

BY-LAWS
of Northern Dutchess Alliance, Inc.
(A New York Not-for-Profit Corporation)

Approved March 22, 2000

ARTICLE I

NAME; OFFICES; DEFINITIONS

SECTION 1.1. Name and Organization. The name of the Corporation is "Northern Dutchess Alliance, Inc." hereinafter referred to as the "Corporation". The Corporation is a private, not-for-profit "Type B" corporation under the Not-For-Profit Corporations Law of the State of New York.

SECTION 1.2. Offices. The principal office of the Corporation shall be located in the County of Dutchess, State of New York. The Corporation may also have offices at such other places within and without the State of New York as the Board of Directors may determine or the affairs of Corporation may require from time to time.

SECTION 1.3. Definitions. A Northern Dutchess@ shall mean the area in Dutchess County, New York, included within the Towns of Clinton, Hyde Park, Milan, Pleasant Valley, Red Hook, Rhinebeck, and Stanford, and including the Villages of Red Hook, Rhinebeck, and Tivoli.

ARTICLE II

STATEMENT OF PURPOSES

SECTION 2.1. Purposes. In accordance with the purposes of the Corporation as set forth in the Certificate of Incorporation, the Corporation shall undertake activities with respect to the Northern Dutchess area designed to foster the creation of a long range plan for regional cooperation and economic development; provide a forum for discussion and development of policy initiatives; provide a mechanism for coordination of government, business, community and public activity; provide an inventory of community infrastructure resources and needs in Northern Dutchess; foster the betterment of public infrastructure in northern Dutchess County, New York; develop, encourage and assist in the preparation of plans, studies, surveys and recommendations; provide a forum for the exchange of information and ideas among its members; encourage citizen participation and disseminate information to the general public concerning the purposes of the corporation; and provide technical assistance to aid in the accomplishment of its purposes.

SECTION 2.2. Limitations. Notwithstanding any other provisions of these By-laws, the Corporation is organized exclusively for one or more charitable purposes specified in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), and shall not carry on any activities not permitted to be carried on (a) by a corporation exempt from Federal income tax under Section 501(c)(3) of the Code, or the corresponding section of any future Federal tax code, or (b) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Code, or the corresponding section of any future Federal tax code.

The Corporation is not formed for pecuniary profit or for financial gain. All income and earnings of the Corporation shall be used exclusively for its corporate purposes except as provided in Article XII (Dissolution). No part of the income or earnings of the Corporation shall inure to the benefit or profit of any Member, Director, Officer, or private person, corporate or individual (except that reasonable compensation may be paid for services rendered to or for the Corporation). No Member, Director, Officer or private person, corporate or individual, shall be entitled to share in the distribution of any of the Corporation's property or assets upon dissolution of the Corporation; provided, however, that the Corporation may repay loans and repay contributions made to it only if and 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.

No substantial part of the activities of the Corporation shall be carrying on propaganda, or otherwise attempting to influence legislation (except as otherwise provided by Section 501(h) of the Code) or participating in, or intervening in (including by the publication or distribution of statements), any political campaign on behalf of, or in opposition to, any candidates for public office.

ARTICLE III

MEMBERS

SECTION 3.1. Qualifications and Number. The Corporation shall have four classes of members: Municipalities, Community Organizations, Business Organizations, and Institutions. Membership may be effected by approval of an application for membership by the Executive Committee based on policies and procedures from time to time determined by the Board, and, except in the case of Municipalities, payment of the first annual dues applicable to such member. Membership is not transferable. A record of membership shall be maintained by the Secretary. The following shall be eligible for membership in the Corporation under the following classifications.

SECTION 3.1.1. Municipalities. Any village or town within Northern Dutchess shall be eligible for membership as a Municipality.

SECTION 3.1.2. Community Organizations. Any not-for-profit association or corporation shall be eligible for membership as a Community Organization if it is i) formed for a purpose determined by the Board to be consistent with the purposes of the Corporation, and ii) based in or serves Northern Dutchess.

SECTION 3.1.3. Business Organizations. Any chamber of commerce, trade association or similar organization shall be eligible for membership as a Business Organization if it is i) formed for a purpose determined by the Executive Committee to be consistent with the purposes of the Corporation, and ii) based in or serves Northern Dutchess.

SECTION 3.1.4. Institutions. Any public or private entity such as a school, college, library, or governmental agency or institution shall be eligible for membership as an Institution if (i) such membership is determined by the Executive Committee to be in the best interests of the Corporation, and (ii) such Institution is based in or serves Northern Dutchess.

SECTION 3.2. Resignation and Removal. Any Member may resign at any time following the adoption of a resolution of its governing body authorizing such resignation, by giving written notice of its resignation to the President or the Secretary. Any such resignation shall take effect at the time specified therein or, if no time is specified, immediately upon receipt; the acceptance of such resignation shall not be necessary to make it effective.

Any Member may be removed for cause by a majority vote of the Board (provided that there is present a special quorum of not less than a majority of the entire Board) or a majority vote of the Members. Removal for cause shall mean i) failure to pay dues and assessments, ii) actions inconsistent with the interests or purposes of the Corporation or iii) any other actions in violation of the By-laws, Not-For-Profit Corporation Law, Internal Revenue Code, or other laws and regulations. At least thirty days notice of the grounds for removal shall be given to such Member, and such Member shall be given the opportunity to be heard by the Board prior to removal.

SECTION 3.3. Meetings. Meetings of the Members shall be held in the County of Dutchess, State of New York at the principal office of the Corporation, or at such other place within the State of New York as shall be designated from time to time by the Board of Directors. An annual meeting shall be held on the first Tuesday in February of each year at 5:45 p.m. at the principal office of the Corporation, or at such other time and place as may be designated by the Board. At each annual meeting the Members shall transact such business as is within the power of the Members.

Special meetings of the Members may be called by a majority of the Board or by the President. Pursuant to Section 603 of the Not-for-Profit Corporation Law, special meetings of the Members may also be called at the written demand of ten percent of the Members, provided that the date of such meeting shall be not less than two nor more than three months from the date of such written demand.

SECTION 3.4. Notice of Members' Meetings. Written notice, stating the place, date, and hour of the meeting and, unless it is an annual meeting, the purpose or purposes for which the meeting is called, shall be given by the Secretary of the Corporation to each Member either personally or by first class mail, addressed to such Member with postage prepaid, not less than ten nor more than fifty days before the date of any meeting. If mailed, notice is given when deposited in the United States mail, postage prepaid, directed to the Member at their address as it appears on the records of the Corporation. No call or notice shall be required for regular meetings for which the time and place have been previously fixed. Any requirement of furnishing a notice shall be waived by any Member who submits a signed waiver of notice before or after the meeting or who attends the meeting without protesting, prior thereto or at its commencement, the lack of notice to the Member.

SECTION 3.5. Quorum. One-third of the Members entitled to vote shall constitute a quorum at a meeting of Members for the transaction of any business. A majority of the Members present, whether or not a quorum, may adjourn a meeting to another time and place. Notice of any such adjournment need not be given to any Members who were not present if the time and place thereof are announced at the meeting at which the adjournment is taken. At any adjourned meeting at which a quorum is present, any business may be transacted which might have been transacted at the meeting originally scheduled.

SECTION 3.6. Actions. Unless otherwise provided in the Certificate of Incorporation, all elections of Directors shall be by written ballot. Each Member shall be entitled to one vote. Each director shall be appointed in the manner prescribed in Article IV of these By-laws by the vote of each Member, at a meeting of the Members, and any other action shall be authorized by the vote of a majority of the votes cast at a meeting of the Members by the Members entitled to vote thereon.

SECTION 3.7. Proxies. Members may vote by proxy in accordance with the provisions of the Not-for-Profit Corporations Law, provided that any proxy shall be in writing in a form approved by the Executive Committee.

SECTION 3.8. Member Representative and Alternates. Each Member shall file with the Secretary a written notice identifying the natural person authorized to attend meetings of the Members, vote on behalf of the Member, and otherwise act on behalf of the Member. Such notice shall further identify the notice address of the Member. The Corporation may rely on such notice for all purposes of the Corporation. Such notice may identify a first alternate who shall be authorized to act in the absence of

the designated representative. In the case of a Municipal Member, such representative shall be the chief elected official of such Municipality unless otherwise determined by the governing board of the applicable Member, and any alternate shall be a resident of the Municipality designated by the chief elected official of the Municipality and approved by its governing body. In the case of any other Member, such representative and any alternate shall be an officer, member, employee or resident of the Member.

SECTION 3.9. Action Without A Meeting. Any action required or permitted to be taken by the Members may be taken without a meeting if all Members consent in writing to the adoption of a resolution authorizing the action.

SECTION 3.10. Dues and Assessments. The Corporation may assess annual dues and special assessments against its members in such amounts and such times as may be determined by the Executive Committee and approved by the Board, except that no dues or special assessments shall be assessed against any Municipal Member without its consent or to the extent prohibited by law. Except as to Municipalities, the same schedule of dues shall be applicable to each class of Members unless a majority of the Members of each class have approved a different allocation.

SECTION 3.11. Non-Voting Advisory Members. From time to time one or more ex-officio non-voting advisory members may be appointed by the Executive Committee in accordance with policies and procedures determined by the Board. The Secretary shall endeavor to give such advisory members notice of meetings of the Members and of the Board of Directors and the Board or Executive Committee may invite one or more advisory members to participate in such committees as may be deemed appropriate; provided, however, that such advisory members shall not be entitled to the rights of a Member of the Corporation, including without limitation the right to vote on matters before the Members or to appoint or remove any Director or Officer; and provided further that failure to provide any notice shall not invalidate any notice or action by the Board or Members or any committee.

ARTICLE IV

BOARD OF DIRECTORS

SECTION 4.1. General Powers. The property and affairs of the Corporation shall be managed by its Board of Directors, which may exercise all such authority and powers of the Corporation and do all such lawful acts and things as permitted by law.

SECTION 4.2. Qualifications and Number. The Board of Directors shall consist of the same number of Directors as the number of voting Members of the Corporation (plus the Immediate Past President as provided in Section 7.8), and in any event there shall be at least three and not more than 50 Directors. The Board shall increase or decrease the number of Directors from time to time to be consistent with the number of voting Members (plus the Immediate Past President as provided in Section 7.8)). Each Director shall be at least eighteen years of age.

SECTION 4.3. Selection of Directors. Except as provided in Section 7.8, each Director shall be appointed by and represent one voting Member. Unless otherwise approved by the Board of Directors, the Director appointed by a Member shall be the same as the Member's representative. In the case of a Municipal Member, such Director shall be the chief elected official of such Municipality unless otherwise determined by the governing body of the applicable Member. In the case of any other Member, such Director shall be an officer, member, employee or resident of the Member. Directors shall be classified as Municipalities, Community Organizations, Business Organizations, and Institutions consistent with the classification of the appointing Members.

SECTION 4.4. Alternate Directors. Each Director may file a written notice with the Secretary identifying an alternate who shall be authorized to act in the absence of such Director. In the case of a Director elected by a Municipal Member, any alternate for such Director shall be a resident of the Municipality designated by its chief elected official and approved by its governing body. In the case of any other Director, any such alternate shall be an officer, member, employee or resident of the related Member. In the absence of a Director from a meeting of the Board, the alternate for such Director may, upon written notice to the Secretary, attend such meeting and exercise therein the rights, powers and privileges of the absent Director. Unless otherwise approved by the Board, a Director's alternate shall be the same as the related Members alternate.

SECTION 4.5. Appointment, Term and Vacancies. One Director shall be appointed by each Member at a regular or special meeting of the Members. In addition, pursuant to Section 7.8, the Immediate Past President shall also be a Director.

Directors shall be appointed for a term of two years, provided that the term of any elected or appointed public sector official shall expire at the earlier of two years or the end of the public official's term in office, and further provided that any such Director shall remain in office until their successor is elected and appointed. Directors shall continue to hold office until the expiration of their term, and until their successor has been elected or appointed and qualified.

Any vacancy on the Board shall be filled as soon as reasonably possible. In the period prior to the annual meeting, any vacancies in the Board of Directors, including vacancies resulting from the removal of Directors for cause or without cause or from an increase in the number of Members, may be filled by the applicable Member. A Director appointed to fill a vacancy shall hold office for the unexpired term of his or her predecessor.

SECTION 4.6. Resignation and Removal. Any Director may resign at any time by giving written notice of his or her resignation to the President or the Secretary. Any such resignation shall take effect at the time specified therein or, if no time is specified, immediately upon receipt; unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Any or all of the Directors may be removed for cause by a majority vote of the Board (provided that there is present a special quorum of not less than a majority of the entire Board) or a majority vote of the Members (provided that there is present a special quorum of not less than a majority of the entire membership). Removal for cause shall mean i) failure to fulfill the duties of a Director, as evidenced by unexcused absence for three consecutive meetings without notice to the President or Secretary, ii) violation of the Corporation's Code of Ethics, after notice and an opportunity to cure, iii) actions inconsistent with the interests or purposes of the Corporation or iv) any other actions in violation of the By-laws, Not-For-Profit Corporation Law, Internal Revenue Code, or other laws and regulations. At least ten days notice of the grounds for removal shall be given to such Director, and such Director shall be given the opportunity to be heard by the Board prior to removal. Any Director may be removed without cause at any time by the appointing Member.

SECTION 4.7. Compensation of Directors. The Board of Directors shall serve without compensation, except that Directors may be reimbursed for their actual expenses in furtherance of the Corporation's affairs, pursuant to written policies established from time to time by resolution of the Board. Such policies shall be consistent with the requirements of Section 501(c)(3) the Internal Revenue Code and the Corporation's Code of Ethics.

ARTICLE V

MEETINGS OF THE BOARD OF DIRECTORS

SECTION 5.1. Annual and Regular Meetings. An annual meeting shall be held on the first Tuesday in February of each year at 6:00 p.m. at the principal office of the Corporation, or at such other time and place as may be designated by the Board. Other regular meetings shall be held quarterly or otherwise as provided by the Board. No call or notice shall be required for regular meetings for which the time and place have been previously fixed by the Board.

SECTION 5.2. Special Meetings. Meetings of the Board of Directors shall be held at such other time and at such place, within or without the State of New York, as the Board of Directors may from time to time fix or as shall be specified in the notice of any such meeting. Special meetings may be called by or at the direction of the President or Vice President, or by any Director upon written demand of not less than one-fifth of the entire Board, and notice of the time and place thereof shall be given by the Secretary of the Corporation to each Director by first class mail, addressed to such Director with postage prepaid, at least five days before the day on which such meeting is to be held, or by telex or electronic facsimile or e-mail addressed to such Director or delivery to him or her personally or by telephone at least twenty-four hours before the time at which such meeting is to be held. The notice of any meeting need not specify the purpose thereof. Any requirement of furnishing a notice shall be waived by any Director who submits a signed waiver of notice 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 5.3. Quorum. One-third of the Directors then in office shall constitute a quorum (provided that a quorum shall not be less than five Directors plus one for each ten Directors, or fraction thereof, in excess of fifteen). Notwithstanding the foregoing, a quorum for any particular action shall be greater or lesser if specifically provided by law, in the Certificate of Incorporation or elsewhere in these By-laws. A majority of the Directors present, whether or not a quorum, may adjourn a meeting to another time and place. Notice of any such adjournment shall be given to any Directors who were not present and, unless announced at the meeting, to the other Directors. At any adjourned meeting at which a quorum is present, any business may be transacted which might have been transacted at the meeting originally scheduled.

SECTION 5.4. Actions. Except as otherwise provided herein or by statute, the vote of a majority of the Directors present at the time of the vote, a quorum being present at such time, shall be the act of the Board of Directors.

SECTION 5.5. Action Without A Meeting. Any action required or permitted to be taken by the Board of Directors or any committee thereof may be taken without a meeting if all members of the Board of Directors or committee consent in writing to the adoption of a resolution authorizing the action, and the written consent thereto by the members of the Board of Directors or the committee shall be filed with the minutes of the proceedings of the Board of Directors or committee.

SECTION 5.6. Action By Conference Call. Any one or more members of the Board of Directors of the Corporation or of any committee thereof may participate in a meeting of said Board or of any such committee by means of a conference telephone or similar communications equipment allowing all persons participating at the meeting to hear each other at the same time. Participation by such means shall constitute presence in person at a meeting.

SECTION 5.7. Conduct of Meetings. The President, if present, shall preside at all meetings. Otherwise, the Vice President, if present, or, if neither of the foregoing is present, any other Director chosen by the Board of Directors, shall preside. The Secretary of the Corporation, if a Director and present, shall act as secretary of the meeting and keep the minutes thereof or shall designate an individual to so act as secretary of the meeting. Otherwise, an individual appointed by the chair of the meeting shall act as secretary and keep the minutes thereof. Except as otherwise provided in these By-laws or by statute, Robert's Rules of Order Revised shall govern the conduct of all meetings. An agenda shall be prepared for all regular and special meetings, provided that neither such agenda nor any notice of meeting shall limit the actions of the Board at any meeting at which a quorum is present.

ARTICLE VI

COMMITTEES

SECTION 6.1. Standing Committees. The Board by resolution adopted by a majority of the entire Board may designate an Executive Committee and other standing committees consisting of three or more Directors, each of which, to the extent provided in the resolution or in the Certificate or these By-laws, shall have all the authority of the Board, except that no committee shall have authority as to the following matters:

- (i) The submission to Members of any action requiring Members approval under the Not-for-Profit Corporation Law;
- (ii) The filling of vacancies in the Board or in any committee, removal of Directors, or change in the number of Directors;
- (iii) The fixing of compensation of the Directors for serving on the Board or any committee;
- (iv) The amendment or repeal of By-laws or the adoption of new By-laws; or
- (v) The amendment or repeal of any resolution of the Board which by its terms is not amendable or repeal able.

Unless the Board of Directors shall provide otherwise, a majority of the members of a standing committee may fix the time and place of and shall constitute a quorum for the transaction of business at any meeting of such committee, and the act of a majority of the members present at any meeting at which a quorum is present shall be the act of such committee. Notice of any meeting of a standing committee shall be given to the members of such committee in the same manner as for special meetings of the Board, except that emergency meetings of the Executive Committee may be held without notice.

Each standing committee shall keep written minutes of its proceedings, report such minutes to the Board of Directors, file a copy with the Secretary, and may make rules for the conduct of its business and appoint any subcommittees and assistants it considers necessary.

At each annual meeting, the members of each standing committee provided in the By-laws shall be appointed upon recommendation by the President with the approval of the Board. The President shall be an ex-officio member of all committees. The Executive Committee may remove a Director from a standing committee following three unexcused absences from a regularly scheduled committee meeting.

SECTION 6.1.1. Executive Committee. There is hereby established an Executive Committee consisting of the President, Vice President, Secretary, Treasurer, and Immediate Past President, and four additional Directors, each representing one of the classes identified in Section 3.1. Such four additional Directors shall be elected by class for a one year term at the annual meeting of the Board by vote of a majority of the Directors of each class present at such meeting. The President shall be the chair of the Executive Committee and may call meetings of the Executive Committee.

The Executive Committee, except as otherwise provided herein and by statute, shall have and may exercise all the authority of the Board of Directors. Whenever the Board of Directors is not in session or whenever a quorum fails to attend any regular or special meeting of the Board of Directors, such committee shall advise and aid the officers of the Corporation in all matters concerning the management of its affairs and generally, except as limited in this section, perform such duties and exercise such powers as may be performed and exercised by the Board of Directors from time to time.

The Board of Directors shall have the power at any time to fill vacancies in, change the membership of or dissolve such committee.

SECTION 6.2. Special Committees. The Board of Directors may, by resolution adopted by a majority vote, designate from among its members three or more Directors to constitute a special committee. Except as may otherwise be provided by resolution of the Board, there shall be established the following special committees, each of which shall have the powers and authority set forth in this section 6.2. Unless the Board of Directors shall provide otherwise, a majority of the members of any such committee shall constitute a quorum and the act of a majority of the voting members present at any meeting at which a quorum is present shall be the act of such committee. The chair of the committee may call meetings of the committee.

Except as specifically provided in this Article VI, the President shall appoint the members and chair of each committee with the approval of the Board. The Board of Directors shall have the power at any time to fill vacancies in, change the membership of, or dissolve any such special committee. Nothing herein shall be deemed to prevent the Board of Directors from appointing committees consisting in whole or in part of persons who are not Directors of the Corporation, provided, however, that no such committee shall have or may exercise any authority of the Board of Directors. The Executive Committee may remove a Director from a special committee following three unexcused absences from a regularly scheduled committee meeting. Each committee shall ensure that minutes of their proceedings are kept and that such minutes are filed with the Secretary and reported to the Board.

SECTION 6.2.1. Nominations Committee. The Nominations Committee shall consist of four Directors, none of whom is an officer. The Nominations Committee shall have the following responsibilities and authority: i) at each annual meeting, present nominations for Membership and present a slate of officers and committee members proposed for appointment, and ii) present nominations at any time in the event of any vacancy not otherwise provided for in these By-laws.

SECTION 6.2.2. Finance Committee. The Finance Committee shall consist of at least three Directors, one of whom shall be the Treasurer who shall act as chair of the committee. The Finance Committee shall have the following responsibilities and authority: i) recommend a schedule of dues and assessments; and ii) serve as fiscal advisor to the Board; iii) prepare or cause to be prepared an annual financial report and, if so directed by the Board, arrange for an annual audit.

SECTION 6.2.3. Membership Committee. The Membership Committee shall consist of at least three Directors. The Membership Committee shall have the following responsibilities and authority: i) make recommendations to the Board on new membership applications received; ii) ensure orientation of new Members, Directors and Officers; and iii) assist the Board in maintaining the composition of the Board in accordance with the purposes of the Corporation and these By-laws; and iv) contact Members who are absent from more than three consecutive meetings to determine the reasons for absence and make recommendations to the Executive Committee and the Board regarding appropriate actions.

SECTION 6.3. Committees of the Corporation. The Board may by resolution provide for the creation of other committees, the members of which may be elected or appointed in the same manner as officers of the Corporation and which shall be subject to the same rights and obligations as officers of the Corporation.

ARTICLE VII

OFFICERS

SECTION 7.1. Number and Appointment. The Board of Directors at its annual meeting shall elect a President, Vice President, Secretary and Treasurer, and may at any time and from time to time elect or appoint such other officers, agents and employees as it may deem desirable. The President, Vice President, Secretary, and Treasurer must be Directors of the Corporation. Any two or more offices may be held by the same person, except the offices of President and Secretary. The election or appointment of an officer shall not of itself create any contract rights.

SECTION 7.2. Term of Office, Resignation, Removal and Vacancies. Unless otherwise prescribed by the Board of Directors, the President, Vice President, Secretary, Treasurer and Immediate Past President shall serve two-year terms. Each officer shall hold office until his or her successor has been elected or appointed and qualified. No officer shall serve more than three consecutive terms in the same office.

Any officer may resign at any time by giving written notice of his or her resignation to the President or the Secretary. Any such resignation shall take effect at the time specified therein or, if no time is specified, immediately upon receipt. Unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Any officer may be removed by the Board of Directors for cause. Removal for cause shall mean i) failure to fulfill the duties of an officer, as evidenced by unexcused absence for three consecutive meetings without notice to the President or Secretary, ii) violation of the Corporation's Code of Ethics, after notice and an opportunity to cure, iii) actions inconsistent with the interests or purposes of the Corporation or iv) any other actions in violation of the By-laws, Not-For-Profit Corporation Law, Internal Revenue Code, or other laws and regulations. At least ten days notice of the grounds for removal shall be given to such officer, and such officer shall be given the opportunity to be heard by the Board prior to removal. Any such removal shall be without prejudice to the contract rights, if any, of the officer so removed.

In the event of a mid-term vacancy in the position of President, the Vice President shall fill the position of President for the unexpired term, and the new President shall appoint a replacement for any other unfilled offices for the remaining unexpired term with the approval of the Board. In the event of a vacancy other than the President, the President shall appoint a replacement to fill the vacancy for the unexpired term with the approval of the Board.

SECTION 7.3. Security. The Board of Directors may require any officer, agent or employee of the Corporation to post a bond or give other security for the faithful performance of his or her duties, the cost of which shall be borne by the Corporation.

SECTION 7.4. President. The President shall preside at all meetings of the Board of Directors. The President shall chair the Executive Committee and shall be an ex-officio member of all committees. The President shall execute all contracts and other documents on behalf of the Corporation unless otherwise specified by the Board herein, and shall do and perform such other duties as from time to time may be assigned to him or her by the Board of Directors.

SECTION 7.5. Vice-President. The Vice President shall upon request assist the President in the performance of the President's duties. In the absence of the President, or if there be no President, he or she shall preside at all meetings of the Directors. He or she shall do and perform such other duties as may from time to time be assigned by the Board of Directors.

SECTION 7.6. Secretary. The Secretary shall, if present, act as the secretary of and keep the minutes of all meetings of the Board, shall take roll and keep attendance, and shall be responsible for the giving of notice of all meetings of the Board of Directors. He or she shall be custodian of the seal of the Corporation, which may be affixed to any instrument requiring it whose execution has been authorized, and of the corporate records (except accounting records), and shall have such other powers and duties as generally pertain to the office and as the Board of Directors or, subject to the control of the Board of Directors, as the President may from time to time assign.

SECTION 7.7. Treasurer. The Treasurer, subject to the direction of the Board of Directors, shall have charge of the funds, securities, receipts and disbursements of the Corporation. The Treasurer shall keep full and accurate accounts of such receipts and disbursements, shall be responsible for deposits in and withdrawals from the depositories of the Corporation, shall disburse the funds of the Corporation as directed by the Board of Directors, and shall render an account of the financial condition of the Corporation and of the Treasurer's transactions whenever requested and shall have such other powers and duties as generally pertain to the control of the finances of the Corporation as the Board of Directors, the Executive Committee or the President may from time to time assign. The Treasurer shall be the chair of the Finance Committee.

SECTION 7.8. Immediate Past President. The immediate past President shall hold the office of Immediate Past President. The Immediate Past President shall be an ex-officio member of the Board of Directors and of the Executive Committee, with full voting rights. The Immediate Past President shall upon request advise the President as to matters pertaining to the Corporation. Notwithstanding the foregoing, i) the office of Immediate Past President shall remain vacant if and so long as the person who is the immediate past President is otherwise an officer of the Corporation or has been elected as one of the four additional Directors on the Executive Committee; and ii) the Immediate Past President shall have only one vote as a Director; and iii) the first chair of Northern Dutchess Alliance, an unincorporated association, shall be considered the first Immediate Past President.

SECTION 7.9. Other Officers; Absence and Disability. The Board of Directors may provide for the appointment of any other officers as it shall deem necessary or desirable. Any other officers of the Corporation shall have such powers and duties as generally pertain to their respective offices and as the Board of Directors may from time to time assign to them. In case of the absence or disability of any officer of the Corporation and of any person herein authorized to act in his or her place, the Board of Directors may from time to time delegate the powers and duties of such officer to any other officer or any other person whom it may select.

SECTION 7.10. Compensation of Officers. The Officers of the Corporation shall serve without compensation, except that Officers may be reimbursed for their actual expenses in furtherance of the Corporation's affairs, pursuant to written policies established from time to time by resolution of the Board. Such policies shall be consistent with the requirements of Section 501(c)(3) the Internal Revenue Code and the Corporation's Code of Ethics.

ARTICLE VIII

CODE OF ETHICS

SECTION 8.1. Disclosure Required. No Director, Officer, employee, or member of any committee or advisory board of the Corporation ("Interested Person") shall engage in any activity or acquire any business investment or financial interest, either directly or indirectly, which conflicts in any manner with the best interests of the corporation or which interferes with or impedes an Interested Person's ability to perform his or her duties in good faith and in the best interests of the Corporation unless

- i) the material facts as to such Interested Person's interest are disclosed in good faith or known to the Board or committee; and
- ii) the Board or committee authorizes or approves such contract or transaction by a vote sufficient for such purpose without counting the vote of the Interested Person.

Any contract or transaction entered into in violation of this provision shall be voidable by the Board.

SECTION 8.2. Guidelines. Without limiting anything in Section 8.1, the following shall be a violation of the Corporation's Code of Ethics unless fully disclosed and authorized or approved in accordance with this Article VIII:

- a. The ownership or acquisition, directly or indirectly, of any business investment or financial interest in any entity in which the Corporation holds an interest, or which has current or known prospective business dealings with the Corporation.

- b. The ownership or acquisition, directly or indirectly, of any interest in real property or personal property in which the Corporation holds an interest.
- c. The acceptance by any Interested Person or a member of his or her immediate family, directly or indirectly, of loans, subsidy payments or other financial assistance provided through any of the Corporation's programs.
- d. The solicitation or acceptance, either directly or indirectly, of any payment, loan, gift, gratuity, discount or other thing of value from any entity in which the Corporation holds an interest, or from any person or entity which has current or known prospective business dealings with the Corporation. The solicitation for, or acceptance of, a contribution by the Corporation from any person or entity shall not be deemed a business dealing. The solicitation or acceptance of any payments, loan, gift, gratuity, discount or other thing of value from any person or entity which is of nominal value (less than \$100) and within business practices shall not constitute a violation of this guideline.
- e. The diversion of any business opportunity of the Corporation, or the participation in any business opportunity with knowledge of the fact that such business opportunity has been or will be submitted or presented to the Corporation, whether or not the same is ultimately rejected by the Corporation.

SECTION 8.3. Procedures. If a conflict of interest is relevant to a matter requiring action by the Board or a committee, the Interested Person shall bring it to the attention of the Board or committee and shall provide all relevant information to the Board or committee. The Interested Person should not participate in the deliberation, decision or vote on the matter under consideration.

A copy of this Code of Ethics shall be given to each Director, Officer, and employee of the Corporation.

SECTION 8.4. Loans Prohibited. No loans, other than through the purchase of bonds, debentures, or similar obligations of the type customarily sold in public offerings, or through ordinary deposit of funds in a bank, shall be made by the Corporation to any Director or Officer, or to a corporation, firm, association or other entity in which a Director or Officer has a substantial financial interest, except a loan by the Corporation to another Type B Corporation.

ARTICLE IX

INDEMNIFICATION

SECTION 9.1. Indemnification and Defense. If a Director or Officer of the Corporation is made, or threatened to be made, a party to any action, suit, or proceeding, whether civil or criminal (including without limitation actions or proceedings of an administrative or investigative nature), in any matter arising from the fact that such person, his or her testator or intestate, was a director or officer of the Corporation, or served any other entity in any capacity at the request of the Corporation, the Corporation shall (a) promptly upon written request to the Corporation (submitted to the President or Secretary) by, or on behalf of, any Director or Officer therefor, undertake the defense of any such action or proceeding for the benefit of such Director or Officer, at the Corporation's expense, subject to the right granted to such Director or Officer hereby to select legal counsel of his or her reasonable choice and/or to participate in his or her own defense, and subject also to receipt of the undertaking specified by paragraph (c) of section 723 of the New York Not-For-Profit Corporation Law, to repay such amount as, and to the extent required by, paragraph (a) of section 725 of the New York Not-For-Profit Corporation Law, as such statutes may be amended; and (b) indemnify such Director or Officer against all sums paid by him or her in the way of judgements, fines, amounts paid in settlement and reasonable expenses, including attorneys' fees actually and necessarily incurred as a result of such action or proceeding, or any appeal therein, subject to the proper application of credit for any sums advanced to the Director or Officer pursuant to clause (a) of this paragraph.

Such right of indemnification shall be a contract right that may be enforced in any manner desired by such Director or Officer. Such right of indemnification shall not be exclusive of any other right that such Director or Officer may have or hereafter acquire. Without limiting the generality of the foregoing, such Director or Officer shall be entitled to his or her rights of indemnification under the Certificate of Incorporation, any agreement, resolution of members, resolution of Directors, provision of law or otherwise, as well as his or her rights under this bylaw.

The indemnification provided for in this Article IX may apply whether or not the claim asserted is based on matters which antedate the adoption of this Bylaw and may continue as to a person who has ceased to be a Director, officer, incorporator, employee, or agent and may inure to the benefit of the heirs and personal representatives of such a person.

SECTION 9.2. Insurance. The Corporation may purchase and maintain insurance to indemnify the corporation and its Directors and Officers, regardless of whether the Corporation is required to provide indemnity, to the extent not prohibited by law.

ARTICLE X

CONTRACTS, CORPORATE RECORDS AND FISCAL MATTERS

SECTION 10.1. Books and Records. The Corporation shall keep correct and complete books and records of account and shall keep minutes of the proceedings of the Board of Directors and of any committee, which the Directors may appoint. Any of the foregoing books, minutes or records may be in written form or in any other form capable of being converted into written form within a reasonable time.

SECTION 10.2. Bank Accounts. The Board of Directors may from time to time authorize the opening and maintenance of general and special bank accounts with such banks, trust companies or other depositories as the Board of Directors may designate or as may be designated by any officers of the Corporation to whom such power of designation may from time to time be delegated by the Board of Directors. The Board of Directors may make such special rules and regulations with respect to such bank accounts, not inconsistent with the provisions of these By-Laws, as it may deem expedient.

SECTION 10.3. Checks, Drafts, or Orders for Payment. All checks, drafts, or orders for the payment of money, notes or other evidences of indebtedness issued in the name of the corporation shall be signed by such officer or officers, agent or agents of the Corporation and in such manner as shall from time to time be determined by resolution of the Board. Except as otherwise provided in such resolution, such instruments shall be signed by any officer, provided that checks in an amount exceeding \$1,000 shall also be countersigned by any other officer.

SECTION 10.4. Contracts. The Board of Directors may authorize any Officer or Officers, agent or agents of the Corporation, in addition to the Officers so authorized by these By-laws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances.

SECTION 10.5. Corporate Seal. The corporate seal shall be in such form as the Board of Directors shall prescribe. The corporate seal on any corporate bond or other obligation for the payment of money may be a facsimile, engraved or printed, and shall not be required for the valid execution or delivery of any contract or instrument unless otherwise required by law.

SECTION 10.6. Fiscal Year. The fiscal year of the Corporation shall be January 1 to December 31 unless otherwise determined by the Board. The Corporation shall maintain records according to such special fiscal years as may be required by the Corporation's funding entities.

SECTION 10.7. Gifts. The Board, the President, or such additional officer or agent as the Board may designate, may accept on behalf of the Corporation any contribution, gift, bequest, or devise for the general purposes, or for any special purpose, of the Corporation.

ARTICLE XI

AMENDMENT OF BY-LAWS

SECTION 11.1. Amendment. These By-Laws and any amendment thereof may be amended or repealed and additional By-Laws may be adopted i) by action of the Board at any meeting of the Board of Directors at which a quorum is present by the vote of a majority of the whole number of the Directors, or by written action of all of the Directors or ii) by action of the Members at any meeting of the Members at which a quorum is present by the vote of a majority of the whole number of the Members, or by written action of all of the Members; provided, however, that if such action is taken by a majority of the Board or Members at a meeting other than the annual meeting, the form of any such amendment shall be provided to the Board and the Members not less than one week prior to such meeting.

ARTICLE XII

DISSOLUTION

SECTION 12.1. Disposition of Assets. In the event of dissolution, all of the remaining assets and property of the Corporation, after payment of necessary expenses thereof and payment or adequate provision for all known liabilities as may be required by law, shall be distributed to such of its Members as constitute Municipalities for public purposes consistent with its corporate purposes; provided that such distribution shall be subject to the approval of a Justice of the Supreme Court of the State of New York, and in any event shall be distributed in a manner consistent with the New York State Not-for-Profit Corporations Law and Section 501(c)(3) of the Code.

ARTICLE XIII

INTERPRETATION

SECTION 13.1. Interpretation. In the interpretation of these By-Laws, the masculine gender shall include the feminine and the neuter, and vice versa, as the context requires. The term "including" means "including, but not limited to". These By-Laws shall be interpreted in a manner consistent with the provisions of the Certificate of Incorporation and applicable law, and in the event that any provision of these By-Laws shall conflict with the Certificate of Incorporation or applicable law, the provisions of the Certificate of Incorporation or applicable law shall control.

STATE OF NEW YORK
SS:

COUNTY OF DUTCHESS

The undersigned Secretary of Northern Dutchess Alliance, Inc. hereby certifies that attached hereto is a true and complete copy of the By-Laws of the Corporation.

IN WITNESS WHEREOF, the undersigned has hereunto set his hand this 22nd day of March, 2000.

Raymon Oberly, Secretary