



**DOWNTOWN BUSINESS
IMPROVEMENT DISTRICT**

**DOWNTOWN TROY
BUSINESS IMPROVEMENT DISTRICT, INC.**

BY-LAWS

Adopted December 16, 2016

**DOWNTOWN TROY BUSINESS IMPROVEMENT DISTRICT, INC.
BY-LAWS**

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DOWNTOWN TROY BUSINESS IMPROVEMENT DISTRICT, INC. BY-LAWS

ARTICLE I – PURPOSES

Section 1: Purpose.

The purposes for which this Corporation is organized are those set forth in the Certificate of Incorporation and any amendments to said articles.

Section 2: Mission.

The Downtown Troy Business Improvement District, Inc. (the “BID”) cultivates and advocates the economic growth of Downtown Troy by creating an inviting, dynamic, and sustainable community that celebrates the City’s history while building towards its future. The BID is dedicated to improving the quality of life within the District to further enhance and make our community a vibrant, attractive destination for visitors, businesses, residents, property owners, the daily workforce, and students.

Section 3: Limitations.

The BID is organized exclusively for one or more of the purposes as specified in Section 501(c) (3) of the Internal Revenue Code. The BID is not formed for pecuniary profit or for financial gain. No part of the net earnings of the BID shall inure to the benefit of, or be distributable to its members, trustees, officers, or other private persons, except that the BID shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes. Notwithstanding any other provision of these articles, the BID shall not carry on any other activities not permitted to be carried on (a) by a corporation exempt from federal income tax under section 501(c) (3) of the Internal Revenue 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 Internal Revenue Code, or the corresponding section of any future federal tax code.

Upon the dissolution of this BID, assets shall be distributed for one or more exempt purposes within the meaning of section 501(c) (3) of the Internal Revenue Code (or corresponding section) of any future federal tax code, or shall be distributed to the Federal government, or to a state or local government, for a public purpose. Any such assets not so disposed of shall be disposed of by the Court of Competent Jurisdiction of the county in which the principal office of the BID is then located, exclusively for such purposes or to such organization or organizations, as said Court shall determine, which are organized and operated exclusively for such purposes."

Section 4. Classes of Members

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

(a) Class A Member. 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 Member. Tenants, who are an individual, sole proprietorship, partnership, corporation, limited liability company or limited liability partnership, and who are occupants pursuant to leases of commercial space within the District, shall be Class B members of the Corporation provided such persons have applied for membership.

(c) 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 commercial tenant in the District.

ARTICLE II – MEMBERSHIP

Section 1: Meetings of the Members.

There shall be an annual meeting of the members of the Corporation in May for receiving annual reports of officers, directors and committees, election of directors and the transaction of other business.

Section 2: 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 3: 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 4: 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) or 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 5: 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 6: 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 7: Elections.

(a) At the annual meeting, an election shall be held to replace all Class A Directors and Class B Directors whose terms have expired. 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 Class A and Class B member 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 8: Census.

A yearly census of all property Class A and Class B members 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 9: 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 III - DIRECTORS

Section 1: Function.

All corporate powers, business, and affairs will be exercised, managed and directed under the authority of the board of directors (whether defined as directors, managers or trustees in the Articles of Incorporation).

Section 2: Qualification.

The board of directors shall consist of not fewer than five (5) directors, but no more than twenty (20) directors. Directors may vote at any duly called meeting of the BID.

Section 3: Classes of Directors.

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

(a) Class A Director. 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 Director. Tenants, who are an individual, sole proprietorship, partnership, corporation, limited liability company or limited liability partnership, and who are occupants pursuant to leases of commercial space within the District, shall be Class B members of the Corporation provided such persons have applied for membership.

(c) Class C Director. 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.

(d) Termination of Director. A Director in the Corporation shall be terminated (a) if the Director is an individual of a Partnership, upon the death or resignation of the individual member or partner of the Partnership or, (b) if such Director is a corporation, upon the dissolution or liquidation of such corporation. Additionally, (i) Class A Director shall terminate when the Class A Director 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 Director shall terminate when the Class B Director is no longer a commercial tenant in the District; (iii) Class C Director shall terminate when the Class C Director is no longer a Director of the Corporation.

Section 4: Presumption of Assent.

A director of the BID who is present at a meeting of the board of directors or a committee of the board of directors when corporate action is taken is deemed to have assented to the action taken unless:

- a.) Such Board member objects, at the beginning of the meeting or promptly upon arrival, to holding the meeting or transacting specified affairs at the meeting; or
- b.) Such director votes against or abstains from the action taken.

Section 5: 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 6: 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 resident 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 7: Term.

At the annual meeting of the Corporation, Directors shall be elected for the following terms:

- 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 one (1) year has 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.

Section 8: Vacancies.

Any vacancy occurring on the board of directors may be filled by the affirmative vote of 2/3 of the entire board. A director elected or appointed to fill a vacancy shall be elected or appointed for the unexpired term of his predecessor in office. Any directorship to be filled by reason of an increase in the number of directors may be filled by the board of directors, but only for a term of office continuing until the next election of directors. A vacancy that will occur at a specific later date, by reason of a resignation effective at a later date, may be filled before the vacancy occurs; however, the director may not take office until the vacancy occurs.

Section 9: Removal and Resignation of Directors.

Section 9.1: Removal.

Any member of the board of directors may be removed from office by a 2/3 vote of the entire board of directors when, in its judgment, the best interest of the BID may be served (i.e. consecutive unexcused absences from meetings). The notice of a meeting of the board to recall a board member or members of the board of directors shall state the specific director(s) sought to be removed. Any such proposed removal of a director at a meeting shall be made by separate vote for each board member sought to be removed. Any director removed from office shall turn over to the board of directors within 48 hours any and all records of the BID in his/her possession.

Section 9.2: Resignation.

A director may resign at any time by delivering written notice thereof to the President of the board of directors. Such a resignation is effective when the notice is delivered unless a

later effective date is specified in such notice. If a resignation is made effective at a later date, the board of directors may fill the pending vacancy before the effective date if the board of directors provides that the successor does not take office until the effective date.

Upon removal or notice of resignation of a Class C seat, the appointed position shall revert to the designated Class C member authorized to appoint a new representative of said institution, organization or agency and seat shall be re-appointed within thirty (30) days of notice.

Section 10: 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 11: Notice. Time and Call of Meetings.

Regular meetings of the board of directors will be held with notice on such dates as are designated by the board of directors. Written notice of the time and place of special meetings of the board of directors will be given to each director either by personal delivery, e-mail or first class mail.

Notice of a meeting of the board of directors need not be given to any director who signs a waiver of notice either before or after the meeting. Neither the business to be transacted nor the purpose of regular or special meetings of the board of directors need be specified in the notice or waiver of notice of such meeting.

A majority of the directors present, whether or not a quorum exists, may adjourn any meeting of the board of directors to another time and place. Notice of any such adjourned meeting will be given to the directors who were not present at the time of the adjournment.

Meetings of the board of directors may be called by the Executive Director, or the President of the BID board. Meetings **must** be called by the Executive Director or President of the Board, if at least five (5) Board Members request a meeting be called and make such request in writing to the Executive Director and/or President.

Section 12: Actions by the Board.

Section 12.1: Actions by the Board at a Meeting.

The act of a majority of the directors present at a meeting at which a quorum is present will be the act of the board of directors, unless the action requires a majority vote of the entire board.

Actions requiring a 2/3 majority of the entire board include:

- a.) The amendment of the corporate By-laws;
- b.) The election of Officers and/or directors;
- c.) The removal of Officers and/or directors;
- d.) Purchase/sale of Real Property.
- e.) Approval of contractual agreements that are equal to or greater than \$10,000 in value;
- f.) Approval of contractual agreements that is equal to or greater than 12 months in term.

Any one or more members of the board or of any committee thereof who is not physically present at a meeting of the board or a committee may participate by means of a conference telephone or similar communications equipment or by electronic video screen communication.

Participation by such means shall constitute an “in-person” presence at a meeting as long as all persons participating in the meeting can hear each other at the same time and each director can participate in all matters before the board, including, without limitation, the ability to propose, object to, and vote upon a specific action to be taken by the board or committee.

Section 12.2: Actions by the Board without a Meeting.

Any action required or permitted to be taken by the board or any committee thereof may be taken without a meeting if all members of the board or the committee consent to the adoption of a resolution authorizing the action. Such consent may be written or electronic. If written, the consent must be executed by the director by signing such consent or causing his or her signature to be affixed to such consent by any reasonable means including, but not limited to, facsimile signature. If electronic, the transmission of the consent must be sent by electronic mail and set forth, or be submitted with, information from which it can reasonably be determined that the transmission was authorized by the director. The resolution and the written consents thereto by the members of the board or committee shall be filed with the minutes of the proceedings of the board or committee. Such consent will have the same effect as a unanimous vote.

Section 12.3: Participate by Telephone.

One or more persons may participate in a meeting of the Board by means of telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. Participation in a meeting pursuant to this section shall constitute presence at such meeting.

Section 13: Interested Directors and Related Party Transactions.

The BID may not enter into any related party transaction unless the transaction is determined to be fair and reasonable and in the BID's best interest at the time of such determination. The BID shall adopt and maintain a policy for the approval or disapproval of Related Party Transactions and said policy shall be deemed to be incorporated herein.

ARTICLE IV - OFFICERS

Section 1: Officers.

The Election of Officers of the BID shall be elected annually and will consist of a President, Vice-President, Secretary, and Treasurer.

A Director shall serve on the Board for a period of one (1) year prior to being eligible to serve as an officer.

If a vacancy shall occur for an Officer position, the President of the Board shall have the authority to appoint a successor upon the approval of a simple majority of the entire board.

Section 2: Duties.

The officers of the BID will have the following duties:

- a.) The President shall be the Board President of the BID who generally and actively oversees the business and affairs of the BID subject to the directions of the board of directors. Said officer will preside at all meetings of the Board of directors;
- b.) The Vice-President will in the event of the absence or inability of the president to exercise his office, become acting president of the BID with all the rights, privileges and powers as if said person had been duly elected the President;
- c.) The Secretary will oversee staff and ensure that they maintain all of the corporate and financial records. Furthermore, said person will record the minutes of all meetings of the members and board of directors, send all notices of meetings and perform such other duties as may be prescribed by the board of directors or the president. Furthermore, said officer shall be responsible for authenticating records of the Association;
- d.) The Treasurer shall retain oversight of all corporate funds, financial records, and disbursements and render accounts thereof at the annual meetings of members and whenever else required by the board of directors or the president, and perform such other duties as may be prescribed by the board of directors or the president.

Section 3: Removal and Resignation of Officers.

An officer elected may be removed by a 2/3 vote of the board of directors, when in its judgment, the best interest of the BID may be served.

Any officer may resign at any time by delivering written notice to the President. Said resignation is effective upon delivery unless the notice specifies a later effective date. If a resignation is made effective at a later date and the BID accepts the future effective date, the BID board of directors may fill the pending vacancy before the effective date if the board of directors provides that the successor does not take office until the effective date of the pending vacancy.

Section 4: Term of Office.

All officers shall be elected and serve a one (1) year term, and may serve for three (3) consecutive terms in the same office.

Section 5: Election of Directors.

The Executive Committee, consisting of the President, Vice President, Secretary, Treasurer, shall be elected annually at the Annual Meeting.

ARTICLE V – COMMITTEES

Section 1: Standing Committees.

The Standing Committees of the BID are: Executive Committee, Finance Committee, Audit Committee, and the Governance Committee.

Each committee must consist of no fewer than three (3) directors;

- a.) Members of standing committees shall be appointed by the Board President for a one (1) year term or, in the case of appointments due to vacancy(ies), from the time of appointment, and ending on May 31st;
- b.) The Chair of the Finance Committee shall be the Treasurer;
- c.) The Chairs of all other standing committees shall be annually appointed by the Board President from the members of the committee for a term beginning at the time of the appointment and ending on May 31st;
- d.) The Executive Director is an 'ex officio' member of all standing committees herein provided or created by future action of the Board President and/or the board of directors.

Section 2: Other Committees.

The Board President and/or the board of directors have the authority to establish such other committees as may be necessary from time to time. Each committee shall consist of at least 3 directors.

- a.) Members of Special Committees shall be appointed by the Board President, for a term beginning at the time of the appointment and ending at the close of the fiscal year, or sooner if the special committee work is completed.
- b.) The chairs of special committees shall be appointed from the committee membership for a term beginning at the time of the appointment and ending at the close of the fiscal year.
- c.) The Executive Director is an 'ex officio' member of all other committees herein provided or created by future action of the Board President and/or the board of directors.
- d.) Other Special Committees shall include, but may not be limited to:
 - i. Marketing and Member Services
 - ii. Business Development and Retention
 - iii. Public Services/Beautification\
 - iv. Special Events

Section 3: Executive Committee.

The board of directors shall designate an Executive Committee and may delegate to such committee the powers and authority of the board in the management of the business and affairs of the BID, to the extent permitted, and, except as may otherwise be provided, by provisions of law.

The Executive Committee shall have, and may exercise, all the powers of the Board between meetings of the Board, except that it shall not have authority to:

- a.) Fill vacancies in the Board or in any Committee.
- b.) Amend or repeal these By-Laws, or adopt new By-Laws.
- c.) Amend or appeal any resolution of the Board unless, by its terms, such resolution is so amendable or repealable.
- d.) Purchase or sell property.

The Executive Committee shall consist of the four (4) officers.

Section 4: Finance Committee.

The Finance Committee shall provide financial oversight for the BID, including budgeting and financial planning, financial reporting, and the creation and monitoring of internal controls and accountability policies. In addition the committee shall also:

- a.) Review budgets initially prepared by the Treasurer and Finance Committee, to help develop appropriate procedures for budget preparations (such as meaningful involvement by staff), and on a consistency between the budget and the BID's plans;
- b.) Report to the board any financial irregularities, concerns, opportunities;

- c.) Recommend financial guidelines to the board (such as to establish a reserve fund or to obtain a line of credit for a specified amount);
- d.) Work with staff to design financial reports and ensure that reports are accurate and timely;
- e.) Oversee short and long-term investments, unless there is a separate investments committee; and
- f.) Advise the executive director and other appropriate staff on financial priorities and information systems, depending on committee member expertise.

Section 5: Audit Committee.

The Audit Committee shall oversee the accounting and financial reporting processes of the BID and the audit of the BID's financial statements. It will also oversee the preparation of IRS Form 990 and seek board approval for its filing annually.

The Audit Committee shall also oversee the adoption, implementation of, and compliance with any conflict of interest policy and whistleblower policy adopted by the BID. Only independent directors may participate in any deliberations by this committee or voting relating to matters set forth herein.

Section 6: Governance Committee/By-Laws Committee.

The governance committee is responsible for ongoing review and recommendations to enhance the quality and future viability of the board of directors. The work of the committee revolves around the following five major areas:

1. Board Role and Responsibilities
 - a.) Leads the board in regularly reviewing and updating the board's statement of its roles and areas of responsibility, and what is expected of individual board members;
 - b.) Assists the board in periodically updating and clarifying the primary areas of focus for the board, shapes the board's agenda for the next year or two -- based on the strategic plan.
2. Board Composition
 - a.) Leads in assessing current and anticipated needs related to board composition, determining the knowledge, attributes, skills, abilities, influence, and access to resources the board will need to consider in order to accomplish future work of the board;
 - b.) Develops a profile of the board as it should evolve over time;
 - c.) Identifies potential board member candidates and explores their interest and availability for board service;
 - d.) Where appropriate, nominates individuals to be elected as members of the board;
 - e.) In cooperation with the board chair, contacts each board member to assess his or her continuing interest in board membership and term of service and works with each board member to identify the appropriate role he or she might assume on behalf of the BID.

3. Board Knowledge
 - a.) Designs and oversees a process of board orientation, including gathering information prior to election as board member and information needed during the early stage of board service;
 - b.) Designs and implements an ongoing program of board information and education.

4. Board Effectiveness
 - a.) Initiates periodic assessment of the board's performance. Proposes, as appropriate, changes in board structure and operations;
 - b.) Provides ongoing counsel to the board chair and other board leaders on steps they might take to enhance board effectiveness;
 - c.) Regularly reviews the board's practices regarding member participation, conflict of interest, etc., and suggests improvements as needed;
 - d.) Periodically reviews and updates the board's policy guidelines and practices.

5. Board Leadership
 - a.) Takes the lead in succession planning, taking steps to recruit and prepare future board members;
 - b.) Nominates board members for election as board officers.

Section 7: Ad-Hoc Committees.

The BID shall have such other committees as may from time to time be designated by resolution of the board of directors. These committees must consist of at least three board members and may consist of persons who are not also members of the board and shall act in an advisory capacity to the board.

Section 8: Meetings and Action of Committees.

Meetings and action of committees shall be governed by, noticed, held, and taken in accordance with the provisions of these bylaws concerning meetings of the board of directors, with such changes in the context of such bylaw provisions as are necessary to substitute the committee and its members for the board of directors and its members, except that the time for regular and special meetings of committees may be fixed by resolution of the board of directors or by the committee. The board of directors may also adopt rules and regulations pertaining to the conduct of meetings of committees to the extent that such rules and regulations are not inconsistent with the provisions of these bylaws.

Section 9: Action by a Committee without a Meeting.

Whenever under the Not-For-Profit Corporation Law a committee is required or permitted to take any action by vote, such action may be taken without a meeting if all committee members consent in writing to the adoption of a resolution authorizing such action. The

resolution and the written consent thereto by the members of the committee may be done by electronic means and shall be filed with the minutes of its proceedings.

Section 10: Quorum and Manner of Acting.

Unless otherwise provided by resolution of the board or these By-Laws, a committee must have no fewer than three members who are board members present. A majority of all members of a committee shall constitute a quorum for the transaction of business, and the vote of a majority of all of the committee members of such committee in attendance shall be the act of the committee.

**ARTICLE VI – EXECUTION OF INSTRUMENTS,
DEPOSITS AND FUNDS**

Section 1: Execution of Instruments.

The board of directors, except as otherwise provided in these bylaws, may by resolution authorize any officer or agent of the BID to enter into any contract or execute and deliver any instrument in the name of and on behalf of the BID, and such authority may be general or confined to specific instances. Unless so authorized, no officer, agent, or employee shall have any power or authority to bind the BID by any contract or engagement or to pledge its credit or to render it liable monetarily for any purpose or in any amount.

Section 2: Checks and Notes.

Checks, drafts, promissory notes, orders for the payment of money, and other evidence of indebtedness of the BID equal to or greater than \$2,500.00 shall be signed by the Executive Director and a member of the Executive Committee. Checks, drafts, promissory notes, orders for the payment of money, and other evidence of indebtedness of the BID, less than \$2,500.00 shall be signed by the Executive Director.

Section 3: Deposits

All funds of the BID shall be deposited from time to time to the credit of the BID in such banks, trust companies, or other depositories as the board of directors may select.

Section 4: 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 5: Gifts.

The Executive Director may accept on behalf of the BID any contribution, gift, bequest, or devise for the nonprofit purposes of this BID.

ARTICLE VII - BOOKS AND RECORDS**Section 1: Corporate Records.**

The BID shall keep as records Minutes of all meetings of board of directors, and committees. Furthermore, the BID will maintain the following records in written form or in another form capable of conversion into written form within a reasonable time: (i) Accurate accounting records; (ii) A copy the BID's articles of incorporation and all amendments thereto currently in effect; (iii) A copy of the BID's Bylaws or restated Bylaws and all amendments thereto currently in effect; (iv) Minutes of all meetings and records of all action taken by members without a meeting for the past three years; (v) A list of the names and business street, or home if there is no business street address, of current directors and officers.

Section 2: 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 VIII - EMERGENCY POWERS AND EMERGENCY BYLAWS

The board of directors of the BID may adopt Bylaws to be effective only in an emergency. An emergency exists if a quorum of the Association's directors cannot readily be assembled because of some catastrophic event. The emergency Bylaws may make all provisions necessary for managing the BID during an emergency, including procedures for calling a meeting of the board of directors, quorum requirements for the meeting, and designation of additional of substitute director(s). The board of directors, either before or during any such emergency may provide, and from time to time modify lines of succession if during such emergency any or all officers or agents of the BID are for any reason rendered incapable of discharging their duties. All provisions of the regular Bylaws consistent with the emergency Bylaws remain effective during the emergency. The emergency Bylaws are not effective after the emergency ends. Actions taken by the BID in good faith in accordance with the emergency bylaw have the effect of binding the BID and may not be used to impose liability on a corporate director, officer, employee, or agent. In anticipation of or during any emergency, the board of directors may modify lines of succession to accommodate the incapacity of any director, officer, employee of agent; relocate the principal office or designate alternative principal offices of regional offices or authorize the officers to do so. Unless emergency Bylaws otherwise provide, it is hereby provided that:

- a.) Notice of a meeting of the board of directors need be given only to those directors who it is practicable to reach and may be given in any practicable manner;
- b.) One or more officers of the BID present at a meeting of the board of directors may be deemed to be directors of the meeting in order of rank and within the same rank in order of seniority as necessary to achieve a quorum; and
- c.) The director or directors in attendance at a meeting or any greater number affixed by the emergency Bylaws constitute a quorum.

Corporate action taken in good faith during an emergency described herein to further the ordinary affairs of the BID bind the BID and may not be used to impose liability on a corporate director, office employee or agent. An officer, director or employee acting in accordance with any emergency Bylaws is only liable for willful misconduct.

ARTICLE IX - DISTRIBUTION AND COMPENSATION

Section 1: Dividends.

No dividend may be paid, nor any part of the income or profit of the BID, may be distributed to its members, directors, or officers.

Section 2: Compensation.

The BID may pay compensation in a reasonable amount to its staff, directors or officers for services rendered, and upon dissolution or final liquidation, may make distributions as permitted under New York Law. Any such payment, benefit, or distribution does not constitute a dividend or distribution of income or profit.

ARTICLE X- TRANSACTION OF BUSINESS

Section 1.

The BID shall make no purchase of real property, nor sell, mortgage, lease away or otherwise dispose of its real property, unless authorized by a vote of two-thirds of the board of directors. Unless otherwise restricted by these Bylaws, no vote or consent of the members shall be required to make effective such action by the Board.

Section 2.

Whenever the lawful activities of the BID involve, among other things, the charging of fees or prices for its services or products, it shall have the right to receive such income and, in so doing, may make incidental revenue. All such incidental revenues shall be applied to the maintenance and operation of the lawful activities of the BID, and in no case shall be divided or distributed in any manner whatsoever among the directors or officers of the BID.

ARTICLE XI - MISCELLANEOUS PROVISIONS

Section 1.

The fiscal year of the BID shall be January 1- December 31.

ARTICLE XII- INDEMNIFICATION

Section 1.

The BID shall indemnify each person who is or was a Trustee, Director, Officer, or Employee of the BID, or of any other corporation which he/she served as such at the request of the BID, against any and all liability and reasonable expenses that may be incurred by him/her in connection with or resulting from any claim, action, suit or proceeding (whether brought by or in the right of the BID or such other corporation or otherwise), civil or criminal, or in connection with an appeal relating thereto, in which he/she may become involved, as a party or otherwise, by reason of his/her being or having been a trustee, director, officer, or employee of the BID or of such other corporation, or by reason of any past or future action taken or not taken while in his/her capacity as such trustee, director, officer or employee, whether or not he/she continues to be such at the time such liability or expense is incurred, provided such person acted in good faith in what he/she reasonably believed to be the best interests of the BID or such other corporation, as the case may be and, in addition, in any criminal action or proceeding, where he/she had no reasonable cause to believe that his/her conduct was unlawful. As used in this Article, the terms "liability" and "expense" shall include, but shall not be limited to, counsel fees and disbursements and amounts of judgments, fines, or penalties against, and amounts paid in settlement by, a trustee, director, officer or employee, other than amounts paid to the BID itself or to such other corporation served at the BID's request.

The BID shall not indemnify any person if a judgment, or other final adjudication, adverse to any Indemnified Person, including any Director, Officer or Key Employee as that term is defined by the Not-for-Profit Corporation Law of New York State, establishes, or the board of

directors in good faith, or a Committee of the Board thereof, determines, that such person's acts were committed in bad faith or were the result of willful or intentional conduct, active and deliberate dishonesty and were material to the cause of action so adjudicated or that he/she personally garnered any financial profit or other advantage to which he/she was not legally entitled.

Section 2.

The termination of any claim, action, suit or proceeding, civil or criminal, by judgment, settlement (whether with or without court approval) or conviction, or upon a plea of guilty or of nolo contendere, or its equivalent, shall not create a presumption that a trustee, director, officer or employee did not meet the standards of conduct set forth in the first sentence of this Article, except where there shall have been a judgment rendered specifically finding that the action or conduct of such trustee, director, officer or employee constituted gross negligence or misconduct.

Section 3.

Any such trustee, director, officer or employee referred to in this Article who has been wholly successful, on the merits or otherwise, with respect to any claim, action, suit or proceeding of the character described herein shall be entitled to indemnification as of right. Except as provided in the preceding sentence, any indemnification hereunder shall be made at the discretion of the BID, but only if (1) the board of directors, acting by a quorum consisting of directors who are not parties to (or who have been wholly successful with respect to) such claim, action, suit or proceeding, shall find that the trustee, director, officer or employee has met the standards of conduct set forth in the first sentence of this Article, or (2) independent legal counsel (who may be the regular counsel of the BID) shall deliver to it their written advice, that, in their opinion, such trustee, director, officer or employee has met such standards. Expenses incurred with respect to any such claim, action, suit or proceeding may be advanced by the BID prior to the final disposition thereof upon receipt of an undertaking by or on behalf of the recipient to repay such amount unless it shall ultimately be determined that he/she is entitled to indemnification under this Article. The rights of indemnification provided in this Article shall be in addition to any rights to which any person concerned may otherwise be entitled by contract as a matter of law, and shall inure to the benefit of the heirs, executors and administrators of any such person.

ARTICLE XIII- PROHIBITION AGAINST SHARING IN CORPORATE EARNINGS

Section 1.

The BID is formed exclusively for purposes for which a corporation may be formed under Section 501(c) of the Internal Revenue Code (or the corresponding section of any future federal tax code) and not for pecuniary or financial gain.

Section 2.

No part of the assets, income or profit of the BID shall be distributable to, or inure to the benefit of, its members, directors or officers, except to the extent, if any, under the Non-Profit Corporation Law and Section 50 of the Internal Revenue Code.

Section 3.

The BID shall not operate any listing service for its members, or take steps which will serve to facilitate the transaction of specific business by its members or promote the private interest of any member, or engage in any activities which would constitute a regular business of a kind ordinarily carried on for profit.

Section 4.

Upon the dissolution of the BID, no member, director or officer shall be entitled to any distribution of its remaining assets, rather its assets shall be distributed to such organizations as are exempt under the provisions of Section 501(c) of the Internal Revenue Code (or corresponding section of any future federal tax code), as may have an exempt purpose similar to the purposes for which this corporation is organized.

Section 5.

No part of the activities of the BID shall be carrying on propaganda, or otherwise attempting to influence legislation, or participating in, or intervening in, (including the publication or distribution of statements) any political campaign on behalf of any candidate for public office.

ARTICLE XIV - 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 XV - AMENDMENTS**Section 1.**

Bylaws may be adopted, amended or repealed by a majority vote of the entire board of directors.

Adopted this 16th day of December, 2016

ATTEST:

/s/



, Secretary

I certify the foregoing to be the true and correct Bylaws of the Downtown Troy Business Improvement District BID, Inc.

APPENDIX A

By-Laws and Corporate Policy Definitions

1. Charitable Corporation.

Any Not-for-Profit Corporation formed, or deemed to be formed, for charitable purposes, including those formerly considered by the Not-for-Profit Corporation Law to be Type “B” or “C” Corporations, as well as former Type “D” with charitable purposes.

2. Non-Charitable.

Any Not-for-Profit Corporation formed, or deemed to be formed, for other than the purposes of a Charitable Corporation, including, but not limited to one formed for any one, or more of the following non-pecuniary purposes: civic, patriotic, political, social, fraternal, athletic, agricultural, horticultural, or animal husbandry, or for the purpose of operating a professional, commercial, industrial, trade or service association, including those formerly considered by the Not-for-Profit Corporation Law to be Type “A” Corporations, as well as former Type “D” with Non-Charitable purposes.

3. Related Party.

A “Related Party” means (i) any Director, Officer or Key Employee of the Corporation, or any Affiliate; (ii) any Relative of any Director, Officer or Key Employee of the Corporation, or any Affiliate; or (iii) any entity in which any individual described in clauses (i) and (ii) herein has a thirty-five percent (35%) or greater ownership or beneficial interest or, in the case of a partnership or professional corporation, a direct or indirect ownership interest in excess of five percent (5%).

4. Affiliate.

An “Affiliate” of the Corporation means any entity controlled by, in control of, or under common control with, the Corporation.

5. Director.

A “Director” means any member of the governing board of the Corporation, whether designated as director, trustee, manager, governor, or by any other title.

6. Commercial Tenant.

An agreement between a landlord and a business outlining terms and conditions of a property rental. A commercial lease is specific to renters using the property for business or other commercial purposes versus residential use.

7. Officer.

An “Officer” means any director, trustee, manager, governor, or by any other title, any individual holding an office of the Corporation identified in the Certificate of Incorporation and/or By-Laws.

8. Key Employee.

A “Key Employee” means any person who is in a position to exercise substantial influence over the affairs of the Corporation.

9. Relative.

A “Relative” of an individual means his or her spouse, domestic partner, ancestors, brothers and sisters (whether whole or half-blood), children (whether natural or adopted), grandchildren, great-grandchildren, and spouses or domestic partners of brothers, sisters, children, grandchildren and/or great-grandchildren.

10. Related Party Transaction.

A “Related Party Transaction” means any transaction, agreement or any other arrangement in which a Related Party has a financial interest and in which the Corporation, or any Affiliate, is a participant. The assessment of, and any determination concerning, any Related Party Transaction, must be considered in strict compliance with the adopted policies and procedures of the Corporation.

11. Simple Majority.

A majority in which the highest number of votes cast for any one candidate, issue, or item exceeds the second-highest number, while not constituting an absolute majority.

11. Entire Board.

The “Entire Board” means the total number of Directors entitled to vote which the Corporation would have if there were no vacancies. If the By-Laws provide that the board of directors shall consist of a fixed number of Directors, then the “Entire Board” shall consist of that number of Directors. If the By-Laws provide that the Board may consist of a range between a minimum and maximum number of Directors, then the “Entire Board” shall consist of the number of Directors within such range that were elected as of the most recently held election of Directors.

12. Independent Director.

An “Independent Director” means a Director who:

i. is not, and has not been within the last three (3) years, an employee of the Corporation or an Affiliate of the Corporation and does not have a Relative who is, or has been within the last three (3) years, a Key Employee (as defined by these By-Laws) of the Corporation or an Affiliate;

ii. has not received, and does not have a Relative who has received, in any of the last three (3) fiscal years, more than ten thousand dollars (\$10,000) in direct compensation from the Corporation or an Affiliate (other than reimbursement for expenses reasonably incurred as a Director or reasonable compensation for service as a Director if permitted by statute and regulation; and,

iii. is not a current employee of or does not have a substantial financial interest in, and does not have a Relative who is a current Officer of or has a substantial financial interest in, any entity that has made “payments” to, or received “payments” from, the

Corporation or an Affiliate of the Corporation for property or services in an amount which, in any of the last three (3) fiscal years, exceeds the lesser of twenty-five thousand dollars (\$25,000) or two percent (2%) of such entity's consolidated gross revenue. For purposes of this definition the term "payments" does not include charitable contributions.

13. Independent Auditor.

An "Independent Auditor" means any Certified Public Accountant performing the audit of the financial statements of the Corporation who is not, nor is any member of his/her firm, an Officer, Director, employee or volunteer of the Corporation or has a Relative who is such an individual.

APPENDIX B

Troy BID Boundaries and Map

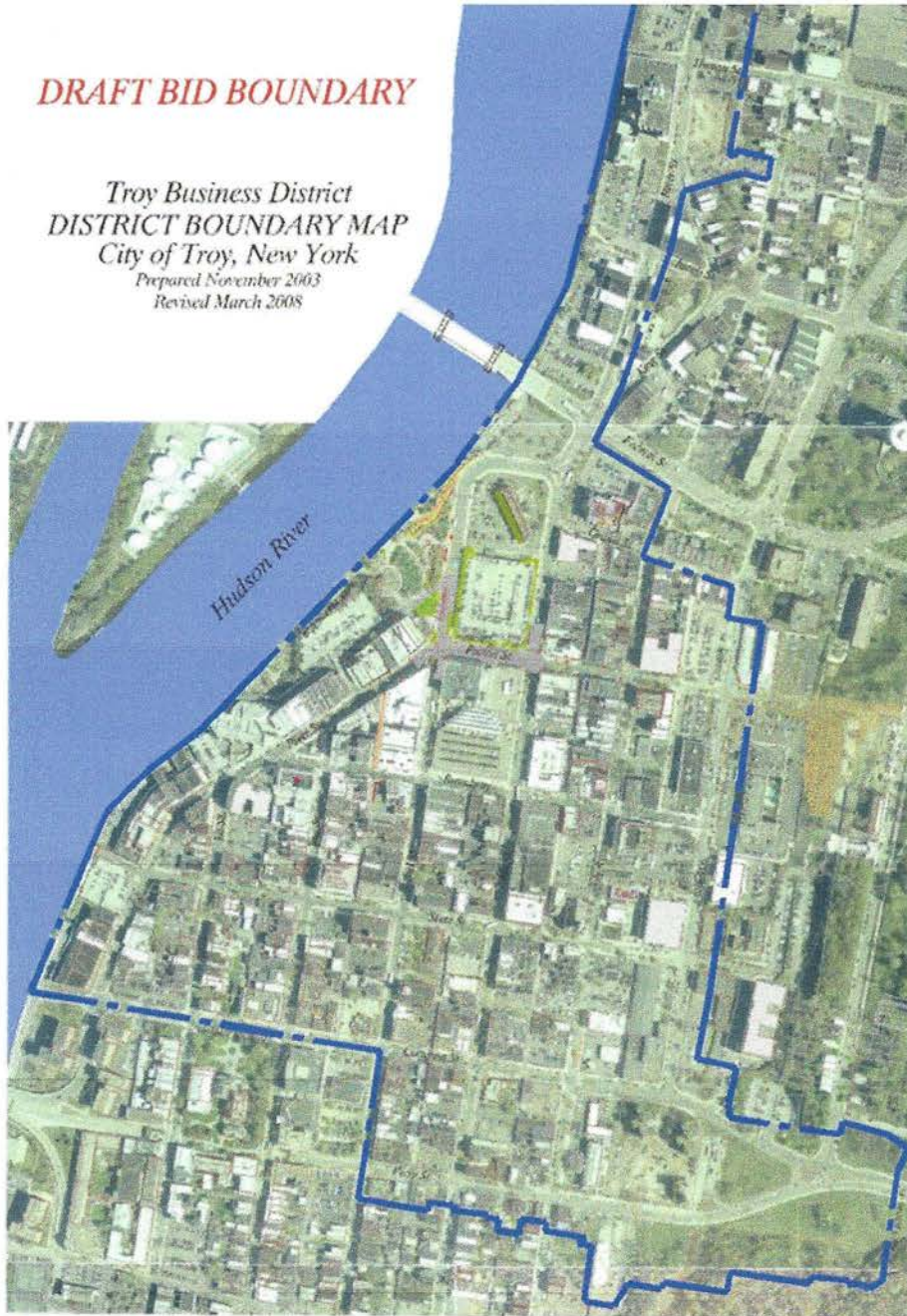
The Troy Business Improvement District will encompass Troy's Downtown Business District and several secondary areas.

All commercial properties within the BID boundary are included within the BID unless otherwise noted:

- North: River Street from Hoosick to Federal Street.
Federal Street from River Street east to Fifth Avenue; south to Grand Street; east to Sixth Avenue. Properties bordering the south side of Federal Street are included, those on the north side are excluded; properties bordering the south side of Grand Street are included, those on the north side are excluded.
- East: Sixth Avenue from Grand Street to Congress Street; east to 8th Street; All properties bordering Sixth Avenue are included.
- South: 8th Street at Congress Street west to 3rd Street at Ferry Street, then north to Congress Street, then west to the Hudson River; Properties bordering the south side of Ferry Street, between 8th Street and 3rd Street, are included; properties bordering the east side of Third Street are included, properties on the west side are excluded; properties bordering the north side of Congress Street between Third Street and the Hudson River are included, properties on the south side are excluded.
- West: The Hudson River from Congress Street to Hoosick Street at the Collar City Bridge. The accompanying map delineates the boundaries as described above.

DRAFT BID BOUNDARY

*Troy Business District
DISTRICT BOUNDARY MAP
City of Troy, New York
Prepared November 2003
Revised March 2008*



*Prepared by
Troy Downtown Collaborative*

Exhibit I