

BY-LAWS
OF
THE CATSKILL LOCAL DEVELOPMENT CORPORATION

ARTICLE I
OFFICES

The principal office of the Corporation shall be in the Village of Catskill, County of Greene, State of New York. The Corporation may also have offices at such other places within or without the State of New York as the Board may from time to time determine or the business of the corporation may require.

ARTICLE II
PURPOSES AND POWERS

- (a) The purposes for which this Corporation has been organized are as follows:

for the exclusively charitable or public purposes of relieving and reducing unemployment, promoting and providing for additional and maximum employment, bettering and maintaining job opportunities, instructing or training individuals to improve or develop their capabilities for such jobs, carrying on scientific research for the purpose of aiding a community or geographical area by attracting new industry to the community or area or by encouraging the development of, or retention of, an industry in the community or area, and lessening the burdens of government and acting in the public interest, but not for the pecuniary profit or financial gain of its members, directors, or officers except as permitted under Article 5 of the Not-for-Profit Corporation Law.

- (b) This Corporation shall have the power:
to construct, acquire, rehabilitate and improve for use by others industrial or manufacturing plants in the territory in which its operations are principally to be conducted, to assist financially in such construction, acquisition, rehabilitation and improvement, to maintain such plants for others in such territory, to disseminate information and furnish advice, technical assistance and liaison with federal, state and local authorities with respect thereto, to acquire by purchase, lease, gift, bequest, devise or otherwise real or personal property or interests therein, to borrow money and to issue negotiable bonds, notes and other obligations therefor, and notwithstanding section 510 of the New York Not-For-Profit Corporation Law

(Disposition of all or substantially all assets) without leave of the court, to sell, lease, mortgage or otherwise dispose of or encumber any such plants or any of its real or personal property or any interest therein upon such terms as it may determine and, in connection with loans from the New York job development authority, 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 industrial or manufacturing plants in the territory in which the operations of such corporation are principally to be conducted,

ARTICLE III **MEMBERS**

Section 1. MEMBERS AUTHORIZED.

The Corporation shall have one class of members. The membership of the Corporation shall consist of one Village Trustee appointed by the Village Board of Trustees of the Village of Catskill, and four (4) at-large members also appointed by the Village Board of Trustees.

Section 2. ANNUAL MEETINGS.

A meeting of members entitled to vote shall be held for the election of directors and the transaction of other business in January of each year on any day in that month as determined by the Board of Directors.

Section 3. SPECIAL MEETINGS.

Special meetings of the members may be called at any time by the President, the Board of Directors or members entitled to cast ten percent of the total number of votes entitled to be cast at such a meeting.

Section 4. ACTION BY MEMBERS WITHOUT A MEETING.

Whenever under the Not-for-Profit Corporation Law, the members are required or permitted to take any action by vote, such action may be taken without a meeting on written consent, setting forth the action so taken, signed by all the members entitled to vote thereon.

Section 5. PLACE OF MEETINGS.

Meetings of members shall be held at the principal office of the Corporation or at such other place, within or without the State of New York, as may be fixed by the Board of Directors.

Section 6. NOTICE OF MEETINGS.

(a) Written notice shall be given of each meeting of members, shall state the place, date and hour of the meeting and, unless it is an Annual Meeting, shall also indicate that it is being issued by or at the direction of the person or persons calling the meeting. Notice of a Special Meeting shall also state the purpose or purposes for which it is being called.

(b) A copy of the notice of any meeting shall be given, personally or by first class mail not less than ten nor more than fifty days before the date of the meeting, or by another class of mail not less than thirty nor more than sixty days before such date, to each member entitled to vote at such meeting.

(c) Notice of meeting need not be given to any member who submits a signed waiver of notice, in person or by proxy, whether before or after the meeting. The attendance of any member at a meeting in person or by proxy, without protesting prior to the conclusion of the meeting the lack of notice of such meeting, shall constitute a waiver of notice by him.

Section 7. QUALIFICATION OF VOTERS.

(a) Every member of record of the Corporation, in good standing, shall be entitled at every meeting of the members to one vote.

(b) The Board may fix a date as of the record date for the purpose of determining the members entitled to vote at any meeting of members or any adjournment thereof, or to express consent to or dissent from any proposal without a meeting. The record date shall not be more than fifty nor less than ten days before the date of the meeting.

Section 8. QUORUM AND ADJOURNED MEETING.

(a) Members entitled to cast a majority of the total number of votes entitled to be cast at a meeting of members shall constitute a quorum for the transaction of any business, provided that when a specified item of business is required to be voted on by a class of members, voting as a class, members entitled to cast a majority of the total number of votes by such class shall constitute a quorum for the transaction of such specified items of business. When a quorum is once present to organize a meeting, it is not broken by the subsequent withdrawal of any member.

(b) Despite the absence of a quorum, the members present may adjourn the meeting to another time and place and it shall not be necessary to give notice of the adjourned meeting if the time and place to which the meeting is adjourned are announced at the meeting at which the adjournment is taken. 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. If after the adjournment, however, the Board of Directors fixes a new record date for determining the members entitled to vote at the adjourned meeting, a notice of the adjourned meeting shall be given to each member then entitled to notice under Section 7 of this Article III of the by-laws.

Section 9. ORGANIZATION.

At every meeting of the members, the President, or in the absence of the President, a Vice President, or in the absence of such officers, a person selected at the meeting, shall act as chairman of the meeting. The Secretary or, in the absence of the Secretary, any Assistant Secretary, shall act as secretary of the meeting, and in the absence of both the Secretary and any Assistant Secretary, a person selected at the meeting shall act as secretary of the meeting.

Section 10. VOTING.

(a) Whenever any corporate action, other than the election of Directors, is to be taken by vote of the members, it shall, except as otherwise required by law or by the Certificate of Incorporation be authorized by a majority of the votes cast at such meeting.

(b) Directors shall be elected by a majority of the votes cast at a meeting of members except as otherwise required by law.

Section 11. PROXIES.

(a) Every member entitled to vote at a meeting of members or to express consent or dissent without a meeting may authorize another person or persons to act for such member by proxy.

(b) Every proxy must be signed by the member or the member's attorney-in-fact. No proxy shall be valid after the expiration of eleven months from the date thereof unless otherwise provided in the proxy. Every proxy shall be revocable at the pleasure of the member executing it, except as otherwise provided by law.

(c) The authority of the holder of a proxy to act shall not be revoked by the incompetence or death of the member who executed the proxy unless, before the authority is exercised, written notice of an adjudication of incompetence or of death is received by the Secretary or an Assistant Secretary.

Section 12. INSPECTORS OF ELECTION.

(a) The Board of Directors, in advance of any meeting of members, may appoint one or more inspectors to act at the meeting or any adjournment thereof. If inspectors are not so appointed, the person presiding at the meeting of members may, and on the request of any member entitled to vote thereat shall, appoint one or more inspectors. In case any person appointed fails to appear or act, the vacancy may be filled by appointment made by the Board of Directors in advance of the meeting by the person presiding thereat. Each inspector, before entering upon the discharge of his duties, shall take and sign an oath faithfully to execute the duties of inspector at such meeting with strict impartiality and according to the best of this ability.

(b) The inspectors shall determine the number of membership certificates outstanding and the voting power of each, the certificates represented at the meeting, the existence of a quorum, the validity and effect of proxies, and shall receive votes, ballots or consents, hear and determine all challenges and questions arising in connection with the right to vote, count and tabulate all votes, ballots or consents, determine the result, and do such acts as are proper to conduct the election or vote with fairness to all members. On request of the person presiding at the meeting or any member entitled to vote thereat, the inspectors shall make a report in writing of any challenge, question or matter determined by them and execute a certificate of any fact found by them. Any report or certificate made by them shall be prima facie evidence of the facts stated and of the vote as certified by them.

Section 13. LIST OF MEMBERS AT MEETING.

A list or record of members entitled to vote, certified by the Secretary or any Assistant Secretary, shall be produced at any meeting of members upon the request therefore of any member who has given written notice to the corporation that such request will be made at least ten days prior to such meeting. If the right to vote at any meeting is challenged, the inspectors of election, or person presiding thereat, shall require such list or record of members to be produced as evidence of the right of the persons challenged to vote at such meeting, and all persons who appear from such list of record to be members entitled to vote thereat may vote at such meeting.

ARTICLE IV
DIRECTORS

Section 1. MANAGEMENT OF THE CORPORATION.

The Corporation shall be managed by the Board of Directors which shall consist of not less than five (5) directors. Each Director shall be at least eighteen years of age.

Section 2. ELECTION AND TERM OF DIRECTORS.

The Board of Directors shall consist of the officers of the Corporation and the chairmen of the standing committees. The chairmen of the standing committees shall be selected of the officers of the Corporation. The directors of the corporation shall be divided into 3 classes, hereby designated class 1, class 2 and class 3. There shall be 2 directors in classes 1 and 2 and one director in class 3. The term of office of the initial class 1 directors shall expire at the next annual meeting of members; the term of office of the initial class 2 directors shall expire at the second succeeding annual meeting; the term of office of the initial class 3 directors shall expire at the third succeeding annual meeting. At each annual meeting after the initial classification of directors, directors to replace those whose terms expire at such annual meeting shall be elected to hold office until the third succeeding annual meeting.

Section 3. INCREASE OR DECREASE IN NUMBER OF DIRECTORS.

The number of directors may be increased or decreased by a vote of a majority of all of the Directors. No decrease in number of directors shall shorten the term of any incumbent Director.

Section 4. NEWLY CREATED DIRECTORSHIPS AND VACANCIES.

Newly created directorships resulting from any increase in the number of directors and vacancies occurring in the Board for any reason except the removal of directors without cause may be filled by a vote of a majority of the Directors then in office, although less than a quorum exists, unless otherwise provided in the Certificate of Incorporation. A director elected to fill a vacancy caused by resignation, death or removal shall be elected to hold office for the unexpired term of his predecessor.

Section 5. REMOVAL OF DIRECTORS.

Any or all of the Directors may be removed for cause by action of the Board. Directors may be removed without cause by a vote of 80% of the Board of Directors.

Section 6. RESIGNATION OF DIRECTORS.

A Director may resign at any time by giving written notice to the Board, the President or the Secretary of the Corporation. Unless otherwise specified in the notice, the resignation shall take effect upon receipt thereof by the Board or such officer, and the acceptance of the resignation shall not be necessary to make it effective.

Section 7. QUORUM OF DIRECTORS.

Unless otherwise provided in the Certificate of Incorporation, a majority of the entire Board shall constitute a quorum for the transaction of business or of any specified item of business.

Section 8. ACTION OF THE BOARD.

Unless otherwise required by law, the vote of a majority of the Directors present at the time of the vote, if a quorum is present at such time, shall be the act of the Board. Each Director present shall have one vote.

Section 9. NOTICE OF MEETINGS OF THE BOARD, ADJOURNMENT.

Regular meetings of the Board may be held without notice at such time and place as it shall from time to time determine. Special meetings of the Board shall be held upon notice to the Directors and may be called by the President upon three days= notice to each Director either personally or by mail or by wire; special meetings shall be called by the President or by the Secretary in a like manner on written request of two Directors. 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.

A majority of the Directors present, whether or not a quorum is present, may adjourn any meeting to another time and place. Notice of the adjournment shall be given all Directors who were absent at the time of the adjournment and, unless such time and place are announced at the meeting, to the other Directors.

Section 10. CHAIRMAN.

At all meetings of the Board the President or, in his absence, a chairman chosen by the Board, shall preside.

Section 11. EXECUTIVE AND OTHER COMMITTEES.

The Board, by resolution adopted by a majority of the entire Board, may designate from among its members an executive committee and other committees, each consisting of three or more Directors. Each such committee shall serve at the pleasure of the Board.

Section 12. COMPENSATION OF DIRECTORS.

Directors, as such, shall not receive any salary for their services as directors, but by resolution of the Board of Directors, a fixed sum and expenses of attendance, if any, may be allowed for attendance at each regular or special meeting of the Board and of any committee of the Board of Directors; provided that nothing herein contained shall be construed to preclude any director from serving the Corporation in any other capacity and receiving compensation therefor. Such compensation shall be reasonable and commensurate with services performed.

ARTICLE V
MEETINGS

Section 1. MEETINGS.

The annual meeting of the Corporation shall be held on the 1st day of December of each year except that if such day be a legal holiday then in that event the Directors shall fix a day not more

than two weeks from the date fixed by these by-laws. Ten (10) days= notice shall be given of any change of date.

Section 2. SPECIAL MEETINGS.

Special meetings of the Corporation may be called by the Directors. The Secretary shall cause a notice of such meeting to be mailed at least ten (10) days but not more than fifty (50) days before the scheduled date of such meeting. Such notice shall state the date, time, place and purpose of the meeting and by whom called.

No other business but that specified in the notice may be transacted at such special meeting without the unanimous consent of all present at such meeting.

Section 3. PARTICIPATION BY TELEPHONE.

Participation of any one or more members of the Board by means of a conference telephone or similar communications equipment allowing all persons participating in the meeting to hear each other at the same time, shall constitute presence in person at any such meeting.

Section 4. ACTION WITHOUT A MEETING.

Whenever any action may be taken by vote, such action may be taken without a meeting by written consent, setting forth the action so taken, signed by all the persons entitled to vote thereon.

Section 5. ORDER OF BUSINESS.

The order of business at all meetings shall be as follows:

1. Roll call
2. Reading of the minutes of the preceding meeting
3. Reports of committees
4. Reports of officers
5. Old and unfinished business
6. New business
7. Good and welfare
8. Adjournments

ARTICLE VI
OFFICERS

Section 1. OFFICES, ELECTION, TERM.

Unless otherwise provided for in the certificate of incorporation, the Board may elect or appoint a president, one or more vice-presidents, a secretary and a treasurer, and such other officers

as it may determine, who shall have such duties, powers and functions as hereinafter provided. All officers shall be elected or appointed to hold office until the annual meeting of the Board. Each officer shall hold office for the term for which he is elected or appointed and until his successor has been elected or appointed and qualified.

Section 2. REMOVAL, RESIGNATION, SALARY.

Any officer elected or appointed by the Board may be removed by the Board with or without cause. In the event of the death, resignation or removal of an officer, the Board in its discretion may elect or appoint a successor to fill the unexpired term. Any two or more offices may be held by the same person, except the offices of president and secretary. The salaries of all officers shall be fixed by the Board. Such compensation shall be reasonable and commensurate with services performed.

Section 3. PRESIDENT

The President shall be the chief executive officer of the corporation; he shall preside at all meetings of the Board; he shall have the general management of the affairs of the corporation and shall see that all orders and resolutions of the Board are carried into effect.

Section 4. VICE-PRESIDENTS.

During the absence or disability of the President, the Vice-President, or if there are more than one, the Executive Vice-President, shall have all the powers and functions of the president. Each Vice-President shall perform such other duties as the Board shall prescribe.

Section 5. TREASURER.

The Treasurer shall have the care and custody of all the funds and securities of the Corporation, and shall deposit said funds in the name of the Corporation in such bank or trust company as the Directors may elect; he shall, when duly authorized by the Board of Directors, sign and execute all contracts in the name of the Corporation, when countersigned by the President; he shall also sign all checks, drafts, notes, and orders for the payment of money, which shall be duly authorized by the Board of Directors and shall be countersigned by the President; he shall at all reasonable times exhibit his books and accounts to any director of the Corporation upon application at the office of the Corporation during ordinary business hours. At the end of each corporate year, he shall have an audit of the accounts of the Corporation made by a committee appointed by the President, and shall present such audit in writing at the annual meeting of the Corporation, at which time he shall also present an annual report setting forth in full the financial conditions of the Corporation.

Section 6. ASSISTANT TREASURER.

During the absence or disability of the Treasurer, the Assistant-Treasurer, or if there are more than one, the one so designated by the Treasurer or by the Board, shall have all the powers and functions of the Treasurer.

Section 7. SECRETARY.

The Secretary shall keep the minutes of the meetings of the Corporation. He shall have the custody of the seal of the Corporation and shall affix and attest the same to documents when duly authorized by the Board of Directors. He shall attend to the giving and serving of all notices of the Corporation, and shall have charge of such books and papers as the Board of Directors may direct; he shall attend to such correspondence as may be assigned to him, and perform all the duties incidental to his office.

Section 8. ASSISTANT-SECRETARIES.

During the absence or disability of the Secretary, the Assistant-Secretary, or if there are more than one, the one so designated by the Secretary or by the Board, shall have all the powers and functions of the Secretary.

Section 9. SURETIES AND BONDS.

In case the Board shall so require, any officer or agent of the Corporation shall execute to the Corporation a bond in such sum and with such surety or sureties as the Board may direct, conditioned upon the faithful performance of his duties to the Corporation and including responsibility for negligence and for the account for all property, funds or securities of the Corporation which may come into his hands.

ARTICLE VII
CONTRACTS, CHECKS, DRAFTS AND BANK ACCOUNTS

Section 1. EXECUTION OF CONTRACTS.

The Board of Directors, except as in these by-laws otherwise provided, may authorize any officer or officers, agents or agents, 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 officers, 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, shall be signed on behalf of the Corporation in such manner as shall from time to time be determined by resolution of the Board of Directors.

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 Board of Directors may select.

ARTICLE VIII
INDEMNIFICATION AND INSURANCE

Section 1. AUTHORIZED INDEMNIFICATION.

Unless clearly prohibited by law or Section 2 of this Article VIII, the Corporation shall indemnify any person (Indemnified Person) made, or threatened to be made, a party in any action or proceeding, whether civil, criminal, administrative, investigative or otherwise, including any action by or in the right of the Corporation, by reason of the fact that he or she (or his or her testator or intestate), whether before or after adoption of this Section, (a) is or was a director or officer of the Corporation, or (b) in addition is serving or served, in any capacity, at the request of the Corporation, as a director or officer of any other corporation, or any partnership, joint venture, trust, employee benefit plan or other enterprise. The indemnification shall be against all judgments, fines, penalties, amounts paid in settlement (provided the Corporation shall have consented to such settlement) and reasonable expenses, including attorneys' fees and related fees to enforce payment of said attorneys' fees, and costs of investigation, incurred by an Indemnified Person with respect to any such threatened or actual action or proceeding, and any appeal thereof.

Section 2. PROHIBITED INDEMNIFICATION.

The Corporation shall not indemnify any person if a judgment or other final adjudication adverse to the Indemnified Person (or to the person whose actions are the basis for the action or proceeding) establishes, or the Board of Directors in good faith determines, that such person's acts were committed in bad faith or were the result of active and deliberate dishonesty and were material to the cause of action so adjudicated or that he or she personally gained in fact a financial profit or other advantage to which he or she was not legally entitled.

Section 3. ADVANCEMENT OF EXPENSES.

The Corporation shall, on request of any Indemnified Person who is or may be entitled to be indemnified by the Corporation, pay or promptly reimburse the Indemnified Person's reasonably incurred expenses in connection with a threatened or actual action or proceeding prior to its final disposition. However, no such advancement of expenses shall be made unless the Indemnified Person make a binding, written commitment to repay the Corporation, with interest, for any amount advanced for which it is ultimately determined that he or she is not entitled to be indemnified under the law or Section 2 of this Article VIII. An Indemnified Person shall cooperate in good faith with any request by the Corporation that common legal counsel be used by the parties to such action or proceeding who are similarly situated unless it would be inappropriate to do so because of actual or potential conflicts between the interests of the parties.

Section 4. INDEMNIFICATION OF OTHERS.

Unless clearly prohibited by law or Section 2 of this Article VIII, the Board of Directors may approve Corporation indemnification as set forth in Section 1 of this Article VIII or advancement of expenses as set forth in Section 3 of this Article VIII, to a person (or the testator or intestate of a person) who is or was employed by the Corporation or who is or was a volunteer for the Corporation, and who is made, or threatened to be made, a party in any action or proceeding, by reason of the fact of such employment or volunteer activity, including actions undertaken in connection with service at the request of the Corporation in any capacity for any other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise.

Section 5. DETERMINATION OF INDEMNIFICATION.

Indemnification mandated by a final order of a court of competent jurisdiction will be paid. After termination or disposition of any actual or threatened action or proceeding against an Indemnified Person, if indemnification has not been ordered by a court the Board of Directors shall, upon written request by the Indemnified Person, determine whether and to what extent indemnification is permitted pursuant to these by-laws. Before indemnification can occur the Board of Directors must explicitly find that such indemnification will not violate the provisions of Section 2 of this Article VIII. No director with a personal interest in the outcome, or who is a party to such actual or threatened action or proceeding concerning which indemnification is sought, shall participate in this determination. If a quorum of disinterested directors is not obtainable, the Board of Directors shall act only after receiving the opinion of independent legal counsel that indemnification is proper in the circumstances under then applicable law and these by-laws.

Section 6. BINDING EFFECT.

Any person entitled to indemnification under these by-laws has a legally enforceable right to indemnification which cannot be abridged by amendment of these by-laws with respect to any event, act or omission occurring prior to the date of such amendment.

Section 7. INSURANCE.

The Corporation is not required to purchase directors and officers liability insurance, but the Corporation may purchase such insurance if authorized and approved by the Board of Directors. To the extent permitted by law, such insurance may insure the Corporation for any obligation it incurs as a result of this Article VIII or operation of law and it may insure directly the directors, officers, employees or volunteers of the Corporation for liabilities against which they are not entitled to indemnification under this Article VIII as well as for liabilities against which they are entitled or permitted to be indemnified by the Corporation.

Section 8. NONEXCLUSIVE RIGHTS.

The provisions of this Article VIII shall not limit or exclude any other rights to which any person may be entitled under law or contract. The Board of Directors is authorized to enter into agreement on behalf of the Corporation with any director, officer, employee or volunteer providing them rights of indemnification or advancement of expenses in connection with potential indemnification in addition to the provisions therefore in this Article VIII, subject in all cases to the limitations of Section 2 of this Article VIII.

ARTICLE IX
SEAL

The seal of the Corporation shall be as follows:

[SEAL]

ARTICLE X
CONSTRUCTION

If there be any conflict between the provisions of the Certificate of Incorporation and these by-laws, the provisions of the Certificate of Incorporation shall govern.

ARTICLE XI
FISCAL YEAR

The Corporation shall have a calendar year.

ARTICLE XII
AMENDMENTS

The by-laws may be adopted, amended or repealed in whole or in part by a majority vote at any regular or special meeting of the Board of Directors of the Corporation.