

BY-LAWS
OF
HUDSON YARDS DEVELOPMENT CORPORATION
(Adopted November 16, 2005)

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OF
HUDSON YARDS DEVELOPMENT CORPORATION

ARTICLE 1

OFFICES

The offices of Hudson Yards Development Corporation (the “Corporation”) shall be in the County, City and State of New York, at such place as the board of Directors of the Corporation (the “Board of Directors” or “Board”) may fix.

ARTICLE 2

MEMBERSHIP

Section 2.01. Designation of Members.

(a) The Corporation shall have thirteen (13) Members, being the persons holding the following offices within the government of the City of New York (the “City”) or specified offices of entities affiliated with the City, or offices successor to the same: (A) the Deputy Mayor for Operations, (B) the Deputy Mayor for Economic Development and Rebuilding, (C) the Director of Management and Budget, (D) the Commissioner of Housing Preservation and Development, (E) the Commissioner of Parks and Recreation, (F) the Commissioner of Small Business Services, (G) the Chair of the City Planning Commission, (H) the President of New York City Economic Development Corporation, (I) the Speaker of the Council, (J) the Comptroller, (K) the President of the Borough of Manhattan, (L) the Councilmember representing Council District No. 3, and (M) the Chairperson of Manhattan Community Board No. 4. Such membership shall be divided into 13 sections (each, a “Membership Section”), with each individual membership comprising a section, denominated

Section A through Section M as indicated above. Each Membership Section shall constitute a special membership section pursuant to Section 703 of the Not-for-Profit Corporation Law.

(b) Each Member shall serve as such until he or she ceases to hold the office in reference to which he or she qualified as a Member.

Section 2.02. Meetings of Members.

(a) The annual meeting of the Members, for the election of Directors and for the transaction of such other business as may come before the meeting, shall be held at such time and place as the Members, the Board of Directors, the chairperson of the Corporation (the "Chairperson") or the president of the Corporation (the "President") may from time to time prescribe.

(b) Special meetings of the Members, other than those regulated by statute, shall be called by the Chairperson or the President, or by either at the request in writing of five (5) or more Members. The President or the Chairperson shall fix the time and place for such meeting, in the case of a meeting called at Members' request within a reasonable time after such request, and shall give notice as required by Section 2.03 hereof

Section 2.03. Notice of Meetings of Members; Waiver of Notice.

(a) Written notice of each meeting of the Members stating the time and place and, in the case of a special meeting, the purpose thereof and by or at whose direction the special meeting is called, shall be provided to each Member. Such notice shall be given by hand delivery or by first class mail, postage prepaid, not less than ten (10) days nor more than forty (40) days before such meeting, directed to each Member at his or her address as it appears on the record of Members of the Corporation or, if a Member shall have filed with the secretary of the

Corporation (the “Secretary”) a written request that notices to him or her be sent to some other address, then directed to such Member at such other address.

(b) The notice of any meeting of the Members may be waived by a Member before or after such meeting by signing a written waiver of notice or by attending such meeting in person or by proxy without protesting, prior thereto or at its commencement, the lack of notice to him or her. No notice need be given of any adjourned meeting. Meetings of the Members may also be held at any place and time without notice to Members by unanimous written consent of all the Members.

Section 2.04. Proxies. A Member may vote either in person or by proxy appointed by an instrument in writing delivered to the Secretary of the meeting. No proxy shall be valid after the expiration of eleven (11) months from the date of its execution, unless the Member shall have specified therein a different duration. Every proxy shall be revocable at the pleasure of the person executing it.

Section 2.05. Quorum.

(a) A meeting of the Members duly called shall not transact business unless a quorum is present. A quorum for the transaction of business or of any specified item of business shall consist of the presence in person or by proxy of a majority of the whole number of Members¹, unless a greater number is required by law or by these by-laws.

(b) If, after a quorum has been achieved at a meeting of Members, there is a departure or other withdrawal of Members from the meeting such that the remaining Members present at the meeting would not constitute a quorum, then no further transactions of business may be conducted that would require a quorum. Notwithstanding the foregoing, such departures

¹ The whole number of Members is the total number of Members of the Corporation.

or withdrawals shall not affect any transactions conducted at the Meeting while a quorum was present.

(c) If a quorum is not present, a majority of the Members present may adjourn the meeting from time to time to such time and place as they may determine, without notice other than announcement at the meeting, until enough Members to constitute a quorum shall attend.

Section 2.06. Vote of Members

(a) Each Member shall be entitled to one (1) vote on each matter submitted to a vote of the Members.

(b) Except as otherwise provided by law or by these by-laws, the affirmative vote of a majority of the whole number of Members shall be the act of the membership.

Section 2.07. Procedure. The order of business and all other matters of procedure at every meeting of Members shall be determined by the presiding officer.

ARTICLE 3

DIRECTORS

Section 3.01. Management of Corporate Affairs. The Board of Directors shall have the general power to control and manage the affairs and property of the Corporation in accordance with the purposes and limitations set forth in the Certificate of Incorporation. The Board of Directors shall have the power to adopt rules and regulations governing its actions.

Section 3.02. Number of Directors. The Board of Directors shall consist of a maximum of thirteen (13) Directors.

Section 3.03. Election of Directors and Alternate Directors

(a) Each Membership Section of the Corporation shall be entitled to elect one (1) Director and one (1) Alternate Director.

(b) Directors and Alternate Directors shall be elected at the annual meeting of the Members, provided that any vacancy in any Membership Section's Director or Alternate Director positions may be filled by that Membership Section at the next annual meeting of Members or any special meeting of the Members called for that purpose.

(c) Each Member shall elect him or herself as a Director.

(d) The election of each Alternate Director shall be made in reference to an office or position then held by the Alternate Director, and the Alternate Director shall serve ex officio.

Section 3.04. Removal of Alternate Directors. Any Alternate Director may be removed, with or without cause, at any meeting of Members, by the Member who elected such Alternate Director, or such Member's proxy.

Section 3.05. Qualification of Directors.

(a) Directors (but not Alternate Directors) must be Members of the Corporation.

(b) Alternate Directors who represent any Membership Section designated as (A) through (G) must be an official or employee of the City. Alternate Directors who represent a Membership Section designated as (H) through (M) must be an official or employee of the office or entity represented by such Membership Section.

Section 3.06. Term.

(a) Each Director (but not Alternate Director) shall hold office until (i) the later of the next annual meeting of the Members or the election and qualification of his or her

successor or (ii) his or her earlier death, resignation or removal or (iii) such Director shall have ceased for any reason to be a Member.

(b) Each Alternate Director shall hold office until (i) the later of the next annual meeting of the Members or (ii) his/her earlier death, resignation or removal or (iii) such Alternate Director shall have ceased to hold the office or position in reference to which the Alternate Director was elected.

Section 3.07. Meeting of Directors, Participation of Alternate Directors.

(a) Regular meetings of the Board of Directors shall be held at such time and place as the Board of Directors, the Chairperson or the President may from time to time prescribe.

(b) Special meetings of the Board of Directors, other than those regulated by statute, shall be called by the Chairperson or the President, or by either at the request in writing of five (5) or more Directors. The Chairperson or President shall fix the time and place for each such meeting, in the case of a meeting called at Directors' request within a reasonable time after such request, and shall give notice as required by Section 3.08 hereof

(c) In the absence of a Director from a meeting of the Board, the Alternate Director that represents the same Membership Section as the absent Director, upon written notice to the Secretary, may attend such meeting of the Board and exercise therein the rights, powers and privileges of the absent Director. Hereafter, unless otherwise specified, the term "Director" as used in these by-laws shall be deemed to include "Alternate Director."

Section 3.08. Notice of Meetings of Directors; Waiver of Notice.

(a) Written notice of each meeting of the Board of Directors stating the time and place and, in the case of a special meeting, the purpose thereof and by or at whose direction

the special meeting is called, shall be provided to each Director (including Alternate Directors). Such notice shall be given by hand delivery, by facsimile, by e-mail transmission, or by first class mail, postage prepaid, not less than ten (10) days before such meeting, directed to each Director at his or her address, facsimile number, or e-mail address as it appears on the record of Directors of the Corporation, or, if such Director shall have filed with the Secretary a written request that notices to him/her be sent to some other address, then directed to such Director at such other address.

(b) The notice of any meeting of the Board of Directors may be waived by a Director before or after such meeting by signing a written waiver of notice or by attending such meeting without protest prior thereto or at its commencement, the lack of notice to him/her. No notice need be given of any adjourned meeting. Meetings of the Board of Directors may also be held at any place and time without notice to the Directors by unanimous written consent of all the Directors.

Section 3.10. Videoconferencing or Other Electronic Participation. Directors may participate in meetings of the Board of Directors by means of videoconference or similar equipment which allows all persons participating in the meeting to hear and see each other at the same time, and by any other electronic means that may be permissible under the New York State Public Officers Law. Participation by videoconference or other permissible electronic means shall constitute presence in person at such meeting.

Section 3.11. Quorum.

(a) A meeting of the Board of Directors duly called shall not transact business unless a quorum is present. A quorum for the transaction of business or of any specified item of business shall consist of the presence in person (including each Alternate Director representing

an absent Director) of a majority of the whole number of Directors², unless a greater number is required by law or by these by-laws.

(b) If, after a quorum has been achieved at a meeting of Directors, there is a departure or other withdrawal of Directors from the meeting such that the remaining Directors present at the meeting would not constitute a quorum, then no further transactions of business may be conducted that would require a quorum. Notwithstanding the foregoing, such departures or withdrawals shall not affect any transactions conducted at the meeting while a quorum was present.

(c) If a quorum is not present, a majority of the Directors present may adjourn the meeting from time to time to such time and place as they may determine, without notice other than announcement at the meeting, until enough Directors to constitute a quorum shall attend.

Section 3.12. Vote of Directors. Except as otherwise provided by law or by these by-laws, the affirmative vote of a majority of the whole number of Directors shall be the act of the Board.

Section 3.13. Procedure. The order of business and all other matters of procedure at every meeting of Directors shall be determined by the presiding officer.

Section 3.14. Minutes of Meetings. The Board, acting by the Secretary, shall keep regular minutes of all its meetings and proceedings. The said minutes shall be open to the inspection of any Director at any time.

Section 3.15. Compensation of Directors. Directors of the Corporation, as such, shall receive no compensation from the Corporation.

² The whole number of Directors is the then total number of Directors (not including Alternate Directors) of the Corporation.

Section 3.16. Chairperson. The Chairperson shall be the Director (not the Alternate Director) appointed by Membership Section (B). The Chairperson shall preside at all meetings of the Members and of the Board of Directors at which he or she is present, and he or she shall perform such other duties as are incident to his or her office, or as are assigned to him or her by the Board of Directors.

ARTICLE 4

COMMITTEES

Section 4.01. Committees of the Board of Directors.

(a) The Board of Directors, by resolution adopted by the affirmative vote of a majority of the whole number of Directors, or the Chairperson where so authorized by the Board, may designate one or more committees of the Board to conduct studies or investigations and make reports or recommendations to the Board, and to prescribe the duration, membership, quorum for the transaction of business, powers and duties of each such committee.

(b) Each member of a committee shall serve at the pleasure of the Board. Each committee shall elect from among its members a chairperson. The chairperson of each committee shall be responsible for convening meetings of the committee, keeping minutes and records of all such meetings and proceedings, and reporting to the Board of Directors at each regular meeting of the Board or at such other times as the Board may require.

Section 4.02. Meetings of Committees. Any committee of the Board of Directors (with regard to such committee) or the Board of Directors (with regard to all committees) shall have the power to fix the time and place of holding regular or special meetings of committees and the method of giving notice thereof; but unless otherwise prescribed, meetings of any committee may be called in the same manner and upon the same notice, and notice of

such meetings may be waived in the same manner, as provided in these by-laws with respect to meetings of the Board of Directors.

Section 4.03. Authorization. The acts of a majority of the whole number of members of a committee shall be the acts of such committee, unless otherwise provided by law, the Certificate of Incorporation or these by-laws. If a quorum is not present, then a majority of the members of the committee present may adjourn the meeting from time to time to such time and place as they may determine, without notice other than announcement at the meeting, until enough members of such committee to constitute a quorum shall attend.

Section 4.04. Minutes of Committee Meetings. Each committee shall keep regular minutes of all its meetings and proceedings. The said minutes shall be open to the inspection of any Director at any time.

Section 4.05. Videoconference or Other Electronic Participation. Members of any committee may participate in meetings by means of videoconference or similar equipment which allows all persons participating in the meeting to hear and see each other at the same time, and by any other electronic means that may be permissible under the New York State Public Officers Law. Participation by videoconference or other permissible electronic means shall constitute presence in person at such meeting.

ARTICLE 5

OFFICERS

Section 5.01. Officers.

(a) The officers of the Corporation shall be a President, such vice presidents (“Vice Presidents”) as the Board of Directors may from time to time determine, a treasurer (the

“Treasurer”) and a Secretary, and such assistant treasurers and assistant secretaries as the Board may from time to time determine.

(b) Any two or more offices may be held by the same person, except that the offices of President and Secretary shall be held by two separate individuals.

(c) The Board of Directors may elect such other officers as it shall deem necessary, who shall exercise powers and perform such duties as shall be determined from time to time by the Board of Directors.

Section 5.02. Election or Appointment; Term of Office. Each officer shall be elected annually by the Board of Directors. Each officer shall hold his or her respective office until the election or appointment and qualification of his or her successor or his or her prior death, resignation or removal. The Board of Directors may elect the President for a term coinciding with the term of his or her contract if she or he has one. Any vacancy occurring in any office may be filled at any ensuing meeting of the Board of Directors.

Section 5.03. President.

(a) The President shall be the chief executive officer of the Corporation and shall have general charge and supervision of the business and affairs of the Corporation, subject to the control and direction of the Board of Directors. The President shall keep the Board of Directors fully informed concerning the affairs of the Corporation, and shall freely consult with Members of the Board concerning the activities thereof.

(b) The President shall perform such other duties as are incident to his or her office or as are assigned to him or her by the Board of Directors or the Chairperson. The President shall preside at meetings of the Members and of the Board of Directors in the absence of the Chairperson.

Section 5.04. Vice Presidents. The Vice President or Vice Presidents may be designated by such title or titles as the Board of Directors may determine. At the request of the President, a Vice President shall perform the duties and exercise the functions of the President. In addition, in the President's absence, the Vice President, or Vice Presidents in such order as the President or Chairperson may from time to time designate, shall perform the duties and exercise the functions of the President. The Vice President or Vice Presidents shall perform such other duties as may be assigned to him, her or them by the Board of Directors or the President.

Section 5.05. Secretary and Assistant Secretaries.

(a) The Secretary shall issue notices of all meetings of Members and Directors when notices of such meetings are required by law or these by-laws. He or she shall attend all meetings of Members and Directors and keep the minutes thereof, and shall have charge of the records of the Corporation. He or she shall have custody of the corporate seal, shall affix the corporate seal to and sign such instruments as require the seal and his/her signature, and shall perform such other duties as are incident to his/her office or as are properly required of him or her by the Board of Directors or the President.

(b) Any assistant secretary shall perform such duties as may be assigned to him/her by the Board of Directors or the President. At the request of the Secretary or in the absence of the Secretary, an assistant secretary shall perform the duties and exercise the powers of the Secretary.

Section 5.06. Treasurer and Assistant Treasurer.

(a) The Treasurer shall have the care and custody of all the moneys and securities of the Corporation. He or she shall deposit moneys received by him/her for the Corporation as provided in Section 6.01 hereof. He or she shall cause to be entered in books of

the Corporation to be kept for that purpose, full and accurate accounts of all moneys received by him/her and paid by him/her on account of the Corporation. He or she shall make and sign such reports, statements and instruments as may be required of him/her by law or the Board of Directors, and shall perform such other duties as are incident to his/her office or as are properly required of him/her by the Board of Directors or the President.

(b) Any assistant treasurer shall perform such duties as may be assigned to him or her by the Board of Directors or the President. At the request of the Treasurer or in the absence of the Treasurer, an assistant treasurer shall perform the duties and exercise the powers of the Treasurer.

Section 5.07. Removal. Any officer elected by the Board of Directors may be removed, either with or without cause, at any meeting of Directors, notice of which shall have referred to the proposed action, by the affirmative vote of a majority of the whole number of Directors.

Section 5.08. Execution of Contracts, Deeds and Agreements. All authorized contracts, deeds and agreements may be executed in the name of the Corporation by the Chairperson, the President, any Vice President, or such other officer or officers as the Board of Directors may from time to time designate for that purpose.

Section 5.10. Execution of Checks, Notes, Drafts and Other Negotiable Instruments. All checks, notes, drafts and other negotiable instruments shall be signed by the Chairperson, the President, any Vice President, the Treasurer, or such officer or officers as the Board of Directors may from time to time designate for that purpose. The Treasurer, Secretary, any assistant secretary or any assistant treasurer must co-sign such checks, notes, drafts and other negotiable instruments.

ARTICLE 6

FINANCES AND RECORDS

Section 6.01. Finances. The funds of the Corporation shall be deposited in its name with such bank or banks, trust company or trust companies as the Board of Directors may from time to time designate. No officers, agents or employees of the Corporation, alone or with others, shall have the power to make any checks, notes, drafts or other negotiable instruments in the name of the Corporation or to bind the Corporation thereby, except as herein provided.

Section 6.02. Fiscal Year. The fiscal year of the Corporation shall end on June 30th, unless otherwise provided by the Board of Directors.

Section 6.03. Keeping and Inspection of Records. There shall be kept, at the principal office of the Corporation, a complete set of books and records of the Corporation. They shall include, but not be limited to, the by-laws, minutes of meetings and such other books, records and papers of the Corporation as the Board of Directors shall require. These records shall be open to inspection by any Director within five (5) business days after receipt by the Secretary of a written request for such inspection.

ARTICLE 7

MISCELLANEOUS

Section 7.01. Form of Corporate Seal. The seal of the Corporation shall be circular in form with the words "Hudson Yards Development Corporation" in the outer circle and the words "Corporate Seal 2005 New York" in the inner circle. The seal on any corporate obligation for the payment of money may be facsimile, engraved or printed.

Section 7.02. Indemnification of Directors and Officers.

(a) To the maximum extent permitted by law, the Corporation shall indemnify each Member, Director and officer, whether or not then in office, who is made or threatened to

be made a party to any action, suit or proceeding, civil or criminal, arising out of such Member, Director's or officer's act or omission to act as a Member, Director or officer of the Corporation, against (i) the reasonable expenses, costs and counsel fees incurred by him/her in the defense of such action, suit or proceeding and (ii) amounts paid or incurred pursuant to a judgment or in settlement of any such action, suit or proceeding.

(b) Subject to the provisions of this Section 7.02, the Corporation shall indemnify each employee of the Corporation, whether or not then so employed, who is made or threatened to be made party to any action, suit or proceeding, civil or criminal, arising out of the scope of his/her employment against (i) the reasonable expenses, costs and counsel fees incurred by him/her in the defense of such action, suit or proceeding and (ii) amounts paid or incurred pursuant to a judgment or in settlement of any such action, suit or proceeding. Such indemnification shall be conditional upon (x) a finding made by the Board of Directors that the employee acted in good faith for a purpose which he/she reasonably believed to be in the best interest of the Corporation and that he/she had no reasonable cause to believe that his/her conduct was unlawful, (y) the employee's reasonably prompt delivery to the Corporation of written notice of the action, suit or proceeding and (iii) unless defended by the Corporation or the City's Corporation Counsel, the employee's retention of counsel satisfactory to the Corporation and the Corporation's determination that the defense and any settlement of such action, suit or proceeding is satisfactory. The foregoing right of indemnification shall not be exclusive of other rights to which any employee may be entitled as a matter of law.

Section 7.03. Conflict of Interest. No Director or officer shall be interested, directly or indirectly, in any contract relating to the operations conducted by the Corporation, nor in any contract for furnishing supplies thereto, unless authorized by the concurring vote of at

least two-thirds of the whole number of Directors, or, where applicable, by such larger vote as is required by law, the Certificate of Incorporation or these by-laws. In the event of such interest, the Director or officer concerned shall forthwith make disclosure to the Corporation of the nature and extent of his or her interest and such disclosure shall be entered in writing upon the minutes of the meeting of the Board of Directors called to authorize such contract. No Director who has such an interest shall vote on any matter relating to such interest. Employment or service with the City of New York or a related entity shall not constitute an interest within the meaning of this section.

Section 7.04. Open Meetings. Meetings of the Corporation, including annual, regular and special meetings of the Members, the Directors or any committee, shall be conducted, and public notice thereof given, in accordance with the provisions of Article 7 (Section 100 *et seq.*) of the New York State Public Officers Law.

Section 7.05. Amendment of By-Laws. These by-laws may be amended, repealed or replaced at any meeting of Members, notice of which shall have referred to the proposed action, by the affirmative vote of a majority of the whole number of Members, or at any meeting of the Board of Directors, notice of which shall have referred to the proposed action, by the affirmative vote of a majority of the whole number of Directors.

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