

**RESOLUTION OF THE
MEMBER OF THE HIGHLAND FALLS
ECONOMIC DEVELOPMENT CORPORATION
REMOVING ALL CURRENT DIRECTORS OF THE
BOARD OF DIRECTORS OF THE HIGHLAND FALLS
ECONOMIC DEVELOPMENT CORPORATION
AND APPOINTING NEW DIRECTORS**

WHEREAS, the Highland Falls Economic Development Corporation (the "HFEDC") was duly formed by the Village of Highland Falls Board of Trustees on April 25, 2016; and

WHEREAS, pursuant to Article II, Section 1 of the By-laws of the HFEDC, the Village of Highland Falls Board of Trustees is the only Member of the HFEDC (the "Member"); and

WHEREAS, pursuant to Article III, Section 2 of said By-laws the Board of Directors of the HFEDC shall be appointed by the Mayor of the Village of Highland Falls with the consent of the Board of Trustees of the Village of Highland Falls; and

WHEREAS, pursuant to Article III, Section 2 of said By-laws, all HFEDC Directors serve at the pleasure of the HFEDC; and

WHEREAS, after the resignation of Jim Modlin, the two remaining HFEDC Directors are Patrick Flynn and Gus Koutsourades; and

WHEREAS, on June 22, 2016, the HFEDC received correspondence from the State of New York Authorities Budget Office, notifying the HFEDC that it was an "authority" under NYS Law and subject to public disclosure, reporting an corporate governance provisions of the Public Authorities law including, but not limited to filing:

1. An annual budget and multi-year financial plan; and
2. An annual report containing, among other information, financial summaries of the corporation and formation on outstanding projects and debt, property transactions,

salaries, benefits and compensation paid to staff and board members, and the governance practices of the corporation; and

3. The annual independent audit of the corporation; and
4. Reports on the corporation's procurement contracts and investments; and
5. All information to be made on public on the corporation's web site or on a dedicated webpage on the Village website; and
6. The HFEDC was required to register and submit these reports through the Public Authorities Reporting Information System ("PARIS").

WHEREAS, these reports were due to the State within 90 days of the end of the fiscal year and the budget report was due 60 days in advance of the fiscal year; and

WHEREAS, no reports were filed by HFEDC in violation of the Public Authorities Law; and

WHEREAS, pursuant to Article III, Section 2(c) of the HFEDC By-laws, all Directors were responsible to participate in training approved by the NYS to facilitate their understanding of their legal, fiduciary, financial and ethical responsibilities as Directors within one year of appointment and have failed to do so in violation of the By-laws; and

WHEREAS, the HFEDC was required under Article VII, Section 2 of the By-laws to keep, among other things, a complete contemporaneous record of accounts, books, minutes and statements of the proceedings of the Board of Directors, and make those records available to the public and to the Member and has not done so in violation of the By-laws.

NOW, THEREFORE, BE IT RESOLVED, that the Member hereby finds and determines that the failure of the Board of Directors of the HFEDC to comply with New York

State filing requirements and its failure to comply with its duties under the HFEDC By-laws constitutes a liability to the Village of Highland Falls and its residents.

BE IT FURTHER RESOLVED, that pursuant to the authority vested in the Village of Highland Falls Board of Trustees as the sole Member of the HFEDC under Article III, Section 2 of the HFEDC By-laws, the Member hereby removes the remaining Directors of the HFEDC Board of Directors, Patrick Flynn and Gus Koutsourades and appoints a new HFEDC Board of Directors as follows:

1. Joseph D'Onofrio
2. Mervin Livsey
3. James Ramus

On a motion by Trustee Livsey, seconded by Trustee Aylward, the above resolution was approved on a roll-call vote of:

Mayor D'Onofrio	✓	Aye	___	Nay
Trustee Ramus	✓	Aye	___	Nay
Trustee Alyward	✓	Aye	___	Nay
Trustee Livsey	✓	Aye	___	Nay
Trustee Murphy	✓	Aye	___	Nay

Dated: December 18, 2017

Regina Taylor, Village Clerk of the Village of Highland Falls, does hereby certify that the foregoing Resolution of the Board of Trustees was filed in my office on the following date:

Regina M Taylor 12/19/17

Signature and Date