ethical responsibilities as directors within one (1) year of their appointment to the Corporation. Further, each Board member appointed after January 13, 2006 shall execute a certificate of

independence pursuant to subdivision 2 of Section 2825 of the PAL. Such certificate shall be executed in substantially the form attached hereto as **Exhibit A**.

Section 3. Pursuant to subdivision 2 of Section 2824 of the PAL, all members of the Board shall participate in such continuing training as may be required to remain informed of best practices, regulatory and statutory changes relating to the effective oversight of the management and financial activities of public authorities and to adhere to the highest standards of responsible governance.

Section 4. Pursuant to subdivision 3 of Section 2825 of the PAL, on or before May 15 of each year, all Corporation Board members, officers and employees shall file annual financial disclosure statements with the Board of Ethics of the County of Jefferson (*the "County"*) pursuant to Article 18 of the GML of the State. The annual financial disclosure statements so filed shall be substantially in the form attached hereto as **Exhibit B**, or such other form of statement as may be adopted and approved by the County.

Section 5. Pursuant to subdivision 4 of Section 2824 of the PAL, an Audit Committee is hereby formed, being comprised of three members for the purpose of recommending to the Board the hiring of a certified independent accounting firm, *establishing the compensation to be paid to the accounting firm and providing direct oversight of the performance of the independent audit to be performed on or after fiscal year ending on December 31, 2009 by the accounting firm hired for such purposes.*

Section 6. Pursuant to subdivision 7 of Section 2824 of the PAL, a Governance Committee is hereby formed, being comprised of three members for the purpose of keeping the Board informed of current best governance practices, to review *corporate governance trends; to update the Corporation's corporate governance principles; and to advise appointing the Corporation on skills and experiences required of potential Board members.*

Section 7. Pursuant to subdivision 2(a) of Section 2800 of the PAL, the Board shall submit to the New York State Authority Budget Office a complete and detailed certified report (*the "Annual Report"*) in the form provided by the New York State Authority Budget Office.

Section 8. Pursuant to subdivision 2 of Section 2801 of PAL, on or before November 1, of each year, the Corporation will submit to the New York State Authority Budget Office, the Corporation's budget for fiscal year beginning January 1st of the following year.

Section 9. *For the Corporation fiscal year ending December 31st, 2009 and each year thereafter, the Corporation will abide by the following rules relating to audit services:*

- (a) the certified independent public accounting firm performing the Corporation's audit will be prohibited from providing audit services if the

lead (or coordinating) audit partner responsible for reviewing the audit, has performed audit services for the Corporation in each of the five previous fiscal years;

- (b) the certified independent public accounting firm performing the audit shall be prohibited from performing any non-audit services to the Corporation contemporaneously with the audit, unless receiving previous written approval by the audit committee including: (i) bookkeeping or other services related to the accounting records or financial statement of the Corporation, (ii) financial information systems design and implementation, (iii) appraisal or valuation services, fairness opinions, or contribution-in-kind reports, (iv) actuarial services, (v) internal audit outsourcing services, (vi) management functions or human services, (vii) broker or dealer, investment advisor, or investment banking services and (viii) legal services and expert services unrelated to the audit; and
- (c) it shall be prohibited for any certified independent public accounting firm to perform for such Corporation any audit service if the chief executive officer, chief financial officer, or any other person serving in an equivalent position for the Corporation, was employed by that certified independent public accounting firm and participated in any capacity in the audit of the Corporation during the one (1) year period preceding the date of the initiation of the audit.

Section 10. The following policies, as presented at this meeting, are hereby adopted and approved and in some cases replace and supercede, as designated, prior adopted policies:

- (a) The Compensation, Reimbursement and Attendance Policy attached hereto as **Exhibit D**;
- (b) The Code of Ethics attached hereto as **Exhibit E**; (replace/supersedes)
- (c) The Whistleblower Policy attached hereto as **Exhibit F**; (replace/supersedes)
- (d) The Investment Policy which includes the Internal Control Policy attached hereto as **Exhibit G**; (replace/supersedes)
- (e) The Travel Policy attached hereto as **Exhibit H**;
- (f) The Disposition of Property Guidelines, attached hereto as **Exhibit I**, is hereby ratified and approved along with the appointment of the President as the "Contracting Officer" of the Corporation. (replace/supersedes)
- (g) The Procurement Policy attached hereto as **Exhibit J**; (replace/supersedes)
- (h) The Defense and Indemnification Policy attached hereto as **Exhibit K**; and
- (i) The Certification of No Conflict of Interest (to be filed with Corporation) attached hereto as **Exhibit L**. (replace/supersedes)

Section 11. This resolution shall take effect immediately.