

BY-LAWS
OF
ULSTER COUNTY CAPITAL RESOURCE CORPORATION

ARTICLE I
THE CORPORATION

Section 1. Name. The name of the Corporation is “Ulster County Capital Resource Corporation.”

Section 2. Seal of Corporation. The seal of the Corporation will be in the form of a circle and will bear the name of the Corporation and the year of its organization.

Section 3. Office of Corporation. The office of the Corporation will be in Ulster County, New York.

Section 4. Execution of Instruments. Except as otherwise provided in these by-laws, instruments and documents of the Corporation may be signed or countersigned, executed, verified or acknowledged by such officer or officers or other person or persons as the Corporation may designate by resolution.

ARTICLE II
MEMBERS, DIRECTORS, OFFICERS AND COMMITTEES

Section 1. Sole Member. Ulster County, New York (the “County”) is the sole member of the Corporation.

Section 2. Board of Directors. (A) The Corporation will consist of not less than three nor more than seven Directors. The Directors will be appointed by and serve at the pleasure of the governing body of the County and will include (a) the Chairman of Ulster County Industrial Development Agency, (b) the Vice-Chairman of Ulster County Industrial Development Agency, (c) the Treasurer of Ulster County Industrial Development Agency, and (d) any additional members of Ulster County Industrial Development Agency so appointed by the County.

It is acknowledged that the members of the Ulster County Industrial Development Agency are appointed by and serve at the pleasure of the County Legislature of Ulster County.

(B) Except for Directors who serve as Directors by virtue of holding a civil office of the State, the majority of the remaining Directors appointed after January 13, 2006 will be “Independent Directors.”

(C) For purposes of these by-laws, the term “Independent Director” means a Director one who: (1) is not, and in the past two years has not been, employed by the Corporation (or an “Affiliate” of the Corporation) 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 Corporation or received any other form of financial assistance

valued at more than \$15,000 from the Corporation; (3) is not a relative of an executive officer or employee in an executive position of the Corporation (or an “Affiliate” of the Corporation); 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 Corporation (or an “Affiliate” of the Corporation).

(D) For purposes of these by-laws, the term “Affiliate” means a corporate body having substantially the same ownership or control as the Corporation.

(E) For purposes of these by-laws, the term “Relative” means an individual's spouse, child, stepchild, stepparent, or any person who is a direct descendant of the grandparents of the individual or of the individual's spouse.

Section 3. Term of Service. Directors are not subject to term limits. Each Director is appointed by and serves at the pleasure of the County Legislature of Ulster County. Accordingly, a Director may be removed without cause at any time for any reason.

Section 4. Filling of Vacancies. Should any Director position become vacant, the Corporation will take steps to recommend to the County Legislature of Ulster County one or more nominees to fill the vacancy. The decision to appoint a particular individual as a Director rests solely with the County Legislature of Ulster County.

Section 5. Responsibilities of Directors; Training Requirement. (A) The Directors of the Corporation constitute the governing body of the Corporation (the “Board”), and will have and will responsibly exercise all of the powers prescribed by Section 1411 of the New York State Not-for-Profit Corporation Law and other applicable law, including but not limited to Chapter 766 of the 2005 Laws of the State of New York (the “PAAA”).

(B) The Board will appoint a Chief Executive Officer and a Chief Financial Officer of the Corporation, neither of whom will be a Director of the Corporation.

(C) Every annual financial report of the Corporation must be approved by the Board and provided to the County.

(D) The Directors of the Corporation will: (1) execute direct oversight of the Chief Executive Officer of the Corporation and other senior management of the Corporation in the effective and ethical management of the Corporation; and (2) understand, review and monitor the implementation of fundamental financial and management controls and operational decisions of the Corporation.

(E) The Board will not, directly or indirectly, including through a subsidiary, 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, Director or employee (or equivalent thereof) of the Corporation.

(F) Individuals newly appointed to the Board of the Corporation must participate in state approved training regarding their legal, fiduciary, financial and ethical responsibilities within one year of appointment to such Board. Directors who have already completed state approved training will 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.

(G) Directors of the Corporation will file annual financial disclosure statements with the Ulster County Board of Ethics.

Section 6. Officers of the Board. (A) The officers of the Board will be a Chairman, a Vice Chairman, a Secretary, an Assistant Secretary, a Treasurer and an Assistant Secretary.

(B) The officers of the Board will perform the duties and functions specified in these by-laws and such other duties and functions as may from time to time be authorized by resolution of the Board of the Corporation or required to effect the statutory purposes of the Corporation.

(C) All officers of the Corporation except the first chair shall be elected at the annual meeting of the Corporation. All officers shall remain in office for one year.

(D) Should any office of the Board become vacant, the Corporation will appoint a successor from among its Directors at the next regular meeting, and such appointment will be for the unexpired term of said office.

Section 7. Chairman. The Chairman will be a Director of the Corporation and preside at all meetings of the Corporation. Except as otherwise authorized by resolution of the Corporation, the Chair shall execute all instruments and documents of the Corporation. At each meeting the Chair shall submit such recommendations and information as the Chair may consider proper concerning the business, affairs and policies of the Corporation. The Chair shall have the authority, at all times, to execute, on behalf of the Corporation, instruments and documents of a ministerial or procedural nature which the Chair deems expedient in order to further the statutory purposes of the Corporation, provided the execution of such instruments and documents does not contravene any provision of these bylaws or any resolution of the Corporation. The Chair shall have the authority to solicit, negotiate and authorize contracts and disbursements (subject to final Corporation approval for all matters in excess of \$2,500.00) for necessary services including but not limited to legal, accounting, engineering, environmental, and financial analysis.

Section 8. Vice Chairman. The Vice Chairman will be a Director of the Corporation and perform the duties of the Chairman in the absence or incapacity of the Chairman. In the event of the resignation or death of the Chairman, the Vice Chairman will become acting Chairman and perform the duties of the Chairman until such time as the Corporation appoints a new Chairman.

Section 9. Secretary. The Secretary will be a Director of the Corporation. The Secretary shall oversee the records of the Corporation, shall act as Secretary at the meetings of the Corporation and oversee the recording of all votes, keeping a record of the proceedings of the Corporation in a journal of proceedings, to be kept for such purposes, and perform all duties incident to the office. The Secretary shall keep in safe custody the corporate seal of the Corporation and shall have the power to affix such corporate seal to all instruments and documents authorized to be executed by the Corporation. When a facsimile corporate seal is authorized to be used, the Secretary 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. Such duties may be delegated by vote of the Corporation to an agent.

Section 10. Assistant Secretary. The Assistant Secretary 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 Corporation shall appoint a new Secretary.

Section 11. Treasurer. The Treasurer will be a Director of the Corporation. The Treasurer shall have all the ordinary duties and powers of a Treasurer, except that the Treasurer shall not sign checks. The duties of the Treasurer may be delegated by vote of the Corporation to an agent.

Section 12. Assistant Treasurer. The Assistant Treasurer of the Corporation shall perform the duties of the Treasurer in the absence or incapacity of the Treasurer; and in the case of the resignation or death of the Treasurer, the Assistant Treasurer shall perform such duties as are imposed on the Treasurer until such time as the Board shall appoint a new Treasurer.

Section 13. Governance Committee. The Corporation shall have a governance committee. The Chair of the Corporation shall appoint at least three members of the governance committee including the Chair. The duties and responsibilities of the governance committee are as follows:

(A) Review (at least annually) and regularly update the Corporation code of conduct/ethics policy and other written policies regarding conflicts of interest.

(B) Review (at least annually) and regularly update the Corporation's written policies regarding procurement of goods and services and the acquisition of real property or interests therein, including policies related the implementation of Executive Order 127 and the disclosure of persons attempting to influence the Corporation's procurement process.

(C) Review (at least annually) and regularly update the Corporation's written policies regarding the disposition of real and personal property.

(D) Review (at least annually) and regularly the update the Corporation's written policies regarding the protection of whistleblowers from retaliation.

(E) Annually assess the profile of skill sets and experiences of current Corporation board members and develop recommendations to the Ulster County Legislature regarding the experience, skills, and qualifications of potential new board members.

(F) Review (at least annually) and update the mission statement and organizational vision of the Corporation.

(G) Facilitate an annual strategic planning and organizational evaluation to assess the overall performance and effectiveness of the organization.

Section 14. Audit Committee. The Corporation shall have an audit committee. The Chair of the audit committee shall be the Treasurer of the Corporation. Other members of the audit committee shall be appointed by the Chair. There shall be at least three member of the audit committee including the Chair. The duties and responsibilities of the audit committee are as follows:

(A) Review and approve the Corporation's financial statements;

(B) Oversee the Corporation's internal controls and compliance systems;

(C) Appointing, compensating and overseeing outside auditors retained by the authority;

(D) Resolving disagreements with respect to, and overseeing compliance with accounting policies and principles;

(E) Reviewing management reports on internal controls and the attestation of such reports by the authority's outside auditors; and

(F) Investigating compliance with the Corporation's policies and/or referring instances of noncompliance to the State Inspector General for investigation.

Section 15. Additional Duties. The officers of the Corporation will perform such other duties and functions as may from time to time be required by the Corporation, by its by-laws, or by its rules and regulations.

Section 16. Appointment of Officers. All officers of the Corporation except the first Chairman will be appointed at the annual meeting of the Corporation. Officers will hold office for one year or until their successors are appointed. If the term of a Corporation Director should terminate, his term of office as an officer will also terminate.

ARTICLE III

MEETINGS

Section 1. Annual Meeting. The annual meeting of the Corporation shall be held on the second Wednesday of January, at 9:00 a.m. at the regular meeting place of the Corporation. In the event such day shall fall on a legal holiday, the annual meeting shall be held on the next succeeding day that is not a legal holiday. At the annual meeting of the Corporation, the Corporation shall elect officers, appoint professionals and staff, and adopt resolutions addressing such other administrative matters of the Corporation that come before the Corporation.

Section 2. Regular Meetings. Regular meetings of the Corporation may be held at such times and places as from time to time may be determined by the Corporation.

Section 3. Special Meetings. The Chairman of the Corporation may, when he deems it desirable, and will upon the written request of two Directors of the Corporation, call a special meeting of the Corporation for the purpose of transacting any business designated in the call. The call for a special meeting may be delivered to each Director of the Corporation or may be mailed to the business or home address of each Director of the Corporation at least two days prior to the date of such special meeting. Waivers of notice may be signed by any Director failing to receive a proper notice. At such special meeting, no business will be considered other than as designated in the call, but if all Directors of the Corporation are present at a special meeting, with or without notice thereof, and are all agreeable thereto, any and all business may be transacted at such special meeting.

Section 4. Executive Sessions. When determined by the Corporation that any matter pending before it is confidential in nature, it may, upon its own motion, establish an executive session in accordance with the New York State Open Meetings Law and exclude non-Directors from such sessions.

Section 5. Quorum. At all meetings of the Corporation, a majority of the Corporation will constitute a quorum for the purpose of transacting business; provided that a smaller number may meet and adjourn to some other time or until a quorum is obtained.

Section 6. Resolutions. All resolutions shall be in writing and shall be copied in or attached to a journal of the proceedings of the Corporation.

Section 7. Order of Business. At the regular meetings of the Corporation, the following will be the order of business:

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

Section 8. Manner of Voting. The voting on all questions coming before the Corporation concerning financial commitments, expenditures, personnel matters, appointments, litigation, legal indebtedness, contracts, and agreements will be by roll call, all other questions may be by voice vote, and yeas and nays will be entered on the minutes of such meeting, except in the case of appointments when the vote may also be by ballot. The Corporation's Attorney will decide which questions coming before the Corporation require a roll call vote. Any action of the Corporation will be binding upon determination by a majority vote of the Directors of the Corporation.

ARTICLE IV

EXECUTIVE OFFICERS AND EMPLOYEES

Section 1. Chief Executive Officer. (A) The Chief Executive Officer will be appointed by the Board, and will be the chief executive officer of the Corporation.

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

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

(D) The Chief Executive Officer will also serve as the Contracting Officer (as such term is defined in the PAAA) of the Corporation, and, as such, be responsible for (1) the disposition of property of the Corporation, and (2) the Corporation's compliance with the Corporation's property use and disposition guidelines.

(E) Every annual financial report of the Corporation 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 Corporation as of, and for, the periods presented in the financial statements.

Section 2. Chief Financial Officer. (A) The Chief Financial Officer shall be appointed by the Board, and shall be the chief financial officer of the Corporation.

(B) The Chief Financial Officer will have the care and custody of all funds of the Corporation and will deposit the same in the name of the Corporation in such bank or banks as the Board may select or, if the Board has not so selected a bank or banks, which the Chief Financial Officer selects.

(C) The Chief Financial Officer will keep regular books of accounts showing receipts and expenditures, and will render to the Audit Committee at each regular meeting thereof an account of such transactions and also of the financial condition of the Corporation.

(D) The Chief Financial Officer will give such bond for the faithful performance of his duties as the Corporation may determine.

(E) Every annual financial report of the Corporation 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 Corporation as of, and for, the periods presented in the financial statements.

Section 3. Additional Personnel. The Corporation may from time to time employ such personnel as it deems necessary to exercise its power, duties and functions as prescribed by the New York State Not-for-Profit Corporation Law and all other laws of the State of New York applicable thereto. The selection and compensation of all personnel including the Chief Executive Officer will be determined by the Corporation subject to the laws of the State of New York. The Corporation may from time to time employ such personnel as it deems necessary to exercise its statutory powers, duties and functions. The selection and compensation of all personnel will be determined by the Corporation.

Section 4. Financial Disclosure. Officers and employees of the Corporation will file annual financial disclosure statements with the Ulster County Board of Ethics.

ARTICLE V

INDEMNIFICATION OF DIRECTORS AND OFFICERS

Section 1. Right of Indemnification. Each Director and officer of the Corporation, whether or not then in office, and any person whose testator or intestate was such a Director or officer, will be indemnified by the Corporation 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 Corporation will provide indemnification in connection with an action or proceeding (or part thereof) initiated by such a Director 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 Director 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 Director or officer to repay such advancement in case such Director 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 will not be required to find that the Director or officer has met the applicable standard of conduct provided by law for indemnification in connection with such action or proceeding before the Corporation 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) will be available with respect to events occurring prior to the adoption of this Article V, (B) will 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) will 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 Director or officer (or, if applicable, at the sole discretion of the testator or intestate of such Director or officer seeking such rights), on the basis of applicable law in effect at the time such rights are claimed and (D) will be in the nature of contract rights that may be enforced in any court of competent jurisdiction as if the Corporation and the Director 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 will not be deemed exclusive of any other rights to which any Director or officer of the Corporation 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 will not be deemed exclusive of any rights, pursuant to statute or otherwise, of any Director or officer of the Corporation or other person in any action or proceeding to have assessed or allowed in his or her favor, against the Corporation 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 is held unenforceable in any respect by a court of competent jurisdiction, it is deemed modified to the minimum extent necessary to make it enforceable, and the remainder of this Article V will remain fully enforceable. Any payments made pursuant to this Article V will be made only out of funds legally available therefor.

ARTICLE VI

POLICIES & PROCEDURES

Section 1. Projects. It is the policy of this Corporation that the Corporation will only undertake projects that are not authorized by Article 18A of the New York State General Municipal Law (the "New York State Industrial Development Agency Act") unless the Corporation receives a written request from Ulster County Industrial Development Agency asking the Corporation to consider undertaking such project.

Section 2. Miscellaneous.

(A) The Corporation will not approve any project to be located on a site or within an area which does not conform to or has not been granted a variance from the zoning laws of the State, county, town or village.

(B) The Corporation will not approve any project which would be in violation of New York State Environmental Quality Review Act.

(C) The Corporation will not approve any project which would be or is in violation of the health, labor or other laws of the State of New York or the United States or of the local laws of Ulster County and any city, village or township in Ulster County.

Section 3. Audit of Records and Accounts.

(A) The Corporation will annually secure a certified audit of its financial records and accounts and will file a copy of such certified audit with the County Legislature of Ulster County within ninety days after the close of the Corporation's fiscal year.

(B) The Corporation may require any other operating statements that it determines is required for daily operation.

Section 4. Conveyance of Property. The Corporation may insert in a contract for a project that upon the payment in full of all notes, bonds and indebtedness incurred in connection with a project that the Corporation will convey the lands, buildings and equipment involved in said project and so paid for to the tenant or operator of the same upon terms set forth in such contract and that the additional consideration for such conveyance may be nominal.

Section 5. Additional Policies. The Corporation by resolution may adopt such rules, regulations, policies and procedures as it may deem necessary and appropriate to the operation so long as the same is not contrary to these by-laws as they may be amended from time to time.

ARTICLE VII

AMENDMENTS

Section 1. Amendments to By-laws. The by-laws of the Corporation may be amended with the consent of the Chairman of the County Legislature of Ulster County and the approval of a majority of all the Directors of the Corporation at a regular meeting or at a special meeting called for that purpose; but no such amendment will be adopted unless at least thirty days written notice thereof has been previously given to all Directors of the Corporation and to the Chairman of the County Legislature of Ulster County.

In effect as of May __, 2010.