

**BYLAWS OF THE
DOWNTOWN TROY BUSINESS IMPROVEMENT DISTRICT, INC.**

*Mission Statement: to cultivate the economic growth and development of the
Downtown Troy community by creating an increasingly inviting, dynamic and
sustainable environment that celebrates the City's history while
building towards its future.*

ARTICLE I - MEMBERSHIP

Section 1: Classes and Qualification

Downtown Troy Business Improvement District, Inc. (the "Corporation") shall have three classes of membership:

- (a) **Class A.** Owners of record of assessed real commercial property in the district described in the Downtown Troy Business Improvement District Plan (the "Plan") for the Central Business District (the "District") of the City of Troy as the same may be amended, as approved by the City Council of the City of Troy, or such other persons as are registered with the City of Troy to receive real property tax bills for property located in the District, shall be Class A members of the Corporation, and shall be allocated one Class A vote for each separate and individually assessed parcel of real property owned.
- (b) **Class B.** Tenants who are occupants within the District pursuant to leases of commercial space in which they have no ownership interests shall be Class B members of the Corporation. Each separate leasehold shall be allocated one Class B vote.
- (c) **Class C.** The persons serving from time to time by virtue of their appointment as Municipal, County, University, Chamber of Commerce or residential representatives shall be Class C members of the Corporation. Each Class C member shall have one vote, and shall not have a vote as a Class A or Class B member, if otherwise qualified.
- (e) **Termination of Membership.** Membership in the Corporation shall be terminated (a) if the member is an individual of a Partnership, upon the death or resignation of the individual member or partner of the Partnership or, (b) if such member is a corporation, upon the dissolution or liquidation of such corporation. Additionally, (i) Class A membership shall terminate when the Class A member is no longer the owner of record or the person

registered with the City of Troy to receive real property tax bills for real property located in the District or the member becomes delinquent in paying his or her tax obligation for property within the District; and (ii) Class B membership shall terminate when the Class B member is no longer a tenant in the District; (iii) Class C membership shall terminate when the Class C member is no longer a Director of the Corporation.

Section 2: Meetings of the Members

The initial meeting of the membership will be held as soon as practical after the State Comptroller approves the Business Improvement District Plan. In subsequent years, there shall be an annual meeting of the members of the Corporation in April for receiving annual reports of officers, directors and committees, election of directors and the transaction of other business.

Section 3: Special Meetings

The President, Board of Directors or Executive Committee at their discretion may call special meetings of the members. Special meetings shall be called by the President at the written request of members entitled to cast ten percent (10%) of the total number of membership votes of either Class A or Class B members. No business, other than that specified in the notice of meeting, shall be transacted at any special meeting of the members of the Corporation.

Section 4: Notice of Meetings

Notice of meetings of the members shall be mailed to the last recorded address of each member at least then (10) days and not more than forty (40) days before the time appointed for the meeting. All notices of meetings shall set forth the place, date, time and, except for the annual meeting, the purpose of the meeting. Notice of meetings may also be electronically sent to members, at their discretion.

Section 5: Quorum

A quorum at meetings of the membership shall consist of thirty (30) voting units (defined as individual members and/or proxies) of which at least thirty percent (30%) are members of Class A and at least thirty percent (30%) are members of Class B. A lesser number may adjourn a meeting from time to time to a future date not less than six (6) nor more than thirty (30) days later. The Secretary shall thereafter mail notice of adjournment at least three (3) days before the adjourned meeting to each member who was absent at the adjourned meeting. When counting to determine a quorum for membership meetings, proxy votes count toward the total. Members with multiple votes, such as class "A" owners of multiple tax parcels, shall have all of their votes counted toward a quorum. Any meeting of the membership shall consist of least 25 voting persons.

Section 6: Proxies and Absentee Votes

Every member of the Corporation entitled to vote at any meeting may vote by proxy. Proxies shall be in writing and revocable at the pleasure of the member executing the same. Except as otherwise provided by law, all elections and all questions coming before any meeting of the members shall be decided by a majority vote of the votes cast at the meeting.

Absentee votes for Board elections must be submitted to the Election Committee no later than five (5) days before a Board election.

Section 7: Order of Business

The order of business at a meeting of the Corporation shall be as follows:

- (a) Taking of the roll.
- (b) Reading of minutes.
- (c) Receiving communications.
- (d) Election of Directors at annual meeting or special meeting called for that purpose.
- (e) Reports of officers.
- (f) Reports of committees.
- (g) Unfinished business.
- (h) New business.

The order of business may be altered or suspended at any meeting by a majority of the members present. The President of the Board shall be the Chairman of the meetings including the annual meeting.

Section 8: Elections

- (a) An election shall be held for all Directors representing Class A and Class B members whose terms have expired at the annual meeting. A Nominating Committee appointed by the President shall nominate a slate of candidates. Any other member who may wish to be a candidate must file a petition containing the signatures, names and addresses of at least twenty (20) property owners in the District if seeking to be a Class A Director. Twenty (20) commercial tenants' signatures, names and

addresses in the District must be gathered if seeking to be a Class B Director.

- (b) The report of the Election/Nominating Committee and all petitions must be fully submitted to the Committee at least thirty (30) days prior to the annual meeting on forms to be provided by the Committee. The Elections/Nominating Committee shall decide all questions and objections to the petition. The list of eligible candidates and the Notice of the Annual Meeting and Election shall be mailed to each owner and tenant no later than ten (10) days before the annual meeting.
- (c) The Election/Nominating Committee shall conduct all membership elections and shall be the final arbiter as to the validity of any vote cast, and the results of the election. Members shall vote only for candidates representing their Membership Class. In the event of a tie, the Election/Nominating Committee shall announce this at the meeting and the tie will be broken by a run off election to be conducted as soon as the Election Committee determines that it is prepared to conduct such an election, which shall be limited to those candidates that were tied.

Section 9: Census

A yearly census of all property owners and tenants shall be conducted prior to March first (1st) of each year so as to reasonably reflect all owners and tenants as of March first (1st) of each year. Only those listed on the yearly census shall be eligible to vote, except that any new memberships established after the census date may register with the Corporation office within five (5) days before the annual election.

Section 10: Associate Members

Associate members may be named by the Board to represent supportive community interests who may not otherwise be eligible for membership in Class A, B, or C. Associate members may have one vote on any committee to which they may be appointed, but may not hold Board seats, unless set forth in these bylaws.

ARTICLE II - BOARD OF DIRECTORS

Section 1: Management

The property, affairs, business and concerns of the Corporation shall be vested in, managed and controlled by the Board of Directors, with each Director having one vote.

Section 2: Number

The number of Directors of the Corporation shall be twenty (20) as follows:

- (a) One (1) shall be chosen by the Mayor of the City of Troy and shall be a Class C Director.
- (b) One (1) shall be chosen by the Chief Financial Officer of the City of Troy and shall be a Class C Director.
- (c) One (1) shall be chosen by the President of the City Council of the City of Troy and shall be a Class C Director.
- (d) One (1) shall be chosen by the Rensselaer County Executive and shall be a Class C Director.
- (e) One (1) shall be chosen by the President of the Board, approved by majority vote of the full Board and shall be an Associate Member residential tenant of the Business Improvement District and shall be a Class C Director.
- (f) Nine (9) shall be owners or representatives of owners of real commercial property located within the Business Improvement District and shall be Class A Directors.
- (g) Three (3) shall be commercial tenants or representatives of commercial tenants of the Business Improvement District who shall be Class B Directors.
- (h) One (1) shall be chosen by the President of Rensselaer Polytechnic Institute and shall be a Class C Director.
- (i) One (1) shall be chosen by the President of the Sage Colleges and Shall be a Class C Director.
- (j) One (1) shall be chosen by the President of the Rensselaer County Regional Chamber of Commerce and shall be a Class C Director.

Section 3: Term

At the annual meeting of the Corporation, Directors shall be elected for the following terms: three (3) members who are from Class A and one (1) member from Class B shall be elected for one (1) year terms. Three (3) members who are from Class A and one (1) member from Class B shall be elected for two (2) year terms. Three (3) members who are from Class A and one (1) member from Class B shall be elected for three (3) year terms. Thereafter, all Class A and Class B directors shall be elected for three (3) year terms. Class C members shall serve at the pleasure of the individual who appoints them. No elected Director shall serve for more than two (2) consecutive (3) year terms. A person having served two (2) consecutive three (3) year terms shall become eligible for election as Director after two (2) years have lapsed since the end of their service. The

Directors whose terms are to expire shall be qualified to vote on all matters until their successors are qualified. A Director's office shall become vacant if the Director, or his or her designee, ceases to be a member of the Class she or he represents.

Section 4: Election

Directors shall be chosen at the Corporation's annual meeting. The new Directors shall take office at the annual reorganization meeting.

Section 5: Meetings

- (a) **Reorganization.** The Board of Directors shall hold its annual reorganization meeting at a stated time and place within seven (7) days following the annual meeting of the members of the Corporation.
- (b) **Regular Meetings.** Regular meetings by the Board may be held upon five (5) days notice in writing or by telephone or e-mail. The regular meeting schedule shall be determined by resolution of the Board and posted at the office of the Corporation. An agenda of each meeting shall also be posted at the office of the Corporation.
- (c) **Special Meetings.** Special meetings of the Board shall be held upon the request of the President or any three (3) Directors and at such meetings any business of the Corporation specified in the notice may be transacted. Notice of each special meeting of the Board of Directors shall be given personally, by telephone, or by e-mail to each Director at least three (3) days before the day of the meeting or by mail at least seven (7) days before the day of the meeting. Notice shall state the business to be transacted, and the time and place the meeting is to be held.
- (d) **Executive Session.** The Board may temporarily adjourn a regular or special meeting and convene an Executive Session, with only Directors present, in order to discuss BID personnel matters and contracts, and to discuss confidential real estate and business matters of members' businesses or prospects. Upon conclusion of the Executive Session, the Board shall report a summary or conclusion of its proceedings.

Meetings of the Board of Directors may be held in such place as may be determined from time to time by the Board of Directors and be open to all members of the Corporation and the public.

Proxies shall not be legal or permitted at any meeting of the Board of Directors.

Section 6: Quorum and Voting

A quorum at meetings of the Board shall be a majority of those Directors currently holding office.

All votes, unless specified elsewhere in these bylaws or in Article 19-A of the General Municipal Law, shall be by simple majority of those present and voting, except for the following subjects where a majority of all Directors currently holding office is required:

- (a) The approval of non-budgeted expenditures over \$2,500
- (b) The appointment of the Executive Director
- (c) The approval of any contract with a value of \$10,000 or more.

Section 7: Waiver of Notice of Meetings

Any Director may waive notice of any meeting of the Board of Directors in writing before or after the meeting.

Section 8: Consent of the Directors Without Meeting

Any action required or permitted to be taken by the Board of Directors or a committee thereof may be taken without a meeting if all members of the Board or committee consent in writing to the adoption of a resolution authorizing the action. The resolution and the written consents thereto by the members of the Board or committee shall be filed with the minutes of the Board or committee. (Refer to exception for executive committee in Article IV, Section 3.)

Section 9: Meeting by Telephone Conference

One or more members of the Board of Directors or any committee thereof may participate in a meeting of the Board of Directors or committee by means of a telephone conference or similar communications equipment that allows all persons participating in the meeting to hear each other at the same time. Participation by such means shall constitute presence in person at a meeting.

Section 10: Vacancies, Resignations and Removal

Any Director may resign at any time and any such resignation shall be effective upon delivery thereof in writing to the Corporation without necessity for acceptance by the Board. The Board may remove any Director at any time for cause by a two-thirds (2/3) vote of the total voting power of the Board. The Board shall fill vacancies in Board seats elected by the Class A and B members as soon as practicable. The proper authority shall appoint those vacancies occurring from the Class C members. A Director elected to fill a

vacancy shall serve the remaining term of his predecessor as outlined in Section three (3) above.

Section 11: Order of Business

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

- (a) Taking of the roll.
- (b) Input from membership and public.
- (c) Approval of the minutes.
- (d) Election and appointment of any Directors and officers.
- (e) Reports of officers.
- (f) Reports of committees.
- (g) Unfinished business and any necessary resolutions.
- (h) New business and resolutions.
- (i) Miscellaneous.

Section 12: Petition for Removal of Directors

Class A and Class B members may submit to the Board a petition signed by fifty-one percent (51%) of their respective members to recall and replace a named Board member with a named replacement, both of whom must be of their Class of membership. Class C Board members may be recalled and replaced at any time by the authority which appointed them.

Section 13: Change in Status of Representatives of Real Property

If a representative of an owner of real property located within the Business Improvement District is elected to the Board of Directors, pursuant to Article II, Section 2, of the bylaws, the status of that representative on the Board shall not be affected by any withdrawal of the designation of that representative by the owner of the real property who initially designated that person as the owner's representative, nor will that person's status of the real property owner who designated that representative (by death of that owner, divestment of all real property owned by that owner in the District, or by any other reason). Notwithstanding this provision, where the owner of the real property withdraws the designation of that individual as his or her representative of otherwise dies, divests himself or herself of all real property within the District, or for any other reason is no longer considered an owner or real property in the District, then the Board of Directors

may remove that owner's representative as a Director by a two-thirds (2/3) vote of the total voting power of the Board without cause.

ARTICLE III - OFFICERS AND OTHER PERSONNEL

Section 1: Officers

The Board of Directors shall elect officers from class A and B membership of the Board at its annual reorganization meeting required under Section Five (5); including a President, one or more Vice-Presidents, a Secretary and a Treasurer. The Board may also appoint such other officers as the Board may from time to time determine.

Section 2: Duties and Powers of Office

- (a) **President.** The President shall be Chairperson of the Board and shall be charged with the supervision of the administration of its business and affairs subject to the direction of the Board of Directors.
- (b) **Vice-President.** The Vice-President shall, in the absence of the President, perform the functions and have the power and duties of the President. The Vice-President shall have other powers and perform such other duties as may from time to time be prescribed by the Board.
- (c) **Secretary.** The Secretary shall keep the minutes of all meetings of the Board and the membership meetings and shall perform all other duties usual to the office.
- (d) **Treasurer.** The Treasurer shall perform all of the duties as customary to that office and shall serve as custodian of any funds delegated to him or her. The Treasurer or such other officer shall sign such checks and vouchers that may be necessary for the conduct of affairs of the Corporation or officers or employees of the Corporation as may be authorized from time to time by resolution of the Board of Directors.

Section 3: Compensation of Directors

No Director may be an employee of the Corporation. Any transactions in excess of \$500 between the Corporation and a Director or business interest of a Director shall avoid the existence of or appearance of a conflict of interest. In the event that such a transaction may exist and is determined to be in the best interests of the Corporation, the Board of Directors must approve it by a two-thirds (2/3) majority vote of all Directors currently holding office. They must document the transaction with an explanation of its benefit to the Corporation, the alternatives that were considered and why those alternatives were not chosen. A statement to this effect shall be filed with the Board minutes at the time

the Board of Directors approves the transaction. Any resolution for continuance of this compensation and payments shall require ratification at the next annual meeting of the members.

Section 4: Election of Officers

The Board of Directors shall elect the officers of the Corporation at the annual reorganizational meeting of the Board except any vacancies that may be filled at any regular or special meetings. All officers shall hold office until the next annual meeting of the Board and until their successors have been elected and shall qualify unless removed from office prior thereto by action of the Board. Vacancies resulting from such removal action by the Board if from the death or resignation of officers shall be promptly filled by the Board.

Section 5: Bond of the Treasurer

The Treasurer shall, if required by the Board of Directors, give the Corporation such security for the faithful discharge of his duties as the Board may direct. The cost of any such security shall be borne by the Corporation.

Section 6: Removal of Officers

Any officer may be removed from office for any reason with a two thirds vote of the entire board of directors. Any officer so removed will still remain a member of the board of directors unless other specific actions are taken to remove the individual from the board.

ARTICLE IV - COMMITTEES

Section 1: Standing Committees, Special Committees and Committees of the Corporation

The President may appoint from among its members standing committees, each to consist of at least one (1) Director. Special committees on any subject in which there are no standing committees may also be created from among the members by resolution adopted by a majority of the entire Board. Each committee shall have such authority of the Board as may be delegated to it as set forth in the resolution adopted by the Board. Each committee shall keep minutes of proceedings and report to the Board. A Director must chair each committee. Each committee member shall have one vote.

Section 2: Standing Committees

The standing committees of the Board shall be as follows:

- (a) Executive/Finance
- (b) Marketing/Special Events
- (c) Business Retention and Development
- (d) Beautification
- (e) Elections/Nominating

Section 3: Executive/Finance Committee

The Corporation shall have an Executive Committee consisting of the officers of the Corporation. This committee shall perform the functions of the Board of Directors in the management of affairs of the Corporation during the intervals between meetings of the Board.

All action taken by the Executive committee shall be reported at the next meeting of the Board. The Executive committee shall not have the authority as to the following matters:

- (a) Any action specifically required by the Certificate of Incorporation, the Bylaws or the Not-For-Profit Corporation Law to be taken by the full Board of Directors.
- (b) The filling of vacancies in the Board of Directors.
- (c) The amendment or repeal of any resolution by the Board which by its terms shall not be so amendable or repealable.

The Executive Committee shall prepare an annual budget for the District, which shall be submitted to the Board of Directors for approval. It shall also review financial reports prepared by the Treasurer of the Corporation and shall review and make recommendations with respect to the financial affairs of the Downtown Troy Business Improvement District, Inc.

Section 4: Election/Nominating Committee

Candidates standing for election shall not be members of the Election/Nominating committee.

Section 5: Marketing/Special Events, Beautification and Business Retention and Development Committees

The Board of Directors shall establish these committees as soon as practicable after the organization meeting and shall provide from member representation that best serves the mission of the BID in the respective program areas. The responsibilities of these committees will be to develop, direct and oversee these programs as generally described in the BID Plan.

Section 6: Other Committees

The Board may establish other committees to provide direction, recommendations, guidance and evaluation in various program areas. They may seek recommendations and reports from Executive staff regarding needs, opportunities and progress in each primary program area, and make recommendations to the Board for approval of new and revised programs and policies of the Corporation.

Section 7: Constituting Committees

All committees shall be constituted by the chair of the committee, with the exception of the election/nominating, and executive/finance committees. Committee chairs should seek committee members from all classes of the organization and interested community partners.

ARTICLE V - INDEMNIFICATION

To the fullest extent permitted by law, by the purchase of Directors and Officers insurance the Corporation shall indemnify each natural person, or if deceased, his personal representative made or threatened to be made a party to any action or proceeding, civil or criminal, including an appeal therein against the reasonable expenses, attorney's fees, judgments, fines and amounts paid in settlement if such person is made or threatened to be made a party by reason of the fact that he is or his testator or intestate is or was: (1) an officer, Director or employee of the Corporation, or (2) an officer, Director or employee of or served in any capacity in any other enterprise, at the request of this Corporation, provided that in case of a person serving as an employee or in any other capacity in any other corporation, partnership, joint venture, trust or other enterprise, that such person was at the time so designated to serve by this Corporation, an employee of this Corporation, or (3) the occupant of a position or a member of a committee or Board or a person of a position or a member of a committee or Board or a person having responsibilities under federal or state law, including but not limited to responsibilities under the Employee Retirement Income Security Act of 1974, who was appointed to or served in or assumed the responsibility of such position or to such committee or Board or at the request or direction of the Board of this Corporation or by an officer of this Corporation, provided only that such person acted in good faith for a purpose which he

reasonably believed would be in the best interest of the Corporation or in the case of service for any other corporation or any partnership, joint venture, trust, employee benefit plan or other enterprise, not opposed to the best interests of this Corporation, and, in criminal proceedings, had no reasonable cause to believe that his conduct was unlawful.

The Corporation's obligations under this Article shall be reduced by the amount of any insurance which is available to any such person whether such insurance is purchased by the Corporation or otherwise. The right of indemnity created herein shall be personal to the officer, Director, employee or other person and their respective legal representatives and in no case shall any insurance carrier be entitled to be subrogated to any rights created herein.

ARTICLE VI - ANNUAL REPORT

At the Annual Meeting of members, the Board shall present a report, verified by the President and Treasurer or by a majority of the Directors and certified by an independent public accountant or a firm of such accountants selected by the Board, showing in appropriate detail:

- (a) The assets and liabilities, including trust funds, of the Corporation as of the end of the fiscal year proceeding the date of such meeting;
- (b) The principal changes in the assets and liabilities of the Corporation, including trust funds, during such fiscal year;
- (c) The revenue or receipts of the Corporation both restricted and unrestricted to particular purposes, during such fiscal year;
- (d) The expenses or disbursements of the Corporation as of March first (1st), together with a statement of increase or decrease in such number during such fiscal year, and a statement of the place where the names and places of residence of current members may be found; and
- (e) The total assessed values of all real estate that is included in the Business Improvement District.
- (f) The amounts and descriptions of transactions entered into by the Corporation with any Director or business interest of a Director and the statements filed with Board minutes at the time of approval of such transactions.

Such report shall be filed with the records of the Corporation and either an abstract or a copy thereof entered in the minutes of the proceedings of the annual meeting of members.

ARTICLE VII - CONSULTANTS, INDEPENDENT CONTRACTORS AND EMPLOYEES

Pursuant to this Bylaw provision, the Board may, at its discretion, retain an Executive Director who shall be an employee of the Corporation and be delegated responsibility as determined by the Board of Directors. Executive Director responsibilities shall be spelled out in a job description that shall be approved or modified by the board of directors.

The Executive Director shall be responsible for the day to day management of the corporation, including, but not limited to, retention and management of staff, consultants and independent contractors within the parameters of the annual budget and work plan. The Executive Director shall prepare an annual work plan for approval by the board of directors that outlines the activities to be undertaken in a given year. The work plan shall be consistent with and related to the annual budget of the corporation.

The board of directors shall approve and periodically review policies pertaining to the corporation.

The work plan and budget can be amended throughout the year with board approval.

ARTICLE VIII - GIFTS AND INVESTMENTS

The Board may accept gifts on behalf of the Business Improvement District to be disposed as the Board of Directors chooses. The Board shall have the power to make investments of the funds of the Corporation and to change the same and sell, from time to time, any part of the securities owned by the Corporation or any rights or privileges that may accrue thereon.

ARTICLE IX - CONTRACTS, CHECKS AND OTHER INSTRUMENTS

The Board may authorize (4) officers or employees of the Corporation, in the name of or on behalf of the Corporation, to enter into any contract or to execute and to deliver any instrument, or to sign checks, drafts, endorsements, notes or other evidences of indebtedness of the Corporation. Such authority may be general or confined to specific instances, but unless so authorized by the Board or by these Bylaws, no officer or employee of the Corporation shall have the power or authority to bind the Corporation by any contract or engagement or to render it pecuniary liable for any purpose or for any amount. More specific policies and procedures will be outlined by the Finance Committee.

ARTICLE X - MISCELLANEOUS

Section 1: Fiscal Year

The fiscal year of the Corporation shall be the calendar year.

Section 2: Procedure

The most recent edition of Robert's Rules of Order to the extent not provided herein shall govern procedure of meetings of the Corporation.

Section 3: Certificates

The Board may cause to be issued certificates, cards or other instruments permitted by law evidencing membership in the Corporation. Such membership certificate, card or other instrument shall be non-transferable, and a statement to that effect shall be noted on the certificate, card or other instrument. Membership certificates, cards or other instruments, if issued, shall bear the signatures or facsimile signatures of an officer or officers designated by the Board. In lieu of issuing cards or certificates, the Board may maintain a register of all property owners and tenants, as can reasonably be determined, to suffice.

ARTICLE XI - AMENDMENTS

These Bylaws may be added to, amended or repealed in whole or in part by a two-thirds (2/3) vote of the Board of Directors of the corporation..