

GOLDEN HILL LOCAL DEVELOPMENT CORPORATION

ORGANIZATIONAL MEETING

of the

INITIAL

BOARD OF DIRECTORS

February 17, 2012

The initial Board of Directors of the Golden Hill Local Development Corporation (the "Corporation"), a local development corporation organized pursuant to Section 1411 of the Not-For-Profit Corporation Law of the State of New York, adopted the following resolutions, at a meeting of the initial Board of Directors duly convened on February 17, 2012 at three o'clock, p.m. at 244 Fair Street, Kingston, New York.

1. Acceptance of Certificate of Incorporation and adoption of By-laws.

RESOLVED, that a copy of the Certificate of Incorporation of the Corporation, as filed with the New York State Department of State on the 7th day of October, 2011, in the form of Exhibit A, be filed in the minute book of the Corporation.

RESOLVED, that the By-laws in the form of Exhibit B, are adopted as and for the By-laws of the Corporation and that a copy of the By-laws be filed in the minute book of the Corporation.

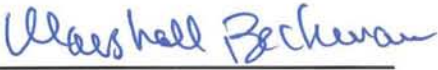
2. Ratification of Acts

RESOLVED, that all acts and transactions of any initial director that were taken or made prior to and including the date of the creation of the Corporation and all acts and transactions (if any) of any initial director that were taken or made from the date of creation of the Corporation to the date of this resolution are ratified and approved.

3. Effective Date

RESOLVED, that these resolutions shall take effect immediately.

Dated: February 17, 2012.



Marshall Beckman



Robert Sudlow



Arthur J. Smith

EXHIBIT A

CERTIFICATE OF INCORPORATION

STATE OF NEW YORK

DEPARTMENT OF STATE

I hereby certify that the annexed copy has been compared with the original document in the custody of the Secretary of State and that the same is a true copy of said original.



WITNESS my hand and official seal of
the Department of State, at the City of
Albany, on October 11, 2011.

A handwritten signature in black ink, appearing to read "Daniel E. Shapiro".

Daniel E. Shapiro
First Deputy Secretary of State

111007000127

CERTIFICATE OF INCORPORATION

OF

GOLDEN HILL LOCAL DEVELOPMENT CORPORATION

A Not-For-Profit Local Development Corporation
under Section 1411 of the Not-For-Profit
Corporation Law of the State of New York

THE UNDERSIGNED, being over the age of eighteen years, for the purpose of forming a not-for-profit local development corporation pursuant to Section 1411 of the Not-For-Profit Corporation Law of the State of New York, hereby certifies as follows:

FIRST: The name of the corporation shall be "Golden Hill Local Development Corporation" (hereinafter referred to as the "Corporation").

SECOND: The Corporation will be a corporation as defined in subparagraph (a)(5) of Section 102 of the Not-For-Profit Corporation Law of the State of New York and, as provided in Section 1411 of the Not-For-Profit Corporation Law, will be a Type C Corporation as defined in Section 201 of the Not-For-Profit Corporation Law. The Corporation is a public instrumentality of, but separate and apart from, Ulster County, New York (the "County").

THIRD: The purposes for which the Corporation is to be formed and operated are exclusively for charitable purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, to relieve and reduce unemployment, promote and provide for additional and maximum employment, improve and maintain job opportunities, and lessen the burden of government and act in the public interest. In furtherance of said purposes, the Corporation's powers shall include:

(a) To foster the creation, retention and expansion of jobs and economic opportunities for the benefit of the County, New York State and local economies; and

(b) To construct, acquire, rehabilitate and improve for use by others, facilities in the territory in which its operations are principally to be conducted, to assist financially in such construction, acquisition, rehabilitation and improvement, to maintain and/or lease such facilities on its behalf or for others in such territory; to disseminate information and furnish advice, technical assistance and liaison with federal, state and local authorities with respect thereto;

(c) To acquire by purchase, lease, gift, bequest, devise or otherwise real or personal property or interests therein;

(d) To apply for loans and borrow money without limit as to amount; to make, draw, accept, endorse, execute and issue negotiable bonds, debentures, notes and other obligations therefor;

(e) To sell, lease, mortgage or otherwise dispose of or encumber any such facilities or any of its real or personal property or any interest therein upon such terms as it may determine;

(f) To enter into covenants and agreements and to comply with all the terms, conditions and provisions thereof, and otherwise to carry out its corporate purposes and to foster and encourage the location or expansion of facilities and related businesses in the territory in which the operations of the Corporation are principally to be conducted;

(g) To apply for and make grants and loans and to execute any and all documents necessary in connection therewith;

(h) To do any other act or thing incidental to or connected with the foregoing purposes or in advancement thereof, but not for the pecuniary profit or financial gain of its members, directors, officers or any private person.

(i) In general, to perform any and all acts and things, and exercise any and all powers which may now or hereafter be lawful for the Corporation to do or exercise under and pursuant to the laws of the State of New York for the purpose of accomplishing any of the foregoing purposes of the Corporation.

FOURTH: The Corporation's mission and public objective, which the Corporation's purposes will achieve, include, but are not limited to, the lessening of the burdens of government by undertaking and promoting economic development initiatives in the Ulster County, New York area that will include real estate leasing, acquisition, development and management, real estate project finance, and other community-based economic development activities permissible under the Not-For-Profit Corporation Law.

FIFTH: The operations of the Corporation will be principally conducted within the territory of Ulster County, New York and surrounding communities.

SIXTH: Pursuant to the requirements of Section 1411(e) of the Not-For-Profit Corporation Law:

(a) All income and earnings of the Corporation shall be used exclusively for its corporate purposes with the intent being that all income and earnings will be expended or deposited in appropriate reserves for corporate purposes; to the extent not so used, the income and earnings will accrue and be paid to the Job Development Authority to the extent required by Section 1411 of the Not-for-Profit Corporation Law.

(b) The property of the Corporation is irrevocably dedicated to its corporate purposes. No part of the income or earnings of the Corporation shall inure

to the benefit or profit of, nor shall any distribution of its property or assets be made to, any member, director or officer of the Corporation, or private person, corporate or individual, or to any other private interest, except that the Corporation may repay loans made to it and may repay contributions (other than dues) made to it to the extent that any such contribution may not be allowable as a deduction in computing taxable income under the Internal Revenue Code of 1986, as amended.

(c) If the Corporation accepts a mortgage loan or loans from the New York Job Development Authority, the Corporation shall be dissolved in accordance with the provisions of paragraph (g) of Section 1411 of the Not-For-Profit Corporation Law upon the repayment or other discharge in full by the Corporation of all such loans.

SEVENTH: (a) The Corporation shall not attempt to influence legislation by propaganda or otherwise, or participate in or intervene, directly or indirectly, in any political campaign on behalf of or in opposition to any candidate for public office.

(b) The Corporation shall not engage in any activities not permitted to be carried on by an organization exempt from federal income taxation pursuant to Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder.

EIGHTH: In the event of the dissolution of the Corporation or the winding up of its affairs, the Board of Directors shall, after paying or making provision for the payment of all debts and liabilities of the Corporation of whatsoever kind or nature, distribute all of the remaining assets and property of the Corporation to the County for furtherance of the purposes set forth in Section 1411 of the Not-for-Profit Corporation Law. Any of such assets not so disposed of shall be disposed of by order of the Supreme Court of the State of New York pursuant to Section 1008 of the Not-For-Profit Corporation Law.

NINTH: The office of the Corporation shall be located in Ulster County, New York.

TENTH: The offices of the Corporation shall be functionally separate from those of Ulster County or any of its affiliated entities (collectively, the "County Entities") (although such office may be in a facility leased from the County or any of its affiliates on arms-length terms). The Corporation at all times shall:

(a) maintain separate accounting records and other corporate records from those of the County Entities;

(b) not divert the Corporation's funds to any other person or for other than the use of the Corporation and not commingle any of the Corporation's assets with those of the County Entities;

(c) pay any employee, consultant or agent of the Corporation, or any other operating expense incurred by the Corporation, from the assets of the Corporation and not from the assets of any of the County Entities;

(d) maintain its own deposit account or accounts, separate from those of the County Entities, with commercial banking institutions and/or trust companies;

(e) to the extent that the Corporation contracts or does business with vendors or service providers where the goods and services provided are partially for the benefit of any other person, the costs incurred in so doing shall be fairly allocated to or among the Corporation and such persons for whose benefit the goods and services are provided, and the Corporation and each such person shall bear its fair share of such costs;

(f) conduct its business in its own name and conduct all material transactions between the Corporation and the County Entities only on an arm's-length basis;

(g) observe all necessary, appropriate and customary corporate formalities, including, but not limited to, holding all regular and special members' and directors' meetings appropriate to authorize all corporate action, keeping separate and accurate minutes of such meetings, passing all resolutions or consents necessary to authorize actions taken or to be taken, and maintaining accurate and separate books, records, and accounts, including, but not limited to, intercompany transaction accounts. Regular members' and directors' meetings shall be held at least annually;

(h) ensure that decisions with respect to its business and daily operations shall be independently made by the Corporation (although the officer making any particular decision also may be an employee, officer or director of the County Entities);

(i) act solely in its own corporate name and through its own authorized officers and agents, and use its own stationery;

(j) other than as expressly provided herein, pay all expenses, indebtedness and other obligations incurred by it;

(k) not enter into any guaranty, or otherwise become liable, with respect to any obligation of the County Entities;

(l) cause any financial reports required of the Corporation to be prepared in accordance with generally accepted accounting principles and be audited annually and be issued separately from, although they may be consolidated with, any reports prepared for any member of the County Entities; and

(m) ensure that at all times it is adequately capitalized to engage in the transactions contemplated herein.

ELEVENTH: The types or classes of Membership in the Corporation and the number of Members of the Corporation shall be described in the Corporation's By-laws.

TWELFTH: The Corporation shall be managed by a Board of Directors consisting of between three (3) and nine (9) Directors. Any subsequent increase or decrease in the size of the Board of Directors will require the unanimous approval of the Members and the affirmative vote of a majority of the Directors.

THIRTEENTH: The names and addresses of the initial Directors of the Corporation are as follows:

Name	Address
Arthur Smith III	244 Fair Street, Kingston, New York 12402
Marshall Beckman	244 Fair Street, Kingston, New York 12402
Robert Sudlow	244 Fair Street, Kingston, New York 12402

FOURTEENTH: The duration of the Corporation shall be perpetual.

FIFTEENTH: The Corporation shall indemnify each Member, each Director, each officer, and, to the extent authorized by the Board of Directors, each other person authorized to act for the Corporation or on its behalf, to the full extent to which indemnification is permitted under the Not-For-Profit Corporation Law.

SIXTEENTH: The Secretary of State of the State of New York is designated as agent of the Corporation upon whom process against it may be served. The post office address to which the Secretary of State shall mail a copy of any process against the Corporation served upon him is as follows: Golden Hill Local Development Corporation, 244 Fair Street, Kingston, New York 12402.

SEVENTEENTH: The By-laws of the Corporation may be adopted, amended or repealed by a majority of the Directors of the Corporation.

EIGHTEENTH: The Corporation will not do any of the following:

(a) Without the affirmative vote of all Members of the Corporation and the affirmative vote of a majority of the Directors, increase or decrease the number of Members of the Corporation or increase or decrease the number of Directors of the Corporation.

(b) Without the affirmative vote of a majority of the Directors of the Corporation (which must include the affirmative vote of the duly appointed Independent Director (as defined in paragraph EIGHTEENTH (d) below)) and all of the Corporation's members, (i) dissolve or liquidate, in whole or in part, or institute proceedings to be adjudicated bankrupt or insolvent, (ii) consent to the institution of bankruptcy or insolvency proceedings against it, (iii) file a petition seeking or consenting to reorganization or relief under any applicable federal or state law relating to bankruptcy or insolvency, (iv) consent to the appointment of a receiver, liquidator, assignee, trustee, sequestrator or other similar official of the Corporation or a substantial part of its property, (v) make a general assignment for the benefit of creditors, (vi) admit in writing its inability to pay its debts generally as they become due or (vii) take any corporate action in furtherance of the actions set forth in clauses (i) through (vi) of this paragraph.

(c) Without the affirmative vote of all of the Directors of the Corporation and all of the Corporation's members, merge or consolidate with any other corporation, company or entity or, except to the extent contemplated by paragraph THIRD hereof, sell all or substantially all of its assets or acquire all or substantially all of the assets or capital stock or other ownership interest of any other corporation, company or entity.

(d) The Independent Director must be a person who is not, and has not been for a period of five years prior to his or her appointment as the Independent

Director (i) a creditor, customer, supplier, advisor or other person who derives any of its revenues from its activities with the County or its affiliated entities (the County and its affiliated entities other than the Corporation being referred to in this Certificate of Incorporation as the ACounty Group@); (ii) an official, member, stockholder, director, officer, employee, agent or affiliate of the County Group (the APrincipal@); (iii) a person related to any person referred to in clause (i) or (ii); or (iv) any person who receives compensation for administrative, legal, accounting or other professional services from the County Group or a Principal; or (v) a trustee, conservator or receiver for any member of the County Group. In the event of the death, incapacity, resignation or removal of the Independent Director, the Member promptly shall appoint a replacement Independent Director. The Board of Directors shall not vote on any matter requiring the vote of the Independent Director under this Certificate of Incorporation unless and until the Independent Director is serving on the Board. The Independent Director shall serve for the term of office provided in the By-laws of the Corporation and may be removed by the Member with cause.

IN WITNESS WHEREOF, this certificate has been subscribed this 6th day of October, 2011.

/s/ Justin S. Miller
Justin S. Miller, Esq., Incorporator
677 Broadway, Suite 1101
Albany, New York 12207

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CERTIFICATE OF INCORPORATION
OF
GOLDEN HILL LOCAL DEVELOPMENT CORPORATION

(Under Section 1411 of the Not-For-Profit Corporation Law of the State of New York)

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Filed by: Justin S. Miller, Esq.
Harris Beach PLLC
677 Broadway, Suite 1101
Albany, New York 12207

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EXHIBIT B

BY-LAWS

BY-LAWS

OF

GOLDEN HILL LOCAL DEVELOPMENT CORPORATION

Adopted February 17, 2012

BY-LAWS
OF
GOLDEN HILL LOCAL DEVELOPMENT CORPORATION
ARTICLE I - THE CORPORATION

SECTION 1. - NAME.

The Corporation shall be known as “GOLDEN HILL LOCAL DEVELOPMENT CORPORATION” (hereinafter, the “Corporation”).

SECTION 2. - OFFICES.

The principal office of the Corporation shall be located in Ulster County, New York (the “County”). The Corporation may also have offices at such other places within the State of New York as the Board of Directors may from time to time determine or the activities of the Corporation may require.

SECTION 3. - PURPOSES.

The Corporation shall have such purposes as are now or hereafter set forth in its Certificate of Incorporation.

ARTICLE II - MEMBERSHIP

SECTION 1. - COMPOSITION OF MEMBERSHIP.

The sole Member of the Corporation shall be the County, acting by and through the chief executive officer of the County, the County Executive, ex officio. The Corporation shall be managed by its Board of Directors in accordance with the provisions contained herein.

SECTION 2. - RIGHTS AND POWERS OF THE MEMBER.

The Member shall have and exercise all the rights and powers of corporate membership created by the laws of the State of New York, the Certificate of Incorporation and the By-Laws of the Corporation.

SECTION 3. - ANNUAL MEETING OF THE MEMBER

The Member shall hold an annual meeting of the Members within six months after the end of each fiscal year at a convenient time and place designated by the Member. At the annual meeting, the Member shall appoint Directors pursuant to Article III hereof for positions where a new directorship is created or the term of a Director has expired, receive the annual report and transact such other business as may properly come before the meeting.

SECTION 4. - ANNUAL REPORT TO THE MEMBER.

At the annual meeting of the Member, the Directors or designated officer of the Corporation shall present an annual report showing in appropriate detail the following information:

(a) A complete audited financial statement of the Corporation for the fiscal year immediately preceding the date of the report showing the assets and liabilities, principal changes in assets and liabilities, revenue, receipts, expenses and disbursements of the Corporation; and

(b) A summary of the activities of the Corporation during the preceding year.

The annual report shall be filed with the minutes of the annual meeting.

SECTION 5. - MEETINGS OF THE MEMBER.

Meetings of the Member, whether annual or special, may be held at such time or place as may be fixed by the Member, or at the office of the Corporation if not so fixed.

(a) Special meetings of the Member may be called at any time by the Member and shall be called by the Secretary within fourteen (14) days of receipt of a written request from the Member.

(c) The Secretary, or, in his or her absence, a person chosen by the Member, shall keep complete and accurate minutes of the meeting.

SECTION 6. - PROPERTY RIGHTS OF MEMBER

The Member shall not have any rights or interests in or to the property or assets of the Corporation.

ARTICLE III - BOARD OF DIRECTORS

SECTION 1. - POWER OF BOARD OF DIRECTORS.

The Corporation shall be managed by its Board of Directors, which shall establish all general policies governing its operations.

SECTION 2. - NUMBER, ELECTION AND TERM OF DIRECTORS.

(a) The number of Directors shall be seven and shall include the Independent Director (as defined in the Certificate of Incorporation and herein). The Directors, all of whom shall be residents of Ulster County, shall be appointed by the Member as follows:

(i) Six directors shall be promptly appointed by the Member after their being recommended by the appointing authorities:

(a) Three directors shall be chosen by the Ulster County Executive, (who shall be deemed the “appointing authority” of such directors), ex officio or pursuant to their position as employees of the County, or who are not employees of the County so long as they meet the criteria of Section 2 (f) (i) through (f) (iv) of this Article.

(b) There shall be three directors from the Ulster County Legislature as follows: Two directors representing the Majority Party, selected by the Chairman of the Legislature (who shall be deemed the “appointing authority” of such directors), ex officio or pursuant to their position as an Ulster County Legislator or who are not County Legislators so long as they meet the criteria of Section 2 (f)(i) through (f)(iv) of this Article; One director representing the Minority Party, selected by the Minority Leader (who shall be deemed the “appointing authority” of such director), ex officio or pursuant to his/her position as an Ulster County Legislator or who is not a County Legislator so long as he/she meet the criteria of Section 2 (f)(i) through (f)(iv) of this Article.

(c) If the Ulster County Executive, the Ulster County Chairman of the Legislature or the Minority Leader shall fail to choose the directors as

directed above in Section 2 (i)(a) and Section 2 (i)(b) of this Article, within thirty (30) days of the initial meeting of the Member, then such directors shall be randomly selected by the Member through a drawing of names from a receptacle containing the names of the available pool of qualified Independent Director candidates, and such directors shall serve for a limited term until such time as the Ulster County Executive, the Ulster County Chairman of the Legislature or the Minority Leader shall choose its respective directors in accordance with Section 2 (i)(a) and Section 2 (i)(b) of this Article.

(ii) The Independent Director shall be chosen by the directors in the following manner:

(a) The County Executive and the County Legislature shall each submit to the directors a pool of three qualified candidates each. The three candidates of the Legislature shall be as follows: Two directors representing the Majority Party, selected by the Chairman of the Legislature and one director representing the Minority Party, selected by the Minority Leader.

(b) The directors, ex-officio, shall choose the Independent Director by a majority vote. If the directors shall fail to choose the Independent Director within thirty (30) days of the initial meeting of the Member then the Independent Director shall be randomly selected by the Member through a drawing of names

from a receptacle containing the names of the available pool of qualified Independent Director candidates.

(1) The Independent Director shall meet the qualifications for Independence as set forth in Section 2(f) of this Article, and shall also meet the following qualifications:

- (a) He or she shall not be a public official, appointed or elected in any capacity, of any federal state or local government;
- (b) He or she may be a notary public;
- (c) He or she cannot be an officer or committee person of any political party.

(b) The Directors shall exercise all rights of Directors as described herein and in the Certificate of Incorporation or any applicable resolution. Any subsequent increase or decrease in the size of the Board of Directors will require the approval of the Member. As used in these By-Laws, "the entire Board of Directors" means the total number of Directors that the Corporation would have if there were no vacancies on the Board.

(c) (i) Each Director shall serve for a two year term so long as the term coincides with their respective employment or position with the County government as set forth above or until his or her successor has been duly appointed or elected and qualified or until the Director's death, resignation, disqualification or removal. In the event a director is a County Legislator, he

or she shall serve in an ex officio capacity, and his or her service as a Director shall cease upon the termination of his or her service on the County Legislature of Ulster County. (ii) Each Director shall make such reports as shall be required by their appointing authority.

(d) The President/Chief Executive Officer, as defined herein, may serve on the Board of Directors of the Corporation; provided, however, in such event, shall not participate in determining the level of compensation or reimbursement, or time and attendance rules for the position of President/Chief Executive Officer.

(e) All Directors of the Board shall participate in training approved by the State of New York regarding their legal, fiduciary, financial and ethical responsibilities as Directors within one (1) year of appointment to the Board. Thereafter, the Directors 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 the Corporation and the adhere to the highest standards of responsible governance.

(f) Independence. For the purposes of these By-Laws, the Independent Director means any person who:

(i) is not, and in the past two (2) years has not been, employed by the Corporation or another corporate body having the same ownership and control of the Corporation in an executive capacity;

(ii) is not, and in the past two (2) years has not been, employed by an entity that received remuneration valued at more than fifteen thousand dollars (\$15,000.00) for goods and services provided to the Corporation or received any other form of financial assistance valued at more than fifteen thousand dollars (\$15,000.00) from the Corporation;

(iii) is not a relative of an executive officer or employee in an executive position of the Corporation or another corporate body having the same ownership and control of the Corporation;

(iv) is not, and in the past two (2) 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 another corporate body having the same ownership and control of the Corporation;

(v) is not a person who, for a period of five (5) years prior to his or her appointment as the Independent Director, has been a creditor, customer, supplier, advisor or other person who derives any of his/her revenues from his/her activities with the County or its affiliated entities (the County and its affiliated entities other than the Corporation being referred to as the "County Group");

(vi) is not a person who, for a period of five (5) years prior to his or her appointment as the Independent Director, has been an official, member, stockholder, director, officer, employee, agent or affiliate of the County Group (the "Principal");

(vii) is not a person who, for a period of five (5) years prior to his or her appointment as the Independent Director, has been a person related to any person referred to in the preceding clauses (v) or (vi);

(viii) is not a person who, for a period of five (5) years prior to his or her appointment as the Independent Director, has received compensation for administrative, legal, accounting or other professional services from the County Group or a Principal; and

(ix) is not a person who, for a period of five (5) years prior to his or her appointment as the Independent Director, has been a trustee, conservator or receiver for any member of the County Group.

(g) Board Offices. A Chairperson, Vice-Chairperson, Treasurer and Secretary shall be elected from among the Directors of the Board at the organizational meeting and subsequent annual meetings of the Board of Directors. The term of office for the Chairperson, Vice-Chairperson, Treasurer and Secretary shall extend for one year after his or her election and until a successor is elected. The Chairperson, Vice-Chairperson, Treasurer and Secretary shall be eligible to serve an unlimited number of consecutive terms.

SECTION 3. - RESIGNATIONS AND REMOVAL OF DIRECTORS.

(a) Any Director of the Corporation may resign at any time by giving written notice to the other Directors or to the Chairman or the Secretary. Such resignation shall take effect at the time specified therein or, if the time be not specified, upon receipt thereof. Acceptance of the resignation shall not be necessary to make it effective.

(b) A Director may be removed from the Board only with cause by the Member and, if so removed, shall continue to serve until a successor is appointed. Removal with cause shall not happen prior to a hearing by the Ulster County Legislature, at which time the Executive or his or her Counsel may present such evidence as he or she deems appropriate to the County Legislature. The County Legislature may make a recommendation of removal or non-removal, but the authority to remove for cause remains with the Member, which shall be subject to Court review for its reasonableness pursuant to Article 78 of the CPLR. Removal of any Director shall only happen for cause, and may not happen prior to a hearing of the Ulster County Legislature, at which time the Member or his or her Counsel may present such evidence as he or she deems appropriate to the County Legislature. The County Legislature may make a recommendation of removal or non-removal, but the authority to remove for cause remains with the Member, which shall be subject to Court review for its reasonableness.

SECTION 4. - NEWLY CREATED DIRECTORSHIPS AND VACANCIES.

Newly created directorships resulting from an increase in the number of Directors shall be filled as described in the resolution approving such increase. Newly created directorships resulting from any vacancies occurring for any reason shall be filled by the Member pursuant to the procedure set forth in Section 2 of this Article. In each case, such appointments shall be made as soon as practicable but in no event later than forty-five (45) days after the increase or vacancy occurs. A Director appointed to fill a vacancy caused by resignation, death, disability or removal shall hold office for the unexpired term of his or her predecessor in office and until a successor is appointed and takes office; and shall be promptly appointed by the Member after the recommendation by the appointing authority, as defined in Section 2 of this Article, of the director whose resignation, death, disqualification, disability, or removal caused the vacancy. In the event that there is a vacancy in the Directorship of the Independent Director, it shall be filled by appointment by the Member upon recommendation of at least a majority of the total number of Directors.

SECTION 5. - ANNUAL MEETING.

The annual meeting of the Board of Directors shall be held after the annual meeting of the Member of the Corporation described in Article II, Section 3 above at a convenient time and location designated by the Board. Written notice of the annual meeting shall be mailed or delivered to each Director of the Corporation prior to the meeting.

SECTION 6. - ANNUAL REPORT.

A Director designated by the Member or the President/Chief Executive Officer and the Treasurer shall present at the annual meeting of the Board of Directors a copy of the annual report described in Article II, Section 4 above; provided that the Directors may replace the presiding officer with another Director as the presiding officer by majority vote of the total number of Directors.

SECTION 7. - SPECIAL MEETINGS AND NOTICE.

Special meetings of the Board of Directors may be called at any time by a majority of Directors or by the President/Chief Executive Officer or any other officer of the Corporation. Written notice shall be mailed or delivered to each Director of the Corporation prior to the meeting. Said notice shall state the purposes, time and place of the special meeting and that no business other than that specified in the notice may be transacted.

SECTION 8. - WAIVERS OF NOTICE.

Notice of a meeting need not be given to any Director who submits a signed waiver of notice whether before or after the meeting, or who attends the meeting without protesting, prior thereto or at its commencement, the lack of notice to him or her.

SECTION 9. - PLACE OF MEETINGS.

(a) The Board of Directors may hold its meetings at such place or places within the State of New York as the Directors may from time to time by resolution determine. The place of meetings shall be accessible to those with disabilities.

(b) Unless otherwise restricted by the certificate of incorporation of the Corporation or these bylaws, any member of the Board of Directors may participate in a meeting of the Board of Directors by means of conference telephone or by any form of communications equipment by means of which all persons participating in the meeting can hear each other, and such participation in a meeting shall constitute presence in person at the meeting.

SECTION 10. – OPEN MEETINGS

The Corporation is subject to the Open Meetings Law and shall comply with the Open Meetings Law of the State of New York, as set forth within Article 7 of the Public Officers Law.

SECTION 11. – FREEDOM OF INFORMATION

The Corporation is subject to the Freedom of Information Law and shall comply with the Freedom of Information Law of the State of New York, as set forth within Article 6 of the Public Officers Law.

SECTION 12. – PUBLIC AUTHORITIES ACCOUNTABILITY ACT

The Corporation is subject to the Public Authorities Accountability Act of 2005, as amended by Chapter 506 of the Laws of 2009 (collectively, the “PAAA”) and shall comply with the PAAA, as set forth within the New York State Public Authorities Law.

SECTION 13. – STATE ENVIRONMENTAL QUALITY REVIEW ACT

Upon the determination of the Board of Directors to do business within the State of New York, the Corporation shall comply with the State Environmental Quality Review Act, as set forth within Article 8 of the New York Environmental Conservation Law.

SECTION 14. - QUORUM AND ADJOURNED MEETINGS.

(a) A majority of the entire Board of Directors shall constitute a quorum for the transaction of business at meetings of the Board.

(b) A majority of the Directors present, whether or not a quorum is present, may adjourn any Board meeting to another time and place. If a quorum is present at the adjourned meeting, any business may be transacted that might have been transacted on the original date of the meeting. Notice of the adjourned meeting shall be given to all Directors in a manner reasonably calculated to give notice of and opportunity to attend such adjourned meeting.

SECTION 15. - ACTION BY THE BOARD OF DIRECTORS.

Any corporate action to be taken by the Board of Directors means action at a meeting of the Board. Each Director shall have one vote regarding any corporate action to be taken by the Board. Except as otherwise provided by law or these By-Laws, the vote of a majority of the total number of Directors at a duly convened meeting at which a quorum is present shall be the act of the Board of Directors. All references to actions of the Board of Directors herein and in the Certificate of Incorporation shall mean the affirmative vote of a majority of the total Directors a duly convened meeting at which a quorum is present.

SECTION 16. - ORGANIZATION.

At each meeting of the Board of Directors, the Chairperson, or, in his or her absence, the Vice-Chairperson shall preside. The Secretary, or, in his or her absence, a person chosen by a majority of the Directors present, shall keep complete and accurate minutes of the meeting.

SECTION 17. - ATTENDANCE AT MEETINGS.

Attendance at each meeting of the Board shall be recorded by the Secretary or the designated Director in the minutes thereof.

SECTION 18. - COMPENSATION.

The Directors shall serve in their capacity as Directors of the Corporation without compensation. All Directors may be reimbursed for reasonable expenses incurred in the performance of corporate duties.

SECTION 19. - ANNUAL INDEPENDENT AUDIT.

The Audit Committee shall present to the Board upon its completion, the annual independent audit report performed in accordance with the requirements of the PAAA and generally accepted government auditing standards certified by a firm of independent public accountants. The certified independent public accounting firm that performs the annual independent audit shall timely report to the Audit Committee the following:

(i) the assets and liabilities, including the status of reserve, depreciation, special or other funds including the receipts and payments of such funds, of the Corporation as of the end of the fiscal year;

(ii) the principal changes in assets and liabilities, including trust funds, during said fiscal period;

(iii) the revenue or receipts of the Corporation, both unrestricted and restricted, to particular purposes during said fiscal period;

(iv) the expenses or disbursements of the Corporation for both general and restricted purposes, during said fiscal period; and

(v) a schedule of the bonds and notes of the Corporation outstanding during said fiscal period, including all refinancings, calls, refundings, defeasements, and interest rate exchange or other such agreements, and for any debt issued during the fiscal period, together with a statement of the amounts redeemed and incurred during such fiscal period as a part of a schedule of debt issuance that include the date of issuance, term, amount, interest rate, means of repayment and cost of issuance.

Furthermore, the certified independent public accounting firm that performs the annual independent audit shall timely report to the Audit Committee the following:

- (i) all critical accounting policies and practices to be used;
- (ii) all alternative treatments of financial information within generally accepted accounting principals that have been discussed with the management of the Corporation, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the certified independent public accounting firm;
- (iii) other material written communications between the certified independent public accounting firm and the management of the Corporation, 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.

SECTION 20. - PROPERTY RIGHTS.

No Director of the corporation shall, by reason of that position, have any rights to or interest in the property or assets of the Corporation.

ARTICLE IV - COMMITTEES

SECTION 1. - STANDING COMMITTEES.

(a) The Standing Committees of the Board shall be as described in subparagraph (b) below. Except as otherwise provided by these By-Laws, each Standing Committee shall consist of at least three Directors. No Standing Committee shall have authority as to the following matters:

- (i) The submission to the Member of any action requiring its approval;
- (ii) The filling of vacancies on the Board of Directors or any committee;

(iii) The amendment or repeal of these By-Laws or the adoption of new By-Laws; or

(iv) The amendment or repeal of any resolution of the Board which by its terms is not so amendable or repealable.

(b) Until changed by amendment of these By-Laws, the Corporation shall have the following Committees:

Audit and Finance Committee. There shall be an Audit and Finance Committee who shall be elected by a plurality of the votes cast by the Directors of the Corporation at each annual meeting of the Board and shall serve until the next annual meeting. To the extent practicable, members of the Audit and Finance Committee should be familiar with corporate financial and accounting practices. The Audit and Finance Committee shall recommend to the Board the hiring of a certified independent accounting firm in compliance with the PAAA to conduct the annual independent audit, establish the compensation to be paid to the accounting firm and provide direct oversight of the performance of the annual independent audit. The Audit and Finance Committee shall have the responsibility to review proposals for the issuance of debt by the Corporation and its subsidiaries, if any, and make recommendations.

Governance Committee. There shall be a Governance Committee who shall be elected by a plurality of the votes cast by the Directors of the Corporation at each annual meeting of the Directors and shall serve until the next annual meeting. The Governance Committee shall keep

the Board informed of current best governance practices, review corporate governance trends, update the Corporation's corporate governance principles, and advise the Member and Directors on the skills and experience required of potential Directors.

SECTION 2. - SPECIAL COMMITTEES.

The Board of Directors, by resolution adopted by a majority of the entire Board of Directors, may create Special Committees, which shall have only the powers specifically delegated to them and shall in no case have powers which are not authorized for Standing Committees. The members of Special Committees shall be appointed by a plurality of the votes cast by the Directors of the Corporation.

SECTION 3. - MEETINGS.

Meetings of committees shall be held at such times and places as shall be fixed by the respective committee chairpersons, or by vote of a majority of all of the members of the committee. Written notice shall be mailed (via regular mail or electronic mail) or delivered to all members of the committee prior to each meeting. Written minutes of the proceedings shall be kept at all committee meetings and shall be submitted at the next meeting of the Board. The President/Chief Executive Officer and Chairperson of the Board of Directors of the Corporation, or their respective designees, may attend all committee meetings, but will not possess any voting rights unless otherwise granted by said committees.

SECTION 4. - QUORUM.

Unless otherwise provided by resolution of the Board of Directors, a majority of all of the members of a committee shall constitute a quorum for the transaction of business.

SECTION 5. - MANNER OF ACTING.

Any corporate action to be taken by a committee shall mean such action to be taken at a meeting of the committee. Action by a committee shall be taken by majority vote at a meeting.

ARTICLE V - OFFICERS

SECTION 1. – PRESIDENT/CHIEF EXECUTIVE OFFICER; TREASURER/CHIEF FINANCIAL OFFICER; OTHER OFFICERS.

The Corporation may have a President/Chief Executive Officer, a Treasurer/Chief Financial Officer, and a Secretary and other officers and assistant officers as the Board of Directors may determine. The offices of President/Chief Executive Officer and Secretary shall not be held by the same person. The officers shall have such duties as may be prescribed by these By-Laws and the Board of Directors.

SECTION 2. - TERMS OF OFFICERS.

The officers shall be appointed by the Directors at its annual meeting. Unless a shorter term is provided in the resolution of the Board appointing such officer, the term of office of each officer shall extend for one year after his or her appointment and until a successor is appointed and qualified. Officers shall be eligible to serve an unlimited number of consecutive terms.

SECTION 3. - ADDITIONAL OFFICERS.

Additional officers may be appointed for such period, have such authority and perform such duties, either in an administrative or subordinate capacity, as the Board of Directors may from time to time determine. Such positions may include an Acting Chief Financial Officer and Acting Secretary, and any other position established by the Board of Directors from time to time.

SECTION 4. - REMOVAL OF OFFICERS.

Any officer may be removed by majority vote of the Directors, with or without cause, at any time, provided there is a quorum of not less than a majority of the entire Board of Directors present at the meeting at which such action is taken.

SECTION 5. - RESIGNATION.

Any officer may resign at any time by giving written notice to the Board of Directors, the President/Chief Executive Officer or the Secretary; provided, however, the President/Chief Executive Officer must provide written notice of its intent to resign to the Board of Directors and the Secretary must provide written notice of its intent to resign to the Chairperson or the Board of Directors. Any such resignation shall take effect at the time specified therein, or, if no time is specified, then on delivery. Acceptance of the resignation shall not be necessary to make it effective.

SECTION 6. - VACANCIES.

A vacancy in any office of the Corporation shall be filled by the majority vote of the entire Board of Directors, except that appointments to vacancies within the Board of Directors shall be filled pursuant to the procedure set forth above in Section 2 herein.

SECTION 7. – PRESIDENT/CHIEF EXECUTIVE OFFICER.

The Board of Directors shall appoint the President/Chief Executive Officer by resolution, which resolution shall set the President/Chief Executive Officer's annual compensation. The President/Chief Executive Officer shall generally supervise all affairs of the Corporation. The President/Chief Executive Officer shall perform such other duties as may be assigned to him or her from time to time by the Board of Directors.

SECTION 8. - SECRETARY.

It shall be the duty of the Secretary to supervise the preparation of minutes of all meetings of the Member and the Board of Directors and its committees, the giving of all notices required to be given by the Corporation, and the keeping of a current list of the Directors and officers and their residence addresses. The Secretary shall be responsible for supervising the preparation and maintenance of the books and records of the Corporation. The Secretary shall attend to such correspondence as may be assigned to him or her and perform all the duties customarily incidental to that office and such other duties as may be assigned to him or her by the Board of Directors or the President/Chief Executive Officer. From time to time, the Board of Directors may employ or contract with an appointed Acting Secretary to whom the Board of Directors may designate certain duties of the Secretary and other such duties as may be assigned to him or her.

SECTION 9. – TREASURER/CHIEF FINANCIAL OFFICER

The Board of Directors shall appoint the Treasurer/Chief Financial Officer by resolution, which resolution shall set the Treasurer/Chief Financial Officer's annual compensation. It shall be the duty of the Treasurer/Chief Financial Officer of the Corporation to oversee the financial affairs of the Corporation, report at each regular meeting of the Board of Directors, and participate in preparing the annual report of the Corporation and the filing of all required tax returns and other regulatory reports. The Treasurer/Chief Financial Officer shall perform such

other duties as may be assigned to him or her by the Board of Directors or the President/Chief Executive Officer. From time to time, the Board of Directors may employ or contract with an appointed Acting Treasurer/Chief Financial Officer to whom the Board of Directors may designate certain duties of the Treasurer/Chief Financial Officer and other such duties as may be assigned to him or her.

SECTION 10. – ULSTER COUNTY PERSONNEL.

The Corporation may use the agents, employees and facilities of the County to perform any or all of its functions as described in the Certificate of Incorporation and these By-Laws. In such event, the Corporation will, by resolution, enter into a contract with the County providing the terms upon which the County will provide the use of its agents, employees and facilities to the Corporation and the compensation, if any, that the Corporation shall pay to the County for the use by the Corporation of County agents, employees and facilities.

ARTICLE VI - CONTRACTS, CHECKS, DRAFTS AND BANK ACCOUNTS

SECTION 1. - EXECUTION OF CONTRACTS.

The Board of Directors may on its own, except as these By-Laws otherwise provide, or may authorize any officer or officers, agent or agents, employee or employees, in the name of

and on behalf of the Corporation, to enter into any contract or execute and deliver any instrument, and such authority may be general or confined to specific instances; but, unless so authorized by the Board of Directors, or expressly authorized by these By-Laws, no officer, agent or employee shall have any power or authority to bind the Corporation by any contract or engagement or to pledge its credit or to render it liable pecuniarily in any amount for any purpose.

SECTION 2. - LOANS.

No loans shall be contracted on behalf of the Corporation unless specifically authorized by the Board of Directors.

SECTION 3. - CHECKS, DRAFTS, ETC.

All checks, drafts and other orders for the payment of money out of the funds of the Corporation, and all notes or other evidences of indebtedness of the Corporation, must be signed on behalf of the Corporation by two of following persons: the President/Chief Executive Officer, the Treasurer/Chief Financial Officer or the Chairperson of the Board.

SECTION 4. - DEPOSITS.

All funds of the Corporation not otherwise employed shall be deposited from time to time to the credit of the Corporation in such banks, trust companies or other depositories as the Treasurer/Chief Financial Officer may recommend and the Board of Directors approves.

SECTION 5. - INVESTMENTS.

The Board of Directors may authorize the Corporation to contract with an investment advisor and custodian to manage its investments in accordance with an investment policy established by the Board.

ARTICLE VII - GENERAL

SECTION 1. - SEAL.

The corporate seal shall have inscribed thereon the name of the Corporation, the year of its organization, and the words "Corporate Seal, New York." The seal may be used by causing it or a facsimile thereof to be impressed or affixed or otherwise reproduced.

SECTION 2. - BOOKS AND RECORDS.

There shall be kept by the Corporation (1) correct and complete books and records of account, (2) minutes and statements of written action by the Member, (3) minutes of

the proceedings of the Board of Directors and its committees, (4) a current list of the Directors and officers of the Corporation and their residence addresses, (5) a copy of the Certificate of Incorporation, and (6) a copy of these By-Laws. The foregoing items shall be subject to inspection and/or audit at any time by or at the direction of the Board of Directors, the Member, or the Chairperson, Majority Leader, or Minority Leader of the Ulster County Legislature.

SECTION 3. – INDEMNIFICATION AND INSURANCE.

- (a) The Corporation shall indemnify each Member, each Director, each officer, and, to the extent authorized by the Board of Directors, each other person authorized to act for the Corporation or on its behalf, to the full extent to which indemnification is permitted under the Not-for-Profit Corporation Law.
- (b) The Corporation shall purchase and maintain insurance on behalf of any person who is a director, officer, employee, or agent of the Corporation, to the full extent and in the manner permitted by the applicable laws of the United States and New York State.

SECTION 4. - INTERESTED DIRECTORS AND OFFICERS.

The Board of Directors may adopt a policy regarding conflicts of interest which shall apply to all directors and officers.

SECTION 5. - LOANS TO MEMBER AND OFFICERS.

The Corporation, either directly or indirectly, including through any subsidiary, is prohibited from extending or maintaining credit, arranging for the extension of credit or renewing any extension of credit, in the form of a personal loan to or for any Member, Director, or Officer, or to any other company, corporation, firm, association or other entity in which one or more of the Member, Directors or Officers of the Corporation are members, director or officers or hold a substantial financial interest.

ARTICLE VIII - FISCAL YEAR

The fiscal year of the Corporation shall commence on the first day of January of each calendar year and end on the last day of December.

ARTICLE IX - RULES OF ORDER AND BY-LAW CHANGES

SECTION 1. - RULES OF ORDER.

Meetings of the Member and the Board of Directors and its committees may be governed by Robert's Rules of Order, except in cases otherwise provided for by these By-Laws.

SECTION 2. – BY-LAW CHANGES.

These By-Laws may be amended, repealed or adopted by a majority of the Directors of the Corporation, for which at least twenty (20) days written notice has been previously been given to the Member and the Directors.