

RIVERBEND HOUSING CO., INC.

BY-LAWS

APPROVED BY COOPERATORS

DECEMBER 3, 1984

ARTICLE I

Declaration of Purpose

Section 1. This corporation is organized under and pursuant to the Limited-profit Housing Companies Law of the State of New York and with the approval of the Housing and Preservation Development Agency of the City of New York and the U.S., Department of Housing and Urban Development.

Section 2. The object of the corporation is to afford and operate adequate, safe, and sanitary housing accommodations for persons of moderate income, in accordance with Cooperative principles.

ARTICLE II

Capital Stock

Section 1. Classes of Stock. The corporation shall have two classes of capital stock: Class A common stock and Class B common stock.

Section 2. Class A Stock. Class A common stock shall be issued to the sponsors of the corporation as approved by the Housing and Redevelopment Board of the City of New York. The entire Voting power of the corporation shall be vested in such Class A common stock until the Housing Redevelopment Board of the City of New York shall certify the total actual project cost of the housing project to be developed by the corporation and shall issue a Certificate of Final Acceptance of the said housing project.

Section 3. Class B Stock. Class B common stock shall be issued to the tenant-cooperators who will occupy the residential unit in the said housing project pursuant to leases with the corporation as approved by the Housing and Redevelopment Board of The City of New York. Such Class B common stock shall not be issued until the Housing and Redevelopment Board shall certify the total actual project cost of the said housing project and shall issue a Certificate of Final Acceptance of the said housing project, and until such time there shall be no meetings of the subscribers to or owners and holders of said Class B common stock and no voting rights shall be vested in said Class B common stock.

Section 4. Retirement of Class A Shares and Issuance of Class B Shares. Immediately After the Rousing and Redevelopment Board

shall certify the total actual project cost of the said housing project and shall issue a Certificate of Mal Acceptance of the said housing project:

(a) The Class A Common stock shall be retired by the corporation and the corporation shall pay and the holders of such stock shall accept the price paid for such stock when originally issued; and

(b) The Class B common stock shall be issued to the subscribers therefore and the entire voting power of the corporation shall vest in said Class B common stock; and

(c) A special meeting of Class B stockholders for the election of directors and for the conduct of other business shall be called within 60 days after the Housing and Redevelopment Board of the City of New York shall have certified the total actual project Cost of the said housing project and shall have issued a Certificate of Final Acceptance of said housing project.

Section 5. References to Stock and Stockholders. Unless otherwise expressly limited, all references hereinafter to stock, shares, Stockholders and synonymous terms, shall be deemed (a) to refer only to Class A common stock and the holders thereof during the period prior to the time the Rousing and Redevelopment Board shall certify the total actual project cost of the said housing project and shall issue a Certificate of Final Acceptance of the said housing project, and (b) to refer only to Class B common stock and the holders thereof during the period subsequent to the time the Rousing and Redevelopment Board shall certify the total actual project cost of the said housing project end shall issue a Certificate of Final Acceptance of the said housing project.

ARTICLE III

Stockholders Meetings

Section 1. Annual Meetings. The annual meeting of the stockholders of the corporation for the election of directors and for the transaction of ocher business of the corporation shall be held at the office of the corporation in the City, County and State of New York, or such other place as may be designated in the notice of meeting, in the second week of March on a legal business day. Written notice of the annual meetings shall be mailed to each stockholder. entitled to vote, at such address as appears on the stock bock, not less than ten (10) nor

more than forty (40) days prior to the date of the meeting; but any meeting at which all stockholders shall be present, or at which all stockholders not present have waived notice in writing, shall be deemed held on due notice.

Section 2. Special Meetings. Special meetings of the stockholders for any purpose or purposes may be called at any time by the President or **Secretary** **Secretary** or other officer of the corporation to give notice of such meeting. Upon receipt of the stockholders/directors petition, the Board shall respond within ten (10) business days, and shall call a meeting within thirty (30) business days unless granted an extension in writing. Written notice of such meetings setting forth the time, and place of the holding of such meeting and the object thereof, shall be mailed to each stockholder entitled to vote at such address as appears on the stockbook not less than ten (10) nor more than twenty (20) days prior to the date of the meeting, but any meeting at which all stockholders shall be present or at which all stockholders not present have waived notice in writing shall be deemed held on due notice. Failure to observe these procedures shall be deemed sufficient cause for removal of said officer(s).

Section 3. Additional Notice. The Housing and Preservation Development Agency of the City of New York and the U.S. Department of Housing and Urban Development shall be notified in writing of and shall have the right to designate a representative to attend all meetings of the stockholders of the corporation.

Section 4. Quorum. Presence in person or by proxy of twenty-five percent (25%) of the holders of the outstanding stock entitled to vote shall be necessary to constitute a quorum) but a lesser number may adjourn from time to time without notice other than an announcement at the meeting at which the requisite number of stockholders shall not be present.

Section 5. Voting. At all meetings of the stockholders, all, questions, the manner of deciding which is not specifically regulated by statute, Roberts Rules of Order or these By-Laws, shall be determined by a vote of the majority of the stockholders present at the meeting. Each stockholder shall be entitled to one vote for any and all purposes regardless of the number of shares held by such holder. All voting shall be via viva voce except as prescribed by statute or by these By-Laws, but upon request of a majority of those present, a roll call vote must be taken.

Section 6. Order of Business. At all meetings of the stockholders the following order of business shall be observed so far as consistent with the purposes of the meeting:

1. calling the roll, of persons entitled to vote, or checking the stockholders listing of persons entitled to vote.
2. Proof of notice of meeting.
3. Minutes.
4. Reports, respectively of President, Treasurer and Secretary.
5. Reports of committees, if any.
6. Election of directors, however no electioneering shall be conducted at this meeting.
7. Transaction of such other business as may properly come before this meeting.
8. Adjournment.

ARTICLE IV

Directors

Section 1. Number and Term of Office and qualifications. The number of directors shall be seven, plus one alternate, who shall be the person receiving the next highest number of votes after the director(s) has been elected. Directors shall be elected at the annual meeting of the stockholders in each year. Directors shall serve for three (3) years and until their successors are duly elected and shall qualify. The alternate director shall be elected at each annual meeting of stockholders. The alternate shall serve for one year as a non-voting member unless required to fill the unexpired term of a board member as provided in Section 2 of this Article. Every director must be a resident stockholder of Riverbend.

Section 1(A). How Elected. The election of the seven (7) directors shall proceed as follows: There shall be three candidates elected in 1984. The three candidates receiving the three highest votes shall serve until the 1987 election. The candidate receiving the next highest vote shall serve as the alternate until the 1985 election. Thereafter in the years 1985 and 1986, two (2) directors shall be elected each year to serve

for a period of three (3) years. The candidate receiving the next highest vote shall serve as the alternate until the next annual meeting of the stockholders. Elections 044 continue in the aforementioned manner thereafter. All voting must be by secret written ballot previously prepared by the Election Committee. with all instructions at the top of the ballot and the nominees listed in alphabetical order only. Such ballots must be folded and placed in a closed box, which box shall be sealed after the voting ends and plated in the hands of the Election Committee for immediate counting.

(B) Nominations of persons to fill seats on the Board of Directors shall be mailed to the Chairperson of the Unction Committee at least one month before the annual meeting of the stockholders. Nominees shall notify, in writing, the Chairperson or Secretary of the Election Committee whether they accept or decline the nomination within 5 days of nomination.

(C) Notice of nominating meetings shall be posted one week in advance on lobby bulletin boards in each building.

(D) There will be only one (1) vote for each apartment and voting will be by written secret ballot cast in person or by written revocable proxy. No irrevocable proxies will be permitted.

(E) Elections shall take place either at the annual stockholders meeting, or upon continuation of such meeting, no later than two weeks thereafter. Polls may open at 9:00 A.M. but must close at 5:00 P.M. but must be open for at least 5 consecutive hours prior to 5:00 P.M.

Section 2. Vacancies. Any vacancy occurring in the Board of Directors shall be filled by the alternate for the unexpired term of the departing Board member. If for any reason, there exists more than one vacancy all vacancies shall be filled by the Board for a period not to exceed 90 days or the next annual meeting, whichever is less. If more than one vacancy occurs on the Board of Directors for any reason and the unexpired term exceeds 90 days. all vacancies shall be filled by a special election within thirty (30) days after the vacancies occur.

Section 3. Automatic Removal of Directors. The term of any Director who becomes more than 60 days delinquent in payment of his monthly carrying charges shall be called forth to show cause as to why his term should not be terminated.

Also, the term of any director shall be automatically terminated

if the director engages in the prohibited conduct set forth in Article XI and his unexpired term shall be filled as prescribed in Article IV Section 2.

Section 4. Compensation. No compensation shall be paid to Directors for their services as Directors. No remuneration shall be paid to a Director for services performed by him for the Corporation in any other capacity, unless a resolution authorizing such remuneration shall have been unanimously adopted by the Board of Directors before the services are undertaken. No remuneration or compensation shall in any case be paid to a Director without the approval of the Board of Directors. A director may not be an employee of the Corporation.

Section 5. Meetings.

A. Regular meeting of the Board shall be held at least once a month.

1. Meetings will be conducted according to an agenda agreed upon at the previous Board meeting. Board members shall be given three days advance notice of the agenda by the Boards Recording Secretary.

2. Meetings of the Board shall at least once vary 2 months be open meetings. At open meetings of the Board of Directors, the making, seconding, discussion and voting on motions shall be by Board members only.

3. Meetings shall be presided over by the resident elected by a Majority vote of the Board of Directors.

4. Meetings agenda. When eat individual cooperators desires to introduce an item to the agenda he shall be required to give notice to the Secretary of the Board seven (7) days in advance of meeting date when item will appear on the agenda, whenever possible.

5 (A) All voting of the the Board will be open.

5 (B) Special meetings may be called at the request of the President or by a request of 2 or more members made to the Secretary of the Board.

5 (C) Wen a special meeting is called, 24 hours advance notice of agenda contents shall be provided where possible.

5 (D) Meetings shall be held at the office of the

corporation Riverbend Housing Co., Inc., New York, New York or as otherwise determined and fixed from time to time by the Board of Directors.

6. Roberts Rules of Order will be official reference guide for parliamentary procedure.

7. All pertinent matters, outside contracts, inquiries, etc. should be referred to the Board through the Chairman. No unilateral action by individuals is permitted unless specifically authorized by the Board.

8. The Minutes of the Board of Directors shall be in narrative form as described in Roberts Rules. Accepted minutes of Board meetings and records of Board actions shall be available to all Tenant Cooperators upon request with reasonable notice to the Secretary of the Board. Summary of action taken at each meeting shall be posted after Board approval on bulletin board in each building within seven days of approval and remain posted for a period of seven days thereafter.

9. Minutes of the previous meeting shall be given to each Board member one (1) week in advance of a regular meeting.

Section 6. Notice of meeting and Waiver of Notice. Written notice of each meeting, stating the time, place, date and purpose thereof shall be provided to each Board Member, at least forty-eight hours before each meeting. Notice may be waived in writing by any director, at any meeting at which every director is present, or of which these directors who are absent have waived notice is deemed to be validly held.

The Housing and Preservation Development Agency of the City of New York and the U.S. Housing and Urban Development Agency shall be notified in writing of and shall have the right to designate a representative to attend all meetings of the Board of Directors.

Section 7. Quorum. A majority of the Board of Directors shall constitute a quorum, and a majority of the members in attendance at any meeting of the Board shall, is the presence of a quorum, decide its action. A majority of the Board present at any meeting may, in the absence of a quorum, adjourn to a later date, but may not transact any other business.

Section 8. Other Committees. The Board of Directors may from time to time, appoint from among its members, and/or cooperators, committees with such power and duties as it shall

determine. Committees which are already in existence at the time these by-laws are enacted shall continue to function as they have until such time when the Board of Directors, committee members and the cooperators decide that said committee is no longer needed.

Section 9. Duties and Powers. The Board of Directors has the responsibility for establishing policy covering the administration of property, interests: business and transaction of the corporation and may delegate to officers such authority as it deems proper, not inconsistent with law or these By-laws. The Board of Directors also has the responsibility to ensure that the best interests of the stockholders are served. Any major changes, financial, managerial or otherwise, which directly affects the operation of the corporation must be brought before the stockholders, pursuant to the procedures outlined in Article IV, Sections 1 and 5, or by a referendum vote. Failure to observe these procedures shall be deemed sufficient cause for removal of said officer(s). Sound organization dictates that individual members of the Board should not interfere with day-to-day management and operations of the project or with its employees or intrude upon management functions. However, the Board as a whole is obligated to ensure that the day-to-day operations of the housing company are handled in the most efficient and expeditious manner and nothing in the above paragraph should be construed to obviate that responsibility.

Section 10. Fidelity Bonds. The Board of Directors shall require that all officers and employees of the Corporation handling or responsible for corporate or trust funds shall furnish adequate fidelity bonds. The premiums on such bonds, shall be paid by the Corporation, for the officers only.

ARTICLE V

Officers

Section 1. Election. The Board of Directors at its first meeting after the election of Directors in each year shall elect from its number a President and shall also elect a Vice-President, Secretary and a Treasurer. It may elect an Assistant Secretary and an Assistant Treasurer, and such other officers at in its discretion the needs of the corporation may from time to time require.

Section 2. Term of Office. All officers of the corporation shall be elected to hold their respective offices by the vote of the

Board of Directors, and any vacancy occurring in the office of President, Vice President, Treasurer or Secretary or any other office shall be filled by the Board of Directors. It is deemed that no Board member shall serve as an officer for more than two (2) years in the respective office.

Section 3. The President. The President shall preside at all meetings of the Board of Directors, and shall act as chairman at, and call to order all meetings of the stockholders, subject to the supervision and direction of the Board of Directors. The President shall have the general management of the affairs of the corporation and perform all the duties incidental to the office, subject to the supervision and direction of the Board of Directors.

Section 4. Vice-President. The Vice President shall in the absence, disability or incapacity of the President have the powers and perform the duties of the President which the Board of Directors may assign.

Section 5. Secretary. The Secretary shall keep the minutes of the meeting of the directors and stockholders; shall attend to the serving of notices of the meetings of the directors and stockholders, shall, affix the seal of the corporation to such documents, certificates and papers as may require it, shall have charge of the stock certificate book and such other Docks and papers as the Board of Directors may direct; shall attend to such correspondence as may be assigned to him/her; and shall perform all, the other duties incidental to this office and those which the Board of Directors may from time to time designate.

Section 6. Treasurer: The Treasurer shall be the chief financial officer of the corporation and shall have the care and custody of all the funds and securities of the corporation and shall deposit the same in the name of the corporation in such bank or banks as the Board of Directors may designate. He will be required by the Board of Directors to give such bonds as it shall be determined for the faithful performance of his duties.

Section 7. Assistant Secretary and Assistant Treasurer. The Assistant Secretary and the Assistant Treasurer shall, respectively, in the absence, disability or incapacity of the officer to whom he/she is an assistant, have the powers and perform the duties of such officer, and shall perform such other duties as may be assigned to him from time to time by the Board of Directors. They will be required by the Board of Directors to give such bonds as it shall determine, for the faithful

performance of their duties.

Section 8. Other Officers. Other officers shall perform such duties and have such powers as may be assigned to them from time to time by the Board of Directors.

Section 9. Discipline. The Board of Directors shall have the right to take punitive measures such as censure or other temporary measures against any member of the Board considered to have been in contempt of the proceedings of the Board or its Committees, providing reasonable opportunity for defense against such action has been accorded the accused. A vote for disciplinary action shall require a 2/3 vote of Board members present at an official meeting.

Section 10. Automatic Removal of Officers. The term of any officer shall be automatically terminated if the officer engages in prohibited conduct as set forth in Article XI.

Section 11. Removal of Directors for Cause (Recall). Any director may be removed for cause during his/her term of office upon a written petition subscribed to by not less than 100 resident shareholders, which petition must set forth the basis of the cause for removal. Upon receipt of such a petition to the Board of Directors, the Board shall call a special meeting of the shareholders, at which meeting the Director whose removal is sought shall be entitled to be heard. The Chairman of the meeting, 14 requested by the vote of more than 100 of the total number of residents shareholders, who shall be present, shall have prepared a ballot on which the reason(s) for the requested recall shall be listed.

Voting for recall shall be conducted within 10 days from the date of the meeting at which request for said ballot was voted and approved. A sample recall ballot must be posted in conspicuous easily accessible areas for three (3) days prior to the actual day of voting. Voting shall be conducted in the same manner as voting for elections of directors, except proxy votes shall not be accepted to remove directors for cause under any circumstances. There will be only one (1) vote for each apartment and voting will be by written secret ballot; polls may open at 9:00 A.M, but must close at 5:00 P.M. and must be open for five (5) consecutive hours prior to 5:00 P.M.; all voting must be by secret written ballot previously prepared by the chairman as indicated above; and such ballots must be folded and placed in a closed box, which box shall be sealed after the Voting ends and placed in the hand of the Chairman and/or a previously designated committee for immediate counting. A vote

of 2/3 of the stockholders present at this meeting shall be necessary to remove a Director, a director shall be removed immediately if a vote of 2/3 or more of the stockholders present at this meeting to vote so vote.

A director may be removed for cause by the vote of 75% of the entire Board of Directors provided, however, that the Board must then convene a special meeting of the shareholders to explain its action and at which meeting the Director whose removal is sought shall be entitled to be heard. The shareholders may approve or reverse the action of the Board. The shareholders must approve the action of the Board by a vote of 2/3 of the stockholders present at this meeting.

Approval or reversal shall be voted as follows: Voting shall be conducted within 10 days from the date of the meeting at which request for such vote was made by the Board of Directors. A sample ballot, in which the reason(s) for the requested removal for cause shall be listed, must be posted in conspicuous, easily accessible areas for three (3) days prior to the actual day of voting. There will be only one (1) 1A4C for each apartment and voting will be by written secret ballot; polls may open at 9:00 A.M. but must close by 3:00 P.M.; all voting must be by secret written ballots previously prepared by the Chairman of the meeting indicated above; and such ballots must be folded and placed in a closed box, which box shall be sealed after the voting ends and placed in the hand of the Chairman and/or a previously designated committee for immediate counting. A vote of 2/3 of those present at this meeting shall be necessary to approve the removal of a Director for cause by the Board of Directors and said removal shall become effective only at the time of the vote of the shareholders.

ARTICLE VI

Committees

Section 1A. The following Standing Committees are already established:

1. Management
2. Finance
3. Legal
4. Security

5. Newspaper

B. The Board may from time to time designate such other committees, either Standing or Temporary, as it deems proper.

Section 2. One or more members of the Board of Directors shall be assigned as liaison and advisor to each of the Standing Committees. Board members shall not hold office in the Standing Committees and will not interfere in any decision or violate same except to indicate where such decisions, if any, may be violation of Board policy.

Section 3. Committees shall elect their own Chairman and Secretary. They shall keep minutes of all meetings and record all activities, a copy of which shall be submitted to the Board monthly.

Section 4. Resignation of committee officers shall be in writing to the Board of Directors for appropriate action.

Section 5. Additional Standing Committees may be established by a 2/3 vote of the Board of Directors. Permanent notice of Standing Committees and their liaison officers, together with a listing of all Board members shall be posted on all bulletin boards.

ARTICLE VII

Operation of the Project as a Cooperative

Section 1 Subject to the provisions of statute, and the Certificate of incorporation, the corporation will operate the project which it will develop in the City of New York; State of New York, as a cooperative, and in furtherance and nor in limitation of such other powers as may be granted to the Board of Directors therein, the Board Of Directors shall have authority to manage the affairs of the corporation and to operate the project, collect and receive payments due from stockholders or other occupants, pay debts of the corporation, incur charges for maintenance and operation of the projects provide for the accumulation of A surplus or reserve fund from which to maintain mortgage and other obligations on a current basis and do each and every thing reasonable, necessary or incidental thereto.

Section 2. The monthly maintenance paid by the Cooperators shall be deemed to be payments on account of their annual maintenance obligations which shall be finally determined by the Board of

Directors in the light of each years operating experience, subject however in all respects to the approval of the Reusing and Preservation Development Agency of the City of New York.

ARTICLE VIII

Signature of Instruments

Section 1. Checks, notes, drafts and orders for the payment of money and obligations of the corporation, and all contracts, mortgages, deeds and other instruments except as otherwise in these by-laws provided shall be signed by the Treasurer and one of three authorized officers, except that the execution of checks may be delegated to a managing agent subject to such review at the Board deems reasonable and proper.

ARTICLE IX

Capital Stock

Section 1. Certificates. Certificates of stock shall be numbered and issued in consecutive order, shall be signed by the President or the Vice President and by the Secretary or Treasurer and sealed with the seal of the corporation; and in appropriate books of record shall be entered the name of the person owning the shares represented by each certificate, the number of such shares and the date of issue. All certificates exchanged and returned to the corporation shall be marked "cancelled", with the date of cancellation, and shall be signed by the President or the Vice President and the Secretary or the Treasurer, and shall be filed among the corporate records of the corporation.

Section 2. Transfers. Shares by any certificate shall be transferable only as an entirety on the books of the corporation by the holder in person or by attorney, upon surrender of the certificate for such shares.

Section 3. Restrictions on transfers.

A(1) No share or shares of the Capital Stock shall be pledged or otherwise encumbered.

(2) No share or shares of the Capital Stock shall be sold, alienated, transferred or otherwise disposed of without first offering said shares or shares of stock for sale to the corporation.

B. Such offer shall be made in writing, signed by such stockholder, and sent by mail to the corporation in a postpaid wrapper to the post office address of the corporation, at its principal place of business, and such offer shall remain good for acceptance by the corporation, or a person designated by the corporation for a period of ninety days from the date of mailing such notice. Such offer shall constitute the corporation an agent for the sale of the shares of stock to the corporation or to such person who may be designated by the corporation.

C. If the corporation, or person designated by it, within the said ninety day period, shall indicate that it, or the person designated by it, desires to purchase said shares of stock and shall give notice thereof in writing to the retiring stockholder, the latter shall be bound, within thirty days thereafter to transfer such shares to the corporation or the person designated by the corporation, upon payment and receipt of the price herein provided.

D. In the event that the corporation or the person designated by the corporation shad not purchase said Capitol Stack of the corporation within said ninety days period, then and in such event only the stockholder shall have the right or power to sell or otherwise dispose of said Capital Stock of the corporation to any person acceptable to the corporation, provided such person shall, upon the transfer of said shares, enter into a lease with the corporation for the premises formerly occupied by the retiring stockholder for a term equivalent to the balance of the term then existing under the lease between the stockholder and the corporation, and upon all the other terms and conditions contained in the said lease, except that the specified annual rental to be paid by such person shall be an amount equal to the stockholder's proportionate share of the cash requirements of the corporation under the lease; the corporation will not, however, unreasonably withhold its acceptance of any person to whom the stockholder proposes to sell such shares.

In the event that the stockholder does not sell his stock to any parson within six months after his right to do so has accrued, then and in such event, be must again notify the corporation of his intent to transfer his shares and he shall again be bound by the provisions of Paragraphs A, 3, C and p 04 this Section 3 of Article IX.

E. If in any case the retiring stockholder, after becoming bound to sell, convey or transfer his share to the corporation (or such other person as may be designated by this corporation), defaults in transferring said shares, the corporation (or such

ocher person as maybe designated by the corporation) shall, after notice to and approved by the Housing and Preservation Development Agency of the City of New York, hold the purchase money in trust for the retiring stockholder, or his executors, administrators or assigns and shall substitute the name of the purchaser upon the books of the company in place of the name of the retiring stockholder. After the name of the purchaser has been entered on the books of the corporation in the exercise of the aforesaid powers, the validity of the proceedings shall not be questioned by any parson and the corporation (or such other person or corporation as may be designated by this corporation) shall be deemed and taken to be the owner of such shares.

F. In the event that the stockholder shall have defaulted in the payment of any obligation arising under his lease with the corporation or shall, apart from said lease, become indebted to the corporation, or in the event of the termination of the lease or the recovery of possession of the apartment by the lessor under any of the provisions of the lease, or in the event of the violation by the stockholder of any provision of Section 3 Article IX of these By-Laws, the stockholder shall forthwith surrender to the corporation the certificate representing the shares of Capital Stock of the corporation owned by the stockholder and upon the failure or refusal of the stockholder so to surrender said shares of stock, the same shall, after notice to and approval by the Housing and Preservation Development Agency of the City of New York, be automatically cancelled and rendered null and void and the corporation may issue a new certificate or certificates in their place and stead and such new certificate or certificates shall represent the same shares as were represented by the original certificate or certificates. The stock represented by the certificate or certificates so surrendered or by such new Certificate or certificates may be sold by the corporation at public or private sale without notice, and the proceeds applied toward all indebtedness of the stockholder and the corporation shall remit any balance after payment of the expenses of same to the stockholder.

G. A stockholder shall have the right or power to pledge or otherwise encumber any share or shares of the corporation which may have been issued by the corporation.

H. The provisions of this Article IX shall be binding upon any executor, administrator or other legal representative and successors and assigns of every stockholder. Any person, other than a surviving spouse, acquiring through will or descent, or by conveyance to take effect at death. any share or shares of

the capital stock of this corporation shall be bound to offer the same for sale and transfer to the corporation upon the terms herein-above set forth in this Article IX, Section 3 of the By-Laws. Notwithstanding the previous sentence, if upon the death of any stockholder his capital stock in the corporation passes by will or intestate distribution to the stockholder's spouse and/or children who have reached their majority, such spouse and/or children by assuming in writing the terms of the Subscription Agreement and Occupancy Agreement within sixty (60) days after the subscriber's death, and by paying all amounts due to the corporation from the stockholder, shall not be bound to offer said capital stock for sale and transfer to the corporation and shall be entitled to be substituted on the books of the corporation as a stockholder of the corporation. If a stockholder dies and his obligations are not assumed in accordance with the foregoing, then the person or persons receiving said capital stock shall be bound to offer the same for sale and transfer to the corporation upon the terms hereinabove set forth in this Section 3 of Article IX of the By-Laws.

I. The certificate of stock shall bear a legend to the effect that the certificate shall not be transferable or assignable and that no rights shall be obtained in or to the shares represented thereby unless the terms, covenants, conditions and provisions of Section 2 and 3 of this Article IX have been fulfilled.

Section 4. The corporation shall be entitled to treat the holder of record of any share or shares of the corporation of capital stock as the holder in fact thereof, and shall not be bound to recognize any equitable or other claim to or interest in such shares on the part of any other person whether or not it shall have express or other notice thereof, except as expressly provided by the laws of New York.

Section 5. The corporation shall have a lien upon the shares of stock of any stockholder and upon all moneys due and owing by the corporation to any stockholder for any and all debts or liabilities, fixed or contingent, owed to the corporation by such stockholder. The Directors may refuse to approve a transfer of any shares upon which the corporation has such a lien.

Section 6. As used in this article, the words "shares of stock" shall include any interest in the corporation, and the word "stockholders" shall include the owner or holder of any such interest.

ARTICLE X

Indemnification

Section 1. Any person connected with the corporation as an officer, director, or employee who shall be made a party to any action, suit or proceeding by reason of the fact that he, his testator or intestate is or was a director, officer or employee of the corporation shall be indemnified by the corporation against the reason ale expenses, including attorney's fees, actually and necessarily incurred by him in connection 4th the defense of such action, suite or proceeding, or in connection with any appeal therein, except in relation to matters as to which it shall be adjudged in such action, suit or proceeding that such officer, director or employee is liable for negligence or misconduct in the performance of his duties.

Section 2. Such right of indemnification shall not be deemed exclusive of any other rights to which such director, officer or employee may be entitled apart from this provision. The amount of indemnity shall be determined as provided by the applicable provisions of law. Where indemnity shall be paid as herein provided otherwise pursuant to court order or action by the stockholders, the corporation shall, within three months of the date of such payment, mail to its stockholders of record at the time entitled to vote for election of directors, a statement specifying the persons paid, the amounts of the payment and the final disposition of the litigation.

ARTICLE XI

Prohibited Conduct of Directors and Officers

No contract or transaction shall be entered into between the corporation and one or more of its Directors or officers or their relatives or between the corporation and any other corporation, firm, association or other entity in which one or more of the Directors officers or their relatives are directors or officers. Said contract or transaction shall be void for this reason alone.

No Director or officer shall engage in any conduct, or enter into any contract or transaction that is not in the best interest of the cooperative.

ARTICLE XII

Amendments

By-Laws may be amended, repealed or altered in whole or in part by a vote of 2/3 of the stockholders of the corporation resent at any duly called annual or special meeting of the stockholders. The Board of Directors shall not amend, alter or repeal any by-laws adopted by the stockholders of the corporation.

ARTICLE XIII

Seal.

The seal of the corporation shall be circular in form and shall bear the name of the corporation, the words "Corporate Seal", the year of incorporation and the words "New York".