

BYLAWS
OF
BATTERY PARK CITY AUTHORITY
(As amended through March 25, 2008)

ARTICLE I - THE AUTHORITY

Section 1. Name of Authority. The name of the Authority shall be the "Battery Park City Authority."

Section 2. Seal of Authority. The seal of the Authority shall be in the form of a circle and shall bear the name of the Authority and the year of its creation.

Section 3. Office of the Authority. The office of the Authority shall be located at One World Financial Center, (200 Liberty Street), in the City of New York, State of New York, or at such other location as the Members of the Authority may determine. The Authority may have offices at such other place or places within The City of New York as it may from time to time designate by resolution.

ARTICLE II - OFFICERS

Section 1. Officers. The officers of the Authority shall be a Member who shall serve as Chairman; a Member who shall serve as Vice Chairman; five other Members; a President and Chief Executive Officer; an Executive Vice President and General Counsel; a Senior Vice President, Finance and Treasurer/Chief Financial Officer; a Senior Vice President, Operations; a Vice President, Community Relations/Affirmative Action; a Vice President, Human Resources; a Vice President, Planning and Design; a Vice President, Construction; a Vice President, Safety and Site Management; a Vice President, Internal Audit and Compliance; a Vice President, Strategic Planning; a Deputy General Counsel; one or more Senior Development Counsels; one or more Associate General Counsels; one or more Assistant General Counsels; a Controller; a Corporate Secretary and Assistant Corporate Secretaries and such other officers as may be designated by resolution of the Authority; and any officer may hold more than one of these offices.

Section 2. Chairman. The Chairman of the Authority shall be elected from among the Members of the Authority and shall hold office until his/her successor is elected and qualified. The Chairman of the Authority shall preside at all meetings of the Members of the Authority and shall have such other duties as the Members may direct. In the event of the absence or disability of the President, or of a vacancy in the office of the President, the Chairman or his/her designee, who shall be the Executive Vice President and General Counsel of the Authority or, in the event of the absence or disability of the Executive Vice President and General Counsel or a vacancy in such office, the Executive Vice President, Operations, shall perform all the duties of the President and, when so acting, shall have all the powers of, and be subject to all the restrictions upon, the President. The performance of any such duty by the Chairman shall be conclusive evidence of the power to act.

Section 3. Vice Chairman. The Vice Chairman of the Authority shall be elected from among the Members of the Authority at each annual meeting of the Authority, and shall hold office until the next annual meeting or until his/her successor is elected and qualified. Upon written designation of the Chairman from time to time and for the period specified in any such designation, the Vice Chairman of the Authority shall serve as acting Chairman of the Authority, except insofar as the Chairman is empowered to perform the duties of the President. In the absence of the Chairman from a meeting of the Members of the Authority the Vice Chairman shall preside thereat. The Vice Chairman shall have such other duties as the Members may direct.

Section 4. President and Chief Executive Officer. The President and Chief Executive Officer of the Authority (hereinafter referred to as the "President") shall be designated by the Chairman with the approval of the other Members of the Authority. The President shall be the chief executive officer of the Authority and, subject to the policies established by the Authority, shall have general responsibility for the conduct of the affairs of the Authority, including the initiation, planning and carrying out of the

projects, programs and other activities of the Authority. The President shall have the power to delegate authority and assign duties to employees of the Authority. At each meeting of the Members of the Authority the President shall submit such recommendations and information as he/she may consider proper concerning the business, duties and affairs of the Authority. The President shall have supervision over and be in administrative charge of the activities of the Authority. He/She shall transmit to the officers and employees of the Authority the resolutions of the Members, and coordinate the functions of the personnel of the Authority in effectuating the purposes of such resolutions. The President is authorized to requisition monies of the Authority, and to sign vouchers, requisitions and other instruments made by the Authority. The President shall have such other powers and duties pertaining to his/her office as are prescribed by law or in these bylaws or as may be assigned to him/her from time to time by the Authority.

Section 5. Executive Vice President and General Counsel. The Executive Vice President and General Counsel, under the direction of the President, shall perform all the duties incident to his/her position and office and such other duties as shall from time to time be assigned to him/her by the President. The Executive Vice President and General Counsel is authorized to requisition monies of the Authority, and to sign vouchers, requisitions and other instruments made by the Authority. The performance of any such duty by the Executive Vice President and General Counsel shall be conclusive evidence of the power to act.

Section 6. Senior Vice President, Finance and Treasurer/Chief Financial Officer; Controller. The Senior Vice President, Finance and Treasurer/Chief Financial Officer, under the direction of the President, shall be the chief fiscal officer of the Authority. He/She shall be in charge of the books and accounts of the Authority and have supervision of the accounting procedures and fiscal operations of the Authority and shall perform such other duties of his/her office and position as shall from time to time be

assigned to him/her by the President. The Controller, under the direction of the Senior Vice President, Finance and Treasurer/Chief Financial Officer, shall perform all the duties incident to his/her position and office and such other duties as shall from time to time be assigned to him/her by the Senior Vice President, Finance and Treasurer/Chief Financial Officer.

Section 7. Senior Vice Presidents and Other Vice Presidents. The Senior Vice President, Operations, the Vice President, Community Relations/Affirmative Action, the Vice President, Planning and Design, the Vice President, Construction, the Vice President, Strategic Planning, the Vice President, Site Safety and Management, the Vice President Human Resources, under the direction of the President, and the Vice President, Internal Audit and Compliance, under the direction of the Members, shall perform all the duties incident to their respective positions and offices and such other duties as shall from time to time be assigned to them respectively by the President.

Section 8. Other Officers. Other Officers, as may be designated from time to time by resolution of the Authority, shall perform all the duties incident to their respective positions and offices and such other duties as shall from time to time be assigned to them by the President.

Section 9. Deputy General Counsel, Senior Development Councils, Associate General Counsels and Assistant General Counsels. The Deputy General Counsel, in the absence of the General Counsel, or if there shall be a vacancy in the office of General Counsel, shall perform the services and duties incident to the position or office of General Counsel as directed by the President, and shall undertake such other duties as from time to time may be assigned to him/her by the President. The Senior Development Councils, the Associate General Counsels, and Assistant General Counsels shall undertake such duties as may from time to time be assigned to them by the General Counsel.

Section 10. Corporate Secretary and Assistant Corporate Secretaries. The Corporate Secretary, under the direction of the President, shall be the recorder of the Authority and shall keep in safe custody the records, files and seal of the Authority and shall have power to affix such seal to all contracts, documents, bonds or other obligations and other instruments to be executed by the Authority and attest the same and shall certify, when required to, copies of the records, proceedings and documents of the Authority and shall perform such other duties as shall from time to time be assigned to him/her by the President. The Assistant Corporate Secretaries, under the direction of the President, shall have power to affix the seal of the Authority to all contracts, documents, bonds or other obligations and other instruments to be executed by the Authority and attest the same and shall certify, when required to, copies of all records, proceedings and documents of the Authority and shall perform such other duties as shall from time to time be assigned to them by the President.

Section 11. Election or Appointment. All officers of the Authority (other than the Chairman, Vice Chairman, and Member(s)) shall be appointed by the Chairman or the President with the advice and consent of the Chairman, in either case subject to the approval of the Members, and may be removed, either with or without cause, at any time by action of the Chairman or by the President with the advice and consent of the Chairman. Any person appointed as an officer of the Authority shall have such term as may be fixed.

Section 12. Additional Personnel. The Authority may from time to time employ such personnel as it may deem necessary to exercise its powers, duties and functions prescribed by law.

Section 13. Employment Policy. It shall be the policy of the Authority to provide to the officers and employees of the Authority, to the extent permissible under the law, all the privileges and benefits provided to officers and employees of the State of New York under the provisions of the Retirement and Social Security Law, particularly

Chapter 1006 of the Laws of 1966, Chapter 414 of the Laws of 1968 and Chapter 371 of the Laws of 1969, as said Acts are presently or hereafter amended. The Authority shall also continue to provide health insurance coverage for its employees and retirees, and their eligible dependents as follows: (a) the Authority will continue to pay 100% of the health insurance coverage costs for all retirees and their eligible dependents for all current employees and for those retirees currently receiving this benefit; (b) current employees earning \$50,000 per year or more, will continue to pay \$6.64 per paycheck for individual coverage or \$27.28 per paycheck for family coverage, and the Authority shall pay the remaining cost of coverage; current employees earning between \$35,001-\$50,000 per year will continue to pay \$5.75 per paycheck for individual coverage or \$23.60 per paycheck for family coverage, and the Authority shall pay the remaining cost of coverage; current employees earning between \$25,001-\$35,000 per year will continue to pay \$5.00 per paycheck for individual coverage, or \$20.00 per paycheck for family coverage and the Authority shall pay the remaining cost of coverage; for current employees earning between \$0-\$25,000 per year, the Authority will continue to pay the entire cost of health insurance coverage for individual or family coverage.

ARTICLE III - MEETINGS

Section 1. Annual Meeting. The annual meeting of the Authority shall be held on the first day of November of each year at a place and time designated by the Chairman or such earlier or later day in each calendar year as the Chairman of the Authority may determine.

Section 2. Meetings. The Chairman of the Authority may, when he deems it expedient, and shall upon the request of any Member of the Authority or the President, call a meeting of the Authority. At any such meeting any and all matters may be considered and acted upon by the Members of the Authority present, whether or not such matters were specified in the call. Meetings shall be held in facilities that permit barrier-free physical access to the physically handicapped, as defined in subdivision five of

section fifty of the public buildings law. The call for a meeting specifying the time and place of the meeting shall be delivered in person or mailed to the business or home address of each Member of the Authority at least three days prior to the date of such special meeting. If the office of the Chairman is vacant or if the Chairman is unable to perform such duties by reason of illness, disability or absence and has not designated in writing the Vice Chairman to perform such duties at such time, any Member may call a meeting of the Authority. Public notice of the time and place of a meeting scheduled at least one week prior thereto shall be given to the news media and shall be conspicuously posted in one or more designated public locations at least seventy-two hours before such meeting. Public notice of the time and place of every other meeting shall be given, to the extent practicable, to the news media and shall be conspicuously posted in one or more designated public locations at a reasonable time prior thereto. Notice of any meeting of the Authority need not be given to a Member if waived in writing by him/her either before or after such meeting, or if he/she shall be present at such meeting. No notice need be given of any meeting if all the Members then in office shall be present thereat. Notice of an adjourned meeting need not be given to any Member present at the time of the adjournment. The President shall be given notice of and be permitted to attend all meetings of the Authority.

Section 3. Quorum. At all meetings of the Authority, a majority of the whole number of the Members shall constitute a quorum and not less than a majority of the whole number of Members may perform and exercise the powers authorized and provided in the Public Authorities Law of the State of New York. For the purposes of this Section, the words “whole number” shall be construed to mean the total number of Members which the Authority would have were there no vacancies and were none of the Members disqualified from voting.

Section 4. Order of Business. At the regular meetings of the Authority the Chairman shall determine the order of business.

Section 5. Resolutions. All resolutions adopted by the Authority shall be recorded in or attached to a journal of the proceedings of the Authority.

Section 6. Manner of Voting. The voting on all questions of the meetings of the Authority shall be by roll call if requested by two of the Members, and wherever a resolution has been unanimously adopted it may be recorded as such. The yeas and nays shall be entered upon the minutes of such meeting only in the event of an abstention or a negative vote by any Member; except that the election of officers may be by majority vote without the necessity of recording the individual votes upon the minutes.

Section 7. Approval of Resolutions Without Meeting. Resolutions which the Chairman or the President desires to be considered by the Members of the Authority without holding a meeting thereon may be delivered in person or mailed to the business or home address of each Member, and upon the written approval of such resolutions by two or more of the Members the same shall become effective as if introduced and passed at a meeting of the Members duly called and held.

Section 8. Participation in Meeting by Telephone. Notwithstanding anything elsewhere contained in these bylaws, any one or more Members of the Authority may participate in a meeting of the Authority by means of a conference telephone or similar communications equipment allowing all persons participating in the meeting to hear each other at the same time. Participation by such means shall constitute presence in person at a meeting of the Authority.

Section 9. Certification of Resolutions. Each Member of the Authority and each officer of the Authority is authorized to certify, when required, the records, proceedings, documents for resolutions of the Authority and the Members and to affix the

seal of the Authority to all contracts, documents and instruments to be executed by the Authority.

ARTICLE IV – COMMITTEES

Section 1. Audit Committee. There shall be an audit committee which shall consist of three Members designated by the Chairman, one of whom the Chairman shall appoint as Chair of the committee. The Chairman shall be a non-voting member of the committee. Each member of the committee shall be an “independent member,” as defined in Public Authorities Law § 2825 (2). To the extent practicable members of the Committee should be familiar with corporate financial and accounting practices. The duties and responsibilities of the Committee shall be: (a) to recommend to the Board the hiring of a certified independent accounting firm for the Authority; (b) establish the compensation to be paid to such firm; and (c) to provide direct oversight of the performance of the independent audit performed by the accounting firm hired for such purposes.

Section 2. Governance Committee. There shall be a governance committee which shall consist of three Members designated by the Chairman, one of whom the Chairman shall appoint as Chair of the committee. The Chairman shall be a non-voting member of the committee. Each member of the Committee shall be an “independent member,” as defined in Public Authorities Law § 2825 (2). The duties and responsibilities of the Committee shall be: (a) to keep the board informed of current best governance practices; (b) to review corporate governance trends; (c) to update the Authority’s corporate governance principles; and (d) to advise appointing authorities on the skills and experiences required of potential board members.

Section 3. Compensation Committee. There shall be a compensation committee which shall consist of three Members, including a Chair of the committee. The members of the committee shall be nominated by the Chairman and selected by vote of the Members. Each member of the committee shall be an “independent member” as defined in Public Authorities Law § 2825(2). The duties and responsibilities of the Committee shall be (a) to consider policies regarding the payment of salaries, compensation and reimbursement of expenses for the chief executive and senior management; and (b) to make such other recommendations regarding compensation as it may deem appropriate.

ARTICLE V - FISCAL YEAR.

Section 1. Fiscal Year. The fiscal year of the Authority shall commence November 1 of each calendar year and conclude October 31 of the following calendar year.

Article VI - CODE OF CONDUCT

Section 1. This Code of Conduct applies to the Members of the Authority. This Code of Conduct may be amended by majority vote of the Members without vacancy.

Section 2. In addition to the requirements of Sections 73(3)(b), 73-a and 74 of the Public Officers Law, Members shall comply with the following specific rules governing conflicts of interest and outside activities:

- a. No Member or firm or association of which the Member is a part, or corporation, ten percent or more of the stock of which is owned or controlled directly or indirectly by such Member, shall sell any goods or services having a value in excess of twenty-five dollars to the Authority unless such

goods or services are provided pursuant to an award or contract let after public notice and competitive bidding or a competitive request for proposals process;

- b. No Member shall directly or indirectly, solicit, accept, or receive any gift having a value of seventy-five dollars or more whether in the form of money, service, loan, travel, entertainment, hospitality, thing or promise, or in any other form whatsoever, under circumstances in which it could be reasonably inferred that the gift was intended to influence the Member or could reasonably be expected to influence the Member in the performance of his or her official duties of the Authority, or was intended as a reward for any official action on the Members part;
- c. No Member, other than in the proper discharge of his or her official duties of the Authority, or firm or association in which the Member is a part, shall receive, directly or indirectly, or enter into any agreement, express or implied, for any compensation, in whatever form, for the appearance or rendition of services by himself or another in relation to any case, proceeding, application or other matter before the Authority;
- d. No Member shall, within a period of two years after the termination from the Authority, appear or practice before the Authority or receive any compensation for any services rendered on behalf of any person, firm, corporation, or association in relation to any matter before the Authority;

- e. No Member, after termination from the Authority, shall appear, practice, communicate or otherwise render services before any State agency or receive any compensation for services rendered on behalf of any person, firm, corporation or other entity with respect to any case, proceeding, application or transaction in which such Member was directly concerned and in which the Member personally participated during the period of service or which was under the Member's active consideration;
- f. Notwithstanding the above, no Member of the Authority should have any interest, financial or otherwise, direct or indirect, or engage in any business or transaction or professional activity or incur any obligation of any nature which is in actual, potential, or apparent conflict with the proper discharge of the Member's duties. The Member shall be under an ongoing obligation to disclose any actual, potential, or apparent conflict of interest and shall take appropriate steps to eliminate or abate the conflict, including recusal;
- g. Unless otherwise provided by law, no contract or other transaction between the Authority and any other corporation, firm or association or other entity in which one or more of its Members or officers are directors or officers or have a substantial financial interest, or between the Authority and any state instrumentality, including any state agency, trust fund or public benefit corporation other than the Authority with which one or more of its Members are

affiliated as a state officer or employee, shall be either void or voidable for this reason alone or by reason alone that such Member or Members are present at the meeting of Members which approves such contract or transaction: (1) if the material facts as to such Member's interest in such contract or transaction and as to any such common directorship, officership, financial interest or affiliation are disclosed in good faith or known to the Members; and (2) if the Members approve such contract or transaction by a vote sufficient for such purpose or if the votes of the disinterested Members are insufficient to constitute an act of the Authority under the Bylaws, by unanimous vote of the disinterested Members. Common interested or affiliated Members may be counted in determining the presence of a quorum at a meeting of the Members which authorizes such contract or transaction. Common, interested or affiliated Members may not participate in any decision of the Authority approving or affecting such contract or transaction. If a Member serves as a director or officer of the Battery Park City Parks Corporation, the Minority Developer Assistance Corporation or a subsidiary of the Authority, such service in and of itself does not void or make voidable a contract or transaction between the Authority and such corporation or create any actual, potential or apparent conflict of interest.

ARTICLE VII - INDEMNIFICATION

Section 1. Purpose and Definitions. The purpose of this Article is to provide for and regulate indemnification of Members, officers and employees of the Authority. In this Article, the following terms shall have the meanings indicated below, except where the context clearly requires otherwise.

(1) "action or proceeding" means any civil action or other civil judicial proceeding, any proceeding by or before an administrative agency or official investigatory body, any appeal from or judicial review of actions taken in any of the foregoing proceedings, and includes any such proceeding which is threatened, but does not include any criminal action or proceeding;

(2) "party to an action or proceeding" means a person made, or threatened to be made, a defendant or respondent or otherwise a party in any action or proceeding, and includes a person called upon, voluntarily or by subpoena, to give testimony, produce documents or respond to interrogatories in connection with an action or proceeding;

(3) "Member" means each Member of the Authority appointed or serving ex officio;

(4) "officer" means the Chairman, the Vice Chairman, Board Member(s) and the President and Chief Executive Officer of the Authority and each person who has held or who holds from time to time any of the following positions in the Authority: Chief Operating Officer, Executive Vice President and General Counsel; Executive Vice President, Operations; Senior Vice President, Finance and Treasurer/Chief Financial Officer; Senior Vice President, Project Development and Management; Vice President, Community Relations/Affirmative Action; Vice President, Planning and Design; Vice President, Construction; Vice President, Internal

Audit ; Deputy General Counsel; Senior Development Counsels; Associate General Counsels; Assistant General Counsels; Controller; Corporate Secretary; Assistant Corporate Secretary; or any other position expressly designated by the Members to be thereafter treated as that of an officer for the purpose of this article;

(5) "employee" means each employee of the Authority who is not also a Member or officer;

(6) "subsidiary or affiliate" includes each subsidiary of the Authority;

(7) "Member", "officer" and "employee" of the Authority each includes persons who formerly served in such capacity and the estates of deceased persons who had served in such capacity; and each such term includes persons serving or who formerly served ex officio or by designation of the Authority as a director, officer or employee of any subsidiary or affiliate of the Authority, and the estates of deceased persons who had served in such capacity, provided that insofar as this Article distinguishes between Members or officers of the Authority, on the one hand, and employees, on the other, the status with respect to indemnification of a person who served in any capacity with a subsidiary or affiliate and who concurrently was a Member or officer of the Authority shall be that of a Member or officer, and the status of all other such persons shall be that of an employee of the Authority; and

(8) "applicable standard of conduct" means:

(i) with respect to an action or proceeding in which it is alleged that physical harm was caused to the person or property of a complainant or any harm was caused to his/her reputation, that such harm did not result from the willful and wrongful act or gross negligence of the Member, officer or employee seeking to be indemnified hereunder, or

(ii) with respect to any other action or proceeding, that the Member, officer or employee seeking to be indemnified hereunder acted in good faith for a purpose which he/she reasonably believed to be in the best interests of the Authority and had reasonable cause to believe his/her conduct was lawful.

Section 2. General Scope of Indemnification. The Authority shall, to the fullest extent permitted by law, indemnify any person who becomes a party to an action or proceeding by reason of the fact that he/she is or was a Member, officer or employee of the Authority against judgments, penalties, amounts paid in settlement and reasonable expenses, including attorneys' fees, actually and necessarily incurred as a result thereof, unless the conduct of such Member, officer or employee in the matters at issue in such action or proceeding is found, in the manner prescribed in this Article, not to have met the applicable standard of conduct.

Section 3. Representation of Persons Indemnified. The Authority may, either by its own staff counsel or by outside counsel of its choice, assume the representation of any person who becomes a party to the action or proceeding, except in situations in which (i) choice of counsel is governed by statute, or (ii) the Authority's counsel determines that it is inappropriate or inadvisable for such person to be represented by counsel chosen by the Authority. In the event the Authority does not assume such representation, such person shall have the right to engage private counsel of his choice and the Authority shall have the obligation of indemnification for the reasonable fees and expenses of such private counsel as provided in this Article; provided, however, that the Authority as a condition to such indemnification for the cost of private counsel may, and where the Attorney General has so required as a condition to indemnification by the State of New York pursuant to statute shall, require appropriate groups of persons to be represented by the same counsel.

Section 4. Advances of Expenses. (a) A Member or officer who becomes a party to an action or proceeding may request that the Members authorize the Authority to advance expenses pending the final disposition of such action or proceeding. Upon such request: (i) if there is a quorum of Members who are not parties to such action or proceeding, the Members shall make a tentative finding as to whether it then appears that the requesting Member or officer has met the applicable standard of conduct; or (ii) if such a quorum of Members is not obtainable with due diligence, the Members shall obtain an opinion in writing of outside legal counsel as to whether it then appears that such standard of conduct has been met by the requesting Member or officer. If a quorum of Members makes such findings or outside legal counsel gives such opinion, the Members shall authorize the Authority to pay, and the Authority shall pay, from time to time in advance of the final disposition of the action or proceeding, reasonable expenses as described in Section 2 incurred by such Member or officer in connection with such action or proceeding.

(b) Reasonable expenses as described in Section 2 incurred by an employee who becomes a party to an action or proceeding shall be paid by the Authority from time to time pending the final disposition of such action or proceeding without necessity for any authorization, findings, or other action by the Members prior to the making of such advances; provided, however, that the Members (i) may make a tentative finding at any time prior to the final disposition of such action or proceeding that it then appears that an employee has clearly not met the applicable standard of conduct, or may seek an opinion in writing of outside legal counsel with respect to that issue, and if such a tentative finding shall be made or a negative opinion on that issue shall be given, no further advances under this paragraph shall be made with respect to expenses of such employee, and (ii) may determine, or provide for the determination of, the reasonableness of expenses sought to be advanced.

(c) The Authority shall require each person receiving amounts advanced under paragraph (a) or (b) of this Section 4 to agree in writing that the same shall be repaid if the person receiving such advances is ultimately found not to be entitled to indemnification, or to the extent the expenses so advanced by the Authority exceed the indemnification to which he/she is ultimately found to be entitled.

Section 5. Indemnification on Final Disposition. (a) A person who has been wholly successful, on the merits or otherwise, in the defense of an action or proceeding shall be deemed to have met the applicable standard of conduct and shall be entitled to indemnification against reasonable expenses as described in Section 2, and the Authority shall make such indemnification without necessity for any authorization, findings or other action by the Members prior to such indemnification, except that the Members may determine, or provide for the determination of, the reasonableness of such expenses.

(b) A Member or officer who has not been wholly successful in the defense of an action or proceeding, or who was a party to an action or proceeding without being a defendant or respondent therein, may request indemnification from the Authority. Upon such request: (i) if there is a quorum of Members who are not and were not parties to such action or proceeding, the Members shall make a finding as to whether the requesting Member or officer has met the applicable standard of conduct; or (ii) if such a quorum of Members is not obtainable with due diligence, the Members shall obtain an opinion in writing of outside legal counsel as to whether such standard of conduct has been met by the requesting Member or officer. If a quorum of Members makes such finding or outside legal counsel gives such opinion, the Members shall authorize, and the Authority shall make, indemnification as provided in Section 2, upon a determination by the Members (or a person or body designated by the Members) that expenses sought to be indemnified were reasonable and actually and necessarily incurred as a result of the

action or proceeding, and that any amounts paid in settlement (unless approved by the Members prior to such settlement) were reasonable in the circumstances.

(c) An employee who has not been wholly successful in the defense of an action or proceeding, or who was a party to an action or proceeding without being a defendant or respondent therein, may request indemnification from the Authority. Upon such request: The President shall notify the Members in writing of such request and of the particulars submitted by such employee in support of it, and the President may submit to the Members any further information or comments he thinks appropriate. Within two weeks after the next meeting of the Members following such submission, the Authority shall make indemnification as provided in Section 2, unless the Members shall have found that such employee has not met the applicable standard of conduct, or shall have decided to seek an opinion in writing of outside counsel with respect to that issue (in which event indemnification shall be made within six weeks after such meeting unless a negative opinion on that issue shall have been given), or unless and to the extent that the Members (or a person or body designated by the Members) shall have determined that expenses sought to be indemnified were not reasonable or not actually and necessarily incurred as a result of the action or proceeding, or that amounts paid in settlement (unless approved by the Members prior to such settlement) were not reasonable in the circumstances.

Section 6. Insurance. The Authority may, to the fullest extent permitted by law, purchase and maintain insurance on behalf of any Member, officer or employee of the Authority to indemnify such person in instances in which he/she has the right of indemnification by the Authority under the provisions of this Article.

Section 7. Applicability of this Article. (a) The provisions of this Article shall inure only to Members, officers and employees of the Authority, as defined herein, shall not enlarge or diminish the rights of any other party to an action or proceeding, and shall not impair, limit or modify the rights and obligations of any insurer under any

policy of insurance. This Article is to be construed liberally in favor of each Member, officer or employee, to the fullest extent permitted by law, and any ambiguity, uncertainty or reasonable doubt as to facts, interpretation or legal conclusions shall be resolved in favor of such Member, officer or employee.

(b) The provisions of this Article shall be in addition to and shall not supplant any indemnification by the State heretofore or hereafter conferred upon any Member, officer or employee by any statute, by Section 18 of the Public Officers Law, or otherwise; provided, however, that the Authority recognizes that its obligation to provide indemnification in accordance with this Article is primary and any obligation of the State to provide indemnification is secondary, in circumstances where both may be applicable.

(c) This Article shall be applicable, to the fullest extent permitted by law, to any claim for indemnification made after its adoption as a bylaw of the Authority, whether the action or proceeding to which such claim relates commenced, or the matters at issue therein occurred, before or after the adoption of this Article. It is contemplated that no subsequent amendment, supplement or repeal of this Article which deprives a Member, officer or employee of any substantial right or benefit conferred herein will be made applicable with respect to any claim for indemnification arising out of conduct of such Member, officer or employee occurring or alleged to have occurred after the adoption of this Article and prior to such amendment, supplement or repeal.

(d) Unless and until this Article shall be amended, supplemented or repealed in accordance with Article VIII, the provisions of this Article shall constitute a contract between the Authority and each Member, officer or employee for indemnification in accordance with the provisions of this Article. In the event that any Member, officer or employee shall be aggrieved by a determination of the Authority or the Members or outside counsel made under this Article, or by a failure of the Authority or the Members to act as provided herein, he/she shall be entitled to seek appropriate

relief against the Authority in any court of competent jurisdiction within the State of New York in accordance with the standards for indemnification set forth herein.

ARTICLE VIII- AMENDMENTS

Section 1. The bylaws may be amended by resolution duly adopted by unanimous vote of all the Members of the Authority at any meeting. Advance notice of motions to amend the bylaws need not be given.

ARTICLE IX - SUSPENSION OF BYLAWS

Section 1. Any and all of the provisions of the bylaws may be suspended by unanimous vote of all the Members of the Authority.