

BY-LAWS OF
HILTON LOCAL DEVELOPMENT CORPORATION

ARTICLE I - OFFICES

The principal office of the Corporation shall be located in New York. The Corporation may also have offices at such other places within or outside the State of New York as the Board may from time to time determine or the business of the Corporation may require.

ARTICLE II - PURPOSES

The purposes for which this Corporation has been organized are the purposes as stated in the Certificate of Incorporation, as amended.

ARTICLE III - DIRECTORS

1. BOARD OF DIRECTORS.

Subject to any provision in the Certificate of Incorporation, the business of the Corporation shall be managed by its Board of Directors, each of whom shall be at least 21 years of age.

2. NUMBER OF DIRECTORS.

The number of Directors shall be not less than three (3). The number of Directors may be increased or decreased by amendment of the By-Laws or by action of the Board of Directors; in which case a vote of the majority is required.

3. ELECTION AND TERM OF DIRECTORS.

The initial Directors, as provided in the Certificate of Incorporation, shall serve as the Directors of the Corporation until the elections are held for the Village of Hilton Board (the "Village Board"). Upon election of the Village Board, the members of the Village Board shall be elected as the Directors of the Corporation. The Directors of the Corporation shall be the same persons as are elected to the Village Board.

4. NEWLY CREATED DIRECTORSIDPS AND VACANCIES.

Vacancies occurring for any reason, on the Board of the Corporation shall be filled by the person who has been elected to fill the corresponding vacancy on the Village Board. A Director elected to fill a vacancy caused by resignation; death or removal shall be elected to hold that office until the next Village Board elections.

5. REMOVAL OF DIRECTORS.

Any or all of the Directors may be removed with or without cause only by vote of the Directors when there is a quorum of not less than a majority present at the meeting of Directors at which such action is taken. Any Director removed from the Village Board shall automatically be removed as Director of the Corporation.

6. RESIGNATION.

A Director may resign at any time by giving written notice to the Board, the President or the Secretary of the Corporation. Unless otherwise specified in the notice, the resignation shall take effect upon receipt thereof by the Board or such officer, and the acceptance of the resignation shall not be necessary to make it effective. A resignation from the Village Board shall constitute a resignation as a Director of the Corporation.

7. QUORUM OF DIRECTORS.

Unless otherwise provided in the Certificate of Incorporation, a majority of the entire Board shall constitute a quorum for the transaction of business or of any specified item of business.

8. ACTION OF THE BOARD.

Unless otherwise required by law, the vote of a majority of the Directors present at the time of the vote, if a quorum is present at such time, shall be the act of the Board. Each Director present shall have one vote.

9. PLACE AND TIME OF BOARD MEETINGS.

a) The Board may hold its meetings at the office of the Corporation or at such other places, either within or without the State of New York, as it may from time to time determine.

b) All Directors may participate in a regular or special meeting through the use of a conference telephone or any other means of communication by which all Directors participating may simultaneously hear each other during the meeting. A Director participating by this means is deemed to be present at the meeting.

10. ANNUAL MEETING.

An annual meeting of the Board shall be held during the month of April at such place as the Board may determine.

11. REGULAR MEETINGS.

The regular meeting of the Board shall be held at such times as the Board may determine.

12. NOTICE OF MEETINGS OF THE BOARD, ADJOURNMENT.

a) Regular meetings of the Board may be held without notice at such time and place as it shall from time to time determine. Special meetings of the Board shall be held upon notice to the Directors and may be called by the President upon three days' notice to each Director either personally or by mail or by wire; special meeting shall be called by the President or by the Secretary in like manner on written request of two Directors.

b) A majority of the Directors present, whether or not a quorum is present, may adjourn any meeting to another time and place. Notice of the adjournment shall be given to all Directors who were absent at the time of the adjournment and, unless such time and place are announced at the meeting, to the other Directors.

13. CHAIRMAN.

At all meetings of the Board, the President, or in his/her absence a chairperson chosen by the Board, shall preside.

14. COMPENSATION.

No compensation shall be paid to Directors, as such, for their services.

15. ACTION WITHOUT A MEETING.

Any action required or permitted to be taken by the Board may be taken without a meeting if all members of the Board consent in writing to the adoption of a resolution authorizing the action.

ARTICLE IV - OFFICERS

1. OFFICES, ELECTION, TERM.

a) The Board may elect or appoint a President, a Vice-President, a Secretary and a Treasurer, and such other officers as it may determine, who shall have such duties, powers and functions as hereinafter provided.

b) All officers shall be elected or appointed to hold office until the meeting of the Board at its annual meeting.

c) Each officer shall hold office for the term for which he/she is elected or appointed and until his/her successor has been elected or appointed and qualified.

2. REMOVAL, RESIGNATION, SALARY, ETC.

a) Any officer elected or appointed by the Board may be removed by the Board with or without cause.

b) In the event of the death, resignation or removal of an officer, the Board in its discretion may elect or appoint a successor to fill the unexpired term.

c) Any two or more offices may be held by the same person, except the offices of President and Secretary.

d) The salaries, if any, of officers shall be fixed by the Board.

e) The Directors may require any officer to give security for the faithful performance of his/her duties.

3. PRESIDENT.

The President shall be the chief executive officer of the Corporation; he/she shall preside at all meetings of the Board; he/she shall have responsibility for the daily management of the business of the Corporation and perform such other duties as the Board shall prescribe; he/she shall see that all orders and resolutions of the Board are carried into effect; he/she shall be an ex officio member of all standing committees.

4. VICE-PRESIDENT.

During the absence or disability of the President, the Vice-President, or if there are more than one, the executive Vice-President, shall have all the powers and functions of the President. Each Vice-President shall perform such other duties as the Board shall prescribe.

5. SECRETARY.

The Secretary shall:

- a) attend all meetings of the Board;
- b) record all votes and minutes of all proceedings in a book to be kept for that purpose
- c) give or cause to be given notice of all of special meetings of the Board;
- d) keep all the documents and records of the Corporation as required by law or otherwise in a proper and safe manner;
- e) perform such other duties as may be prescribed by the Board.

6. TREASURER.

The Treasurer shall:

- a) have the custody of the Corporate funds and securities;
- b) keep full and accurate accounts of receipts and disbursements in the Corporate books;
- c) deposit all money and other valuables in the name and to the credit of the Corporation in such depositories as may be designated by the Board;
- d) disburse the funds of the Corporation as may be ordered or authorized by the Board and preserve proper vouchers for such disbursements;
- e) render to the President and Board at the regular meetings of the Board, or whenever they require it, an account of all his/her transactions as Treasurer and of the financial condition of the Corporation;
- f) render a full financial report at the annual meeting of the Board if so requested;
- g) be furnished by all Corporate officers and agents at his/her request, with such reports and statements as he/she may require as to all financial transactions of the Corporation;
- h) perform such other duties as are given to him/her by these By-laws or as from time to time are assigned to him/her by the Board or the President.

ARTICLE V - EXECUTION OF INSTRUMENTS

All Corporate instruments and documents shall be signed or countersigned, executed, verified or acknowledged by the President or by such officer or officers of other person or persons as the Board may from time to time designate.

ARTICLE VI - FISCAL YEAR

The fiscal year shall begin on the first day of January in each year.

ARTICLE VII - REFERENCES TO CERTIFICATE OF INCORPORATION

Reference to the Certificate of Incorporation in these By-laws shall include all amendments thereto or changes thereof unless specifically excepted.

ARTICLE VIII - INDEMNIFICATION

If a Director or Officer of the Corporation is made a party to any civil or criminal action or proceeding in any matter arising from the performance by such Director or Officer of his/her duties for or on behalf of the Corporation, then, to the full extent permitted by law, the Corporation, upon affirmative vote of the Board of Directors, a quorum of Directors being present at the time of the vote who are not parties to the action or proceeding, shall:

(1) Advance to such Director or Officer all sums found by the Board, so voting, to be necessary and appropriate to enable the Director or Officer to conduct his/her defense, or appeal, in the action or proceeding; and

(2) Indemnify such Director or Officer for all sums paid by him/her in way of judgments, fines, amounts paid in settlement, and reasonable expenses, including attorneys' fees actually and necessarily incurred, in connection with the action or proceeding, or appeal therein, subject to the proper application of credit for any sums advanced to the Director or Officer pursuant to clause (1) of this Article.

ARTICLE IX - BY-LAW CHANGES

AMENDMENT, REPEAL, ADOPTION, ELECTION OF DIRECTORS.

The By-laws may be amended, repealed or adopted by a majority vote of the Board.

UNANIMOUS WRITTEN CONSENT
OF THE INITIAL BOARD OF DIRECTORS OF HILTON
LOCAL DEVELOPMENT CORPORATION

The undersigned, being the initial Directors of HILTON LOCAL DEVELOPMENT CORPORATION, a New York not-for-profit corporation (the "Corporation") hereby make and adopt the following resolutions in writing, pursuant to Section 708 of the Not-For-Profit Corporation Law as and for resolutions of the Directors of the Corporation as of February 28th, 2000:

RESOLVED, that the Corporation ratifies and approves the filing of the Certificate of Incorporation with the New York Secretary of State; and it is

FURTHER RESOLVED, that a copy of the Certificate of Incorporation, together with all necessary consents and approvals, if any, and the New York State filing receipt be appended to this Consent; and it is

FURTHER RESOLVED, that the Corporation ratifies and approves the By-Laws regulating the conduct and affairs of the Corporation as prepared by Lacy, Katzen, Ryen & Mittleman, LLP, counsel for the Corporation; and it is

FURTHER RESOLVED, that the following persons be elected Directors of the Corporation to serve for the ensuing year or until their successors are duly elected and qualified:

Joseph Lee
Walter P. Horylev
James M. Gates
Larry Speer
James Bimmler

and it is

FURTHER RESOLVED, that the following persons be elected to the corporate office opposite their name to serve for the ensuing year or until their successors are duly elected and qualified:

Joseph Lee	President
Walter P. Horylev	Vice President
Shari Pearce	Secretary
Janet Surridge	Treasurer

FURTHER RESOLVED, that all prior actions taken by the Incorporator and the initial Directors on behalf of the Corporation be, and they hereby are approved, ratified and adopted in all respects.