

**CORPORATE BY-LAWS FOR
SALAMANCA AREA DEVELOPMENT CORPORATION**

ARTICLE I

NAME AND TYPE

Section 1.1 The name of the organization shall be the Salamanca Area Development Corporation. The organization was incorporated by the filing of a Certificate of Incorporation with the Secretary of State for the State of New York on July 21, 2008. The corporation was incorporated pursuant to Section 201 of the Not-for-Profit Corporation Law, as a Type C corporation. The corporation may, at its discretion, apply for recognition as an exempt corporation pursuant to Section 501c(3) of the Internal Revenue Code.

ARTICLE II

PURPOSES

Section 2.1 The general purposes of the corporation are the planning and implementation of programs, projects and activities designed to create or stimulate economic and community development in the Salamanca, New York area and reduce the burden of government by:

- (a) Creating employment opportunities for Salamanca, New York area residents, particularly those employment positions that pay a living wage, offer health, retirement and other employee benefits, and provide skills training;
- (b) Increasing the property tax base of the City of Salamanca;
- (c) Increasing sales tax revenues in the City of Salamanca;
- (d) Encouraging and fostering entrepreneurship;
- (e) Strengthening and expanding existing businesses;
- (f) Bringing new businesses into the City of Salamanca and surrounding areas;
- (g) Revitalizing downtown and other commercial shopping areas;
- (h) Stimulating tourism growth;
- (i) Encouraging the environmental remediation and reuse of contaminated property;

- (j) Promoting the development of land use policies designed to encourage development and preserve City of Salamanca neighborhoods;
- (k) Encouraging and supporting the development and maintenance of municipal infrastructure, recreational facilities, and other public facilities and services that support businesses and residential neighborhoods; and
- (l) Undertaking any other activities that affect the general purposes of the Corporation.

ARTICLE III

CONFLICT OF INTEREST

Section 3.1 Conflict of Interest

No person who is a member of the Board of Directors or an officer, or an employee of the corporation shall participate in the exercise of their duties if the same would constitute or appear to constitute a conflict of interest.

ARTICLE IV

BOARD OF DIRECTORS

Section 4.1 General Powers

The corporation shall be managed by its Board of Directors, which shall have full power by majority vote of Directors attending a meeting, to adopt rules and regulations governing the actions of the corporation and the Board of Directors. The Board of Directors shall ensure that the corporation adheres to the basic purposes of the corporation as set forth in Article II.

Specific responsibilities include, but are not limited to; initiating, recommending and adoption of the organization's policies, serving on corporate committees if formed; planning and approving new budgetary and programmatic directions; appointing and evaluating the performance of an Executive Director, if hired by the corporation.

Section 4.2 Prohibitions

The Board of Directors shall enforce the following prohibitions:

- (a) No part of the net income of the corporation shall inure to the benefit of any person on the Board of Directors, no officer and no member of the corporation.
- (b) The corporation shall not participate in or intervene in any political campaign on behalf of any candidate for public office.

Section 4.3 Number and Term

The number of the Directors shall be five (5), each of whom shall be at least 18 years of age. All Directors elected in 2008 shall be randomly appointed to terms expiring on January 31, of 2009, 2010, 2011, 2012 or 2013. Thereafter, Directors shall serve terms of five (5) years and, upon expiration of a term, each Director shall serve until a successor shall have been elected.

Section 4.4 Composition

All Directors shall be a resident of the City of Salamanca, or shall have his or her principal place of employment within the corporate limits of the City of Salamanca. Three Director positions shall be filled by appointment of the Board of the Salamanca Industrial Development Agency (SIDA positions).

Section 4.5 Election of Directors

With the exception of the SIDA positions, Board vacancies created by the expiration of terms shall be filled at the annual meeting by a majority vote of the Directors then in office. The Chairperson may, at his/her option and with approval of the Board, appoint an ad hoc Nominating Committee to make recommendations to the Board for nomination of Directors and Officers at the annual election and to fill vacancies as needed.

Section 4.6 Vacancies

With the exception of the SIDA positions, any vacancy occurring on the Board of Directors occurring prior to the expiration of a term shall be filled by a majority vote of the Directors present at a meeting. The term of a Director so elected shall be the unexpired term of his/her predecessor. If a vacancy in the SIDA Positions occurs prior to the expiration of that term, the Board shall notify the SIDA of such vacancy prior to the next scheduled Board meeting, and that position shall be filled by appointment of the SIDA, with the appointed Director to serve the unexpired term of his/her predecessor. Any Board seat to be filled by reason of an increase in the number of Directors shall be filled by election at an annual meeting or, upon notice to the current Board, at a regular or special meeting.

Section 4.7 Resignation

Any Director may resign at any time by giving written notice to the Chairperson or Secretary.

Section 4.8 Removal

Any Director may be removed by an affirmative vote of two-thirds of the Board of Directors then in office.

ARTICLE V

OFFICERS

Section 5.1 Designation

The Officers of the Corporation shall be the Chairperson, the Vice-Chairperson, Secretary, and Treasurer. The Board of Directors may elect such other officers, including Assistant Secretaries and Assistant Treasurers, as it shall deem desirable. Such Officers shall have the authority and perform the duties prescribed from time to time by the Board of Directors.

Section 5.1 Election and Term of Office

The Officers of the Corporation shall be elected from the Board membership at the annual meeting of the Board of Directors. If the election of Officers is not held at such a meeting, the election shall be held as soon thereafter as is practicable. Officers shall serve for a term of one year. The term of office shall be from February 1 to January 31, unless otherwise provided in these By-Laws. Each officer shall hold office until a successor shall have been duly elected and qualified.

Section 5.3 Vacancies

A vacancy in any office, because of resignation, removal or other reasons shall be filled by a majority vote of current Directors present at a meeting for the unexpired portion of the term. Such interim Officer so elected shall serve until his/her successor has been elected and qualified.

Section 5.4 Removal

Any Officer of the Corporation may be removed by an affirmative vote of two-thirds of the Board of Directors then in office.

Section 5.5 Chairperson: Powers and Duties

The Chairperson shall, in general, supervise the business and affairs of the Corporation. He/she shall preside at all meetings of the Board of Directors. He/she may sign contracts or other instruments that the Board of Directors have authorized to be executed; and shall perform such other duties as may be assigned by the Board of Directors from time to time.

Section 5.6 Vice-Chairperson: Powers and Duties

In the absence of the Chairperson, the Vice Chairperson shall perform duties normally assigned to the Chairperson and, from time to time, may be assigned additional duties by the Chairperson or the Board of Directors.

Section 5.7 Treasurer: Powers and Duties

The Treasurer shall have charge of all funds and securities of the Corporation; ensure the receiving and giving of receipts for monies due and payable to the Corporation; ensure the deposit of all monies in the name of the Corporation, in banks, or other depositories, as shall be designated by the Board of Directors. When required by the Board of Directors, the Treasurer shall ensure the rendering of financial statements of the Corporation's accounts, and furnish the books and records for examination by any Office or Director of the Corporation. The Treasurer shall perform such other duties as from time to time may be assigned by the Chairperson or by the Board of Directors. If required by the Board of Directors, the Treasurer shall give a bond for the faithful discharge of his/her duties in such sum as the Board of Directors shall determine.

Section 5.8 Secretary: Powers and Duties

The Secretary shall keep the minutes of the Board of Directors, including a listing of those in attendance; be responsible for giving all notices required by these By-Laws; act as custodian of the Corporation's records and seal; maintain a register of the post office and residential addresses of all members which shall be furnished to the Secretary by each member, and perform such other duties as from time to time may be assigned by the Chairperson or Board of Directors.

Section 5.9 Assistant Treasurers and Assistant Secretaries

Assistant Treasurers and Assistant Secretaries, if any, shall perform such duties as shall be assigned to them by the Treasurer, the Secretary, the Chairperson or the Board of Directors.

ARTICLE VI

MEETINGS OF THE DIRECTORS

Section 6.1 Organization

The Chairperson of the Corporation or, in his/her absence, the Vice-Chairperson, shall preside at all meetings of the Board of Directors, should both be absent, a Chairperson shall be chosen by designation, by the members who are present. The Secretary of the Corporation shall act as Secretary at all meetings of the Board of Directors. In the absence of the Secretary, the presiding Officer may appoint any person to act as Secretary of the meeting.

Section 6.2 Annual Meeting

An annual meeting of the Board of Directors shall be held, upon notice, for the purposes of electing Directors and Officers and for the transcription of such other business as may come before the meeting. The meeting shall be held during the month of January at a time and place to be designated by the Chair, or at such other date, time and place as the Board of Directors may designate.

Section 6.3 Regular Meetings

Regular meetings of the Board of Directors shall be held not less than four (4) times a year at such date, time and place as may be determined by the Board of Directors.

Section 6.4 Special Meetings

Special meetings of the Board of Directors may be held at such date, time and place, as may be determined by the Chairperson or, at a date, time and place designated by written demand of not less than one-half of the Directors then in office.

Section 6.5 Notice of Meetings

Notice stating the place, day and purpose and hour of any meeting of the Directors shall be sent by the Secretary, or by such other person as the Board of Directors may designate, to each Director, in the following manner; not less than five (5) calendar days before the date of an annual meeting; and not less than two (2) calendar days before the date of regular meeting or special meeting. At a special meeting, the unanimous consent of all present, following quorum guidelines, shall be required to transact any business not stated in the meeting notice.

Section 6.6 Quorum

Three of the Directors of the Board of Directors then in office shall constitute a quorum for the transaction of business at any meeting of the Board. If less than a quorum of the Directors is present at said meeting, a majority of Directors present may make recommendations for consideration at the next regular meeting at which a quorum is present.

Section 6.7 Voting

Each Director shall be entitled to one vote on each matter submitted to the Board of Directors for a vote. All Directors shall be voting members of the Board.

Section 6.8 Action by the Board

The act of the majority of the Directors attending a meeting at which a quorum is present shall be deemed the acts of the Board of Directors.

Section 6.9 Action Without a Meeting

Any lawful Board action may be taken without a meeting if all members of the Board consent in writing to said action and these consents shall be filed with the minutes of the Board or its designated Committee.

Section 6.10 Order of Business

The order of business for all meetings of the Directors shall be as follows:

1. Roll call
2. Reading of minutes of the preceding meeting for review and approval
3. Committees' Reports
4. Old Business
5. New Business
6. Adjournment

ARTICLE VII

MEMBERS

Section 7.1

The members of the Corporation shall be those persons who are members of the Board of Directors.

ARTICLE VIII

AMENDMENTS TO THE BY-LAWS

Section 8.1 Amendment or Revocation

These By-Laws may be amended or revoked by a resolution of the Board of Directors at a regular meeting or the annual meeting, provided that the procedures of this Section 8 are followed.

Section 8.2 Consideration at the First Meeting

The Directors may consider revisions to the By-Laws at any meeting. Any revisions proposed for adoption shall be authorized by a Resolution of the Board of Directors for placement on the agenda of the Board of Directors' next regular meeting (the Second Meeting).

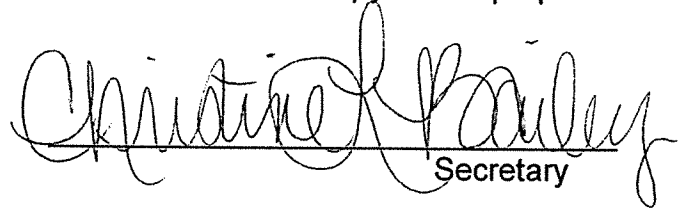
Section 8.3 Action at the Second Meeting

Any proposed revisions to the By-Laws that have been authorized by a Resolution of the Board of Directors at a prior meeting shall be considered and acted upon by the Board of Directors at the Second Meeting. At the Second Meeting, a Resolution

adopting any revisions to the By-Laws shall require approval by at least two-thirds of the Directors in attendance at the Second Meeting.

Section 8.4 Notice to Board of Directors

At such time as the members of the Board of Directors are given notice of the Second Meeting, each member of the Board of Directors shall receive a copy of the proposed Amendments or Revisions to the By-Laws.


Secretary