

**AMENDED AND RESTATED BY-LAWS**  
**OF**  
**THE TUXEDO LOCAL DEVELOPMENT CORPORATION**

**ARTICLE I – THE CORPORATION**

**SECTION 1 – NAME.**

The Corporation shall be known as "THE TUXEDO LOCAL DEVELOPMENT CORPORATION" (hereinafter, the "Corporation"), as established within that certain Certificate of Incorporation establishing the Corporation as filed with the New York Secretary of State on June 24, 2008 (the "Certificate").

**SECTION 2 – OFFICES.**

The principal office of the Corporation shall be located in the Town of Tuxedo, County of Orange, New York. 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 purposes for which the Corporation has been organized are as follows:

- (a) such purposes as are now or hereafter set forth in its Certificate;
- (b) charitable or public purposes of encouraging economic development, relieving and reducing unemployment, promoting and providing for additional and maximum employment, bettering and maintaining job opportunities, carrying on research and programs to aid the Town of Tuxedo by attracting new industries or by encouraging the development of, or retention of, an industry in the community, and lessening the burdens of government and acting in the public interest;
- (c) the purpose of obtaining Internal Revenue Code Section 501(c)(3) status;
- (d) the purpose of implementing the Tuxedo Hamlet Revitalization Fund (the "Fund") generated from the Special Permit issued by the Town of Tuxedo Town Board to R.H. Tuxedo Development, L.P., the predecessor in interest to Tuxedo Reserve Owner LLC ("TRO"), on November 15, 2004 for the Tuxedo Reserve Development ("Tuxedo Reserve"). The Fund has been included as an integral component of Tuxedo Reserve. One of the purposes of the Corporation is to have the responsibility for the implementation of the Fund and to implement its goals for revitalization of the downtown area of the Town of Tuxedo (the "Hamlet"). The Fund will be comprised of two (2) distinct funds: the Grant Fund and the Loan Fund, as herein described. The overall goal and objectives include:
  - (i) strengthening and expanding retail, services, and other activities that would provide for the needs of town residents and attract new shoppers, including transient traffic and tourists;
  - (ii) providing new housing, in varying formats;

- (iii) renewing and enhancing the streetscape and building facades of the Hamlet;
- (iv) improving pedestrian accessibility both to and within the Hamlet area, particularly across Route 17;
- (v) improving vehicular access and increasing parking in the Hamlet for both shoppers and commuters; and
- (vi) preserving the historic ambiance of the Hamlet and encouraging the reuse of historic buildings.

## **ARTICLE II – MEMBERSHIP**

### **SECTION 1 – COMPOSITION OF MEMBERSHIP.**

The sole Member of the Corporation shall be the Town of Tuxedo (the "Town") acting by and through the chief executive officer of the Town, the Town Supervisor, 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 of the rights and powers of corporate Membership created by the laws of the State of New York, the Certificate and the By-Laws of the Corporation.

### **SECTION 3. – ANNUAL MEETING OF THE MEMBER.**

The Member shall hold an annual meeting of the Member within ninety (90) days after 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. – SPECIAL MEETINGS OF THE MEMBER.**

Special meetings of the Member may be called at any time. Such request shall state the purpose or purposes for the proposed meeting. Business transacted at a special meeting shall be confined to the purposes stated in the notice of such special meeting; provided, however, if by unanimous consent of the Member present at such meeting elect to transact business not previously described in the aforementioned notice, then the Corporation may transact such other business.

#### SECTION 65. – PLACE OF MEETINGS; ORGANIZATION.

All membership meetings shall be held at the principal office of the Member or at such other convenient location as may be determined by the Member. At each membership meeting, the Member shall preside. The Secretary, or, in his or her absence, a person chosen by the Member, shall keep complete and accurate minutes of the meeting.

#### SECTION 7. – NOTICE OF MEMBERSHIP MEETINGS; WAIVERS

(a) Notice of each membership meeting shall state the purpose or purposes for which the meeting is called, the place, date and time of the meeting and, unless it is the annual meeting, shall indicate that it is being issued by or at the direction of the person or persons calling the meeting. Such notice shall be given either personally, by mail or e-mail to each Member not less than ten (10) nor more than fifty (50) days before the date of the meeting. If mailed, the notice is given when deposited in the United States mail, with postage thereon prepaid, directed to the Member at his or her address as it appears on the record of Member or, if he or she shall have filed with the Secretary a written request that notices be mailed to some other address, then directed to such other address.

(b) Formal notice of meeting need not be given to a Member if he or she executes a waiver of notice, either before or after the meeting. The attendance of a Member at a meeting, without protesting prior to the conclusion of the meeting the lack of notice of such meeting, shall constitute a waiver of notice.

#### SECTION 8. – QUORUM OF MEMBERS

(a) The presence of at least a majority of the Member shall constitute a quorum for the transaction of business at any annual or special membership meeting.

(b) A majority of the Member present at a meeting, whether or not a quorum is present, may adjourn any membership meeting to another time and place. Notice of the time and place of holding an adjourned meeting need not be given to an absent Member if the time and place is announced at the meeting adjourned.

#### SECTION 9. – ACTION BY THE MEMBERS

Each Member shall be entitled to their vote on each matter properly submitted to the Member for action at any meeting of the Member. Unless otherwise required by law or these By-Laws, the vote of a majority of the Member present at the time of a vote at a duly convened meeting, provided a quorum is then present, shall be the act of the Member.

#### SECTION 10. – PROPERTY RIGHTS OF MEMBERS

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. – MANAGEMENT OF THE CORPORATION.

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 five (5) as established within the Certificate. The Directors shall be appointed by the Member. The Board of Directors shall be comprised of two (2) members of the Town of Tuxedo Town Board, one (1) member of the Town of Tuxedo Planning Board, one (1) representative of the institutional lender which will be co-funding select projects within the Loan Fund, and one (1) to be designated by TRO. Persons with the following backgrounds shall be encouraged to be directors: architects, attorneys at law, and officers of not-for-profit organizations.

(b) The Directors shall exercise all rights of Directors as described herein and in the Certificate or any applicable resolution. As used in these By-laws, "the entire Board of Directors" means the total number of appointed Directors of the Corporation at the time of action by the Board.

(c) Except as otherwise provided herein, Directors shall hold office for a term of one (1) year.

(d) The President, 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.

(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) As soon as practicable and in compliance with Section 2825 of the Public Authorities Law, the majority of the Directors shall be Independent Directors, as such term is defined in paragraph (g) below.

(g) Independence. For the purposes of these By-Laws, an 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; and

(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.

(h) 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 Board of Directors, the President, or the Secretary. 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.

(b) Any Director may be removed from the Board wit for cause by vote of a majority of the Directors provided there is a quorum of not less than a majority of the entire Board present, and subject to the approval of the Member.

#### SECTION 4. - NEWLY CREATED DIRECTORSHIPS AND VACANCIES.

Newly created directorships resulting from an increase in the number of Directors, and vacancies occurring for any reason, shall be filled by the Member pursuant to Article III hereof, except that a vacancy in the Director's seat appointed by TRO shall be filled by TRO. In each case, such appointments shall be made as soon as practicable but in no event later than sixty (60) 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.

#### SECTION 5. - ANNUAL MEETING.

The annual meeting of the Board of Directors shall be held within ninety (90) days after end of each fiscal year at the principal office of the Corporation. 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 Members or the President 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 3 above.

#### SECTION 7. - SPECIAL MEETINGS AND NOTICE.

Special meetings of the Board of Directors may be called upon five (5) days' notice to the Directors, by the President, or by the Secretary upon written request of two (2) Directors. 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; provided, however, if by unanimous consent all of the Directors present at such meeting elect to transact business not previously described in the aforementioned notice, then the Directors may transact such other business.

#### 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.

The Board of Directors may hold its meetings at the office of the Corporation or at such place or places within or outside the State of New York as the Directors may from time to time by resolution determine.

#### SECTION 10. – OPEN MEETINGS

The Corporation is subject to Open Meetings Law, the Corporation 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 Freedom of Information Law, the Corporation 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. When a quorum is once present to organize a meeting, it shall not be broken by the subsequent withdrawal of any Director(s).

(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.

#### 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 Directors present at the time of the vote 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 shall mean the affirmative vote of a majority of the Directors present at the time of the vote at a duly convened meeting at which a quorum is present.

#### SECTION 16. - ORGANIZATION.

At each meeting of the Board of Directors, the President, or, in his or her absence, a Chairperson chosen by a majority of the Directors 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 and Finance 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 principles 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 Board of Directors shall have the power to establish, appoint, or dissolve committees, including the power to appoint or remove the chairman of a committee, as may be deemed necessary or expedient for properly conducting the affairs of the Corporation. All committees shall be subject to the control and direction of the Board of Directors and shall make such reports from time to time as the Board of Directors may request. 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. The purpose of Standing Committees will be to advise the Board of Directors and Standing Committees shall not have the authority to bind the Corporation. 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 a Community Aesthetics and Tourism Committee, as well as the following Committees:

Executive Committee. There shall be an Executive Committee consisting of the Board Officers of Chairman, Vice Chairman, Treasurer and Secretary that under direction of the Chairman shall consider and oversee ongoing programming and meeting agenda items for consideration by the Board of Directors.

Audit and Finance Committee. There shall be an Audit and Finance Committee consisting of at least a majority of Independent members, 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 consisting of at least a majority of Independent members, 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 Members and Directors on the skills and experience required of potential Directors.

(c) Membership on Standing Committees may include individuals who are not Directors of the Corporation.

#### 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 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. – QUALIFICATIONS.

All officers must also be Directors of the Corporation.



SECTION 2. – PRESIDENT; TREASURER; OTHER OFFICERS.

The Corporation shall have a President, one or more Vice-Presidents, a Treasurer, and a Secretary and other officers and assistant officers as the Board of Directors may determine. The offices of 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 3. - 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 4. - 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 Treasurer and Acting Secretary, and any other position established by the Board of Directors from time to time.

SECTION 5. - 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 6. - RESIGNATION.

Any officer may resign at any time by giving written notice to the Board of Directors, the President, or the Secretary; provided, however, the President 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 President 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 7. - VACANCIES.

In the event of a vacancy in any office, the President shall appoint a successor to fill the unexpired portion of the term, with the exception of the office of the president, whose unexpired term shall be filled by the Vice-President.

SECTION 8. – PRESIDENT/CHIEF EXECUTIVE OFFICER.

The Board of Directors shall appoint the President by resolution. The President shall be the Chief Executive Officer of the Corporation and shall generally supervise all affairs of the Corporation, preside at all meetings of the Members and the of the Board of Directors, and see that all orders and resolutions of the Board of Directors are carried into effect. The President shall perform such other duties as may be assigned to him or her from time to time by the Board of Directors.

SECTION 9. – VICE-PRESIDENT.

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 of the powers and functions of the President. Each Vice-President shall perform such other duties as the Board of Directors shall prescribe.

SECTION 10. –SECRETARY.

It shall be the duty of the Secretary to supervise the preparation of minutes of all meetings of the Members 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 Member of the Corporation, Directors and officers and their residence addresses. The Secretary 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. 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 Chief Executive Officer. From time to time, the Board of Directors may employ or contract with an appointed 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 11. – TREASURER.

The Board of Directors shall appoint the Treasurer by resolution. It shall be the duty of the Treasurer 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 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 Board of Directors may elect. The Treasurer, when duly authorized by the Board of Directors, shall sign and execute all contracts in the name of the Corporation, when countersigned by the President; the Treasurer 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 countersigned by the President. The Treasurer shall at all times exhibit books and accounts of the Corporation to any Director upon application at the office of the Corporation during ordinary business hours. The Treasurer shall perform such other duties as may be assigned to him or her by the Board of Directors, or the President.

#### SECTION 12 – ASSISTANT TREASURER.

During the absence or disability of the Treasurer, the assistant-Treasurer, if shall have been elected by the Board of Directors, shall have the powers and functions of the Treasurer.

#### SECTION 13 – ASSISTANT SECRETARY.

During the absence or disability of the Secretary, the assistant-Secretary, if shall have been elected by the Board of Directors, shall have the powers and functions of the Secretary.

### **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 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 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 – THE FUNDS

#### SECTION 1. – CONTRIBUTIONS.

The Fund will be Six Million Dollars (\$6,000,000.00) fund by TRO or its affiliate. The Fund will be comprised of two (2) distinct funds:

(a) Grant Fund: Two Million Dollars (\$2,000,000.00) in direct grant funds to be used entirely for infrastructure and physical beautification improvements within the Hamlet; and

(b) Loan Fund: Four Million Dollars (\$4,000,000.00) in revolving funds to be used for commercially viable new construction, rehabilitation, and leasehold improvement projects within the Hamlet.

#### SECTION 2. – OTHER SOURCES.

The Corporation, as authorized by the Board of Directors, may seek, obtain, and manage other sources of funding. Such other sources of funding may be utilized by the Corporation for grants or loans for projects, which in the opinion of the Corporation, benefits the Town of Tuxedo, regardless of whether there is a benefit to the Hamlet.

#### SECTION 3. – USE OF FUNDS.

The terms for the requisition and use of the Grant Fund and the requisition, use and repayment of the Loan Fund, shall be in accordance with the terms of the Corporation's Operating Agreement, as may be amended.

### ARTICLE VIII – 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) a current list of the full name set forth in alphabetical order and last known mailing addresses of each Member, Director and officer of the Corporation; (2) a copy of the Certificate and all amendments thereto, together with executed copies of any powers of attorney pursuant to which the Certificate or any such amendment has been executed; (3) a copy of the Corporations' federal, state, and local income or information tax returns and reports for the three (3) most recent Fiscal Years; (4) a copy of these By-laws, including all amendments thereto; (5) minutes and statements of written action by the Members; (6) minutes of the proceedings of the Board of Directors and its committees; (7) the Corporation's books and records of accounts, including the financial statements,

which shall be open to inspections by the Members or their agents at reasonable times; and (8) files for all applications and for all grants or loans made. The foregoing items shall be subject to inspection and/or audit at any time by or at the direction of the Board of Directors.

### SECTION 3. - INDEMNIFICATION.

(a) The Corporation, its receiver or its trustee shall pay all judgments and claims against, and shall indemnify and save harmless any of its directors, officers, employees or any affiliates (hereinafter a "Person") from any liability or damage incurred by reason of any act performed or omitted to be performed by any of them in connection with the operations of the Corporation, including reasonable attorneys' fees incurred by any of them in connection with the defense of any action based on any such act or omission, as permitted by law. If a claim for indemnification (other than for expenses incurred in a successful defense) is asserted against the Corporation by a Person entitled to indemnification under these Bylaws or otherwise, the Corporation shall, unless counsel advises that the matter has been settled by controlling precedent in favor of such indemnification, submit to the Board of Directors, exclusive of any person effected, the question of whether such indemnification is required.

(b) Pending the resolution of any claim for indemnification in accordance with the provisions of paragraph (a) of this Article, the Corporation may pay all sums necessary to defray out-of-pocket costs of any Person entitled to indemnification hereunder (including reasonable attorney's fees) in the defense or settlement of any action or claim subject to indemnification hereunder; provided, however, within ten days after any final determination is made that such Person shall not be entitled to indemnification hereunder, such Person shall repay to the Corporation any sums so advanced on behalf of any such Person.

(c) Notwithstanding paragraphs (a) and (b) of this Article, no Person shall be entitled to indemnification hereunder for, or a defense with respect to, any liability imposed by law, for fraud, bad faith, willful neglect, gross negligence, a criminal act.

### 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 Members 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 the Member, Director, or Officer, or to any other company, corporation, firm, association or other entity in which one or more of the Members, Directors or Officers of the Corporation are members, director or officers or hold a substantial financial interest.

## ARTICLE IX - MISCELLANEOUS

### SECTION 1. – NOTICE.

(a) Notices to the Corporation shall be sent to the Principal Office of the Corporation.

(b) Notices to the Member shall be sent to its addresses set forth on Schedule A. The Member may require notices to be sent to a different address by giving notice in accordance with this Section.

(c) Any notice or other communication required or permitted hereunder shall be in writing, and shall be deemed to have been given with receipt confirmed if and when delivered personally, given by prepaid telegram or mailed first class, postage prepaid, delivered by courier, or sent by facsimile, to such Members at such address.

### SECTION 2. – HEADINGS.

All Article and section headings in these Bylaws are for convenience of reference only and are not intended to qualify the meaning of any Article or section.

### SECTION 3. – BINDING AGREEMENT.

These Bylaws shall be binding upon, and inure to the benefit of, the parties hereto, their successors, heirs, legatees, devisees, assigns, legal representatives, executors and administrators, except as otherwise provided herein.

### SECTION 4. - SAVING CLAUSE.

If any provision of these Bylaws, or the application of such provision to any person or circumstance, shall be held invalid, the remainder of these Bylaws, or the application of such provision to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby. If the operation of any provision of Bylaws would contravene the provisions of any applicable law, such provision shall be void and ineffectual.

### SECTION 5. - GOVERNING LAW.

These Bylaws shall be governed by and construed in accordance with the laws of the State of New York.

### SECTION 6. - GENERAL INTERPRETIVE PRINCIPLES.

For purposes of these Bylaws, except as otherwise expressly provided or unless the context otherwise requires:

(a) the terms defined in these Bylaws include the plural as well as the singular, and the use of any gender herein shall be deemed to include the other gender;

(b) accounting terms not otherwise defined herein have the meanings given to them in the United States in accordance with generally accepted accounting principles;

(c) references herein to "Sections", "paragraphs", and other subdivisions without reference to a document are to designated Sections, paragraphs and other subdivisions of these Bylaws;

(d) a reference to a paragraph without further reference to a Section is a reference to such paragraph as contained in the same Section in which the reference appears, and this rule shall also apply to other subdivisions;

(e) the words "herein", "hereof", "hereunder" and other words of similar import refer to these Bylaws as a whole and not to any particular provision; and the term "include" or "including" shall mean without limitation by reason

## ARTICLE X – CONSTRUCTION

If there be any conflict between the provisions of the Certificate and these Bylaws, the provisions of the Certificate shall govern.

## ARTICLE XI – AMENDMENTS

These By-Laws may be amended, repealed or adopted only by a super-majority of the entire Board of Directors of the Corporation. Notice of the proposed change, including a copy of the text of the proposed amendment shall be made to each Director at least ten (10) days prior to the date of the meeting at which the action thereon is to be taken.

## ARTICLE XII - 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 XIII - RULES OF ORDER

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