

BY-LAWS
of
FIRST ATLANTIC TERMINAL HOUSING CORPORATION

Organized Pursuant to the Limited-Profit Housing Companies Law
(Article 2 of the New York State Private Housing Finance Law)

ARTICLE I
Declaration of Purposes

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 Department of Housing Preservation and Development of the City of New York (HPD) and the Commissioner of Housing and Community Renewal of the State of New York.

The purpose of the corporation is to construct, own and operate a cooperative housing development.

As used in these by-laws words in the masculine, feminine or neuter gender shall be considered to be the appropriate gender as the context and circumstances require and words in the singular or plural shall be considered to be the appropriate number as the context and circumstances require.

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 HPD. The entire voting power of the corporation shall be vested in such Class A common stock until the HPD 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 units in the said housing project pursuant to leases with the

corporation as approved by the HPD. Such Class B common stock shall not be issued until the HPD 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 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. Within 90 days after the HPD 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:

- (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 therefor 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.

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 HPD 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 HPD 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.

SECTION 6. Certificates of Stock. 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 an Assistant Secretary or the Treasurer or an Assistant 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 or returned to the corporation shall be marked "Cancelled" with the date of cancellation by the President, a Vice-President, the Secretary or the Treasurer, and shall be filed among the corporate records of the corporation.

SECTION 7. Lost or Destroyed Certificates. The Board of Directors may direct a new certificate or certificates to be issued in place of any certificate or certificates theretofore issued by the corporation, alleged to have been lost or destroyed, upon the making of an affidavit of that fact by the person claiming the certificate to be lost or destroyed. When authorizing such issue of a new certificate or certificates, the Board may, in its discretion and as a condition precedent to the issuance thereof, require the owner of such lost or destroyed certificate or certificates, or his legal representative, to advertise the same in such manner as it shall require and/or give the corporation a bond in such sum and with such surety or sureties as it may direct as indemnity against any claim that may be made against the corporation with respect to the certificate alleged to have been lost or destroyed.

SECTION 8. Transfers. Shares represented 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 9. Restrictions on Transfers.

A. No share or shares of the capital stock shall be sold, pledged, encumbered or otherwise disposed of without the prior written consent of the corporation and the HPD.

B. (1) In the event that the consent of the HPD has been obtained, no share or shares of the capital stock shall be sold, pledged, encumbered or otherwise disposed of unless such share or shares are first offered for sale to the corporation or to a person designated by the corporation for the aggregate sum which the stockholder paid for such share or shares plus such other amount as is allowed by the Limited-Profit Housing Companies Law.

(2) 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 as may be designated by the corporation.

(3) 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.

(4) In the event that the corporation or the person designated by the corporation shall not purchase said share or shares of capital stock of the corporation within said ninety-day period, then and in such event only, the stockholder shall have the right or power to pledge, sell or otherwise dispose of said share or shares of the capital stock of the corporation to any person acceptable to the corporation and the HPD for the aggregate sum which the stockholder paid for such shares plus such other amount as is allowed by the Limited-Profit Housing Companies Law, provided such person shall, upon the transfer of said shares, enter into an occupancy agreement with the corporation for the premises formerly occupied by the retiring stockholder, for a term and upon the same terms and conditions as between the stockholder and the corporation. The corporation will not, however, unreasonably withhold its acceptance of any person to whom the stockholder proposes to sell such shares as aforesaid.

In the event that the stockholder does not sell his stock to any person within sixty days after his right to do so has accrued, he must again notify the corporation of his intent to transfer his shares, and he shall again be bound by the provisions hereof.

(5) If in any case the retiring stockholder, after becoming bound to sell, convey or transfer his shares to the corporation or such other person as may be designated by the corporation, defaults in transferring said shares, the corporation or such other person as may be designated by the corporation shall, after notice to and approval by the HPD, hold the purchase money less any and all sums due the corporation for the retiring stockholder, or his executors, administrators or assigns, and shall substitute the name of the purchaser upon the books of the corporation 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 person and the corporation or such other person as may be designated by the corporation shall be deemed and taken to be the owner of such shares.

(6) In the event that the stockholder shall have defaulted in the payment of any obligation arising under his occupancy agreement with the corporation or shall, apart from said occupancy agreement become indebted to the corporation, or in the event of the termination of the occupancy agreement or the recovery of possession of the apartment by the lessor under any of the provisions of the occupancy agreement or in the event of the violation by the stockholder of any provision 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 to so surrender said shares of stock, the same, shall, after notice to

and approval by the HPD be automatically cancelled and rendered null and void, and the corporation may issue a new certificate or certificates in their place and stead, which 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 the sale, to the stockholder.

(7) The provisions of this Article II shall be binding upon the executors, administrators or other legal representatives, and successors and assigns of any stockholder. Any person acquiring by will, descent, or conveyance to take effect at death, any share or shares of the corporation, shall be bound to offer the same for sale and transfer to the corporation upon the terms hereinabove set forth in this Section 9 of Article II of the by-laws.

(8) The certificates of stock shall bear a legend to the effect that the right to pledge, encumber, sell, alienate or otherwise dispose of the share or shares represented by such certificate is restricted as provided in these by-laws.

(9) The corporation shall be entitled to charge a reasonable fee for its services in connection with the sale or conveyance of the stockholder's shares.

SECTION 10. Owners of Record. The corporation shall be entitled to treat the holder of record of any share or shares of the corporation as the holder in fact thereof, and shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person, whether or not it shall have express or other notice thereof.

SECTION 11. Corporation's Lien. 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 owed to the corporation by such stockholder. The directors may refuse to approve a transfer of any share upon which the corporation has such a lien.

SECTION 12. Definition. 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. The provisions of Section 8 through 12, inclusive, of this Article II, shall be applicable to any income debentures which may be issued by the corporation to its stockholders.

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 other business of the corporation shall be held at the office of the corporation in the City and State of New York, County of Kings, or such other place as may be designated in the notice of meeting, on the fourth Tuesday in October if not a legal holiday; and if a legal holiday, then on the next secular day following. Written notice of the annual meeting shall be mailed or delivered to each stockholder entitled to vote, at such address as appears on the stock book, not less than ten (10) nor more than thirty (30) 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 and shall be called by the President or Secretary at the request in writing of a majority of the Board of Directors or at the request in writing of 20% of the stockholders. Written notice of such meeting, setting forth the time and place of the holding of such meeting and the purpose or purposes thereof, shall be mailed to each stockholder entitled to vote, at such address as appears on the stock book, not less than ten (10) nor more than thirty (30) 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. At any such special meeting only such business may be transacted which is directly related to the purpose or purposes of the meeting set forth in the notice of meeting.

SECTION 3. Additional Notice. The HPD 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 one-third 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 or by 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 *viva voce* or secret ballot as determined by the Chairperson of the meeting. No stockholder shall be eligible to vote or to be elected to or serve on the Board of Directors who is shown on the books or management accounts of the corporation (a) to be more than thirty (30) days delinquent in payment of an amount equal to or in excess of one month's carrying charges then due the corporation under his occupancy agreement, or (b) to be more than ninety (90) days delinquent in payment of any amount due the corporation under his occupancy agreement.

SECTION 6. Proxies. A stockholder may appoint as his proxy only a member of his immediate family (as defined by the Board of Directors) residing with him except that a stockholder without such immediate family may appoint any other stockholder eligible to vote as his proxy. In no case may a stockholder cast more than one vote by proxy in addition to his own vote. Any proxy must be filed with the Secretary before the appointed time of each meetings.

SECTION 7. Definition of "Stockholder." If two or more persons are holders of stock allocable to the same apartment then, for the purposes of this Article III, they shall be deemed to be and shall be counted as one stockholder and shall be entitled to one vote only.

ARTICLE IV

Directors

SECTION 1. Number and Term of Office and Qualifications. The number of directors shall be nine except that until the first meeting of Class B stockholders provided for in Section 4 of Article II the number of directors shall be thirteen. At the said first meeting of Class B stockholders nine directors shall be elected; the three directors receiving highest number of votes shall serve three years; the three receiving the next highest number of votes shall serve for two years; and the three receiving the next highest number of votes shall serve for one year. Directors shall be elected at the annual meeting of stockholders in each year, and directors elected at meetings after the first meeting shall serve for three years. Directors must be stockholders.

SECTION 2. Removal.

A. Any or all of the directors (except those designated by HPD) may be removed with or without cause by the affirmative vote of a majority of all the stockholders and a successor director may then and there be elected to fill the vacancy thus created and to serve for the unexpired term. Any director whose removal is to be voted upon at any meeting of stockholders shall be given an opportunity to be heard at the meeting. Notice of the removal vote shall be included in the notice of the meeting at which such vote is to be taken.

B. Any director who is absent without cause from three consecutive meetings of the Board, or who is absent without cause from a total of five meetings of the Board within a consecutive twelve month period, or who is shown on the books or management accounts of the corporation to be more than thirty (30) days delinquent in payments due the corporation under his occupancy agreement, may be removed from the Board by the affirmative vote of two-thirds of the entire Board, provided that such director, prior to his or her removal, shall have been served personally or by mail with a copy of the charges against him or her at least fifteen days prior to such vote, and shall have been afforded an opportunity to be heard on such charges at the meeting of the Board at which such vote is to be taken. Any vacancy created by such removal shall be filled by a vote of the stockholders at a special meeting called for that purpose, and the person elected shall serve for the unexpired term.

SECTION 3. Vacancies. Any vacancy occurring in the Board of Directors by reason of death, resignation, or otherwise (except for a vacancy by reason of removal which is governed by the provisions of SECTION 2 above) of any director, may be filled by a majority vote of the remaining directors, and the person so elected shall serve until the next following annual meeting at which the stockholders shall elect a director to serve the then unexpired term. If such remaining directors are not sufficient to constitute a quorum, a special meeting of stockholders shall be called and such number of directors shall be elected to serve for the unexpired terms as may be necessary to constitute the full membership of the Board.

SECTION 4. 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.

SECTION 5. Meetings. Meetings of the Board of Directors may be held at any time upon call of the President, the Vice-President, or any three members of the Board. Such meetings shall be held at the office of the corporation except as otherwise determined and fixed from time to time by the Board of Directors, except that a regular annual meeting of the Board shall be held within ten days following the annual meeting of stockholders.

SECTION 6. Notice of Meetings and Waiver of Notice. Notice of each meeting, stating the time, place and objects thereof, shall be given by mailing or delivering at least forty-eight hours before such meeting, a copy of such notice

addressed to each director at his last known post office address. Notice may be waived in writing by any director. Any meeting at which every director is present, or of which those directors who are absent have waived notice, may be validly held without notice.

The HPD 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 6. 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, in the presence of a quorum, decide its action. A majority of the members present at any meeting may, in the absence of a quorum, adjourn to a later date, but may not transact any other business. Each director shall have one vote only. Voting by proxy shall not be allowed.

SECTION 8. Committees. The Board of Directors may appoint an Executive Committee composed of the corporation's officers. The Board may also appoint other committees whose members shall be designated, from time to time, by the president. The committees shall have such powers and perform such duties as shall be determined by the Board and shall serve at the pleasure of the Board.

SECTION 9. Duties and Powers. The Board of Directors shall have entire charge of the property, interests, business and transactions of the corporation. The Board of Directors shall have all the powers and duties necessary for the administration of the affairs of the corporation and may do all such acts and things as are not by law or by these by-laws directed to be exercised and done by the stockholders. The powers of the Board of Directors shall include, but shall not be limited to review of applications for residency in the cooperative development, the establishment of monthly carrying charges as provided in the occupancy agreements based on an operating budget adopted by the Board; engagement of agents and employees for the management and operation of the development; and promulgation of rules and regulations relating to use and occupancy of the premises consistent with these by-laws and the Certificate of Incorporation. The Board of Directors may delegate to the officers of the corporation such powers and authority and assign to them such duties as the Board may deem necessary, proper or appropriate to the effective prosecution of the business of the corporation.

SECTION 10. Vote by Unanimous Written Consent. Any action required or permitted to be taken by the Board of Directors may be taken without a meeting if all members of the Board of Directors consent in writing to the adoption of a resolution authorizing the action. The resolution and the written consent thereto by the members of the Board of Directors shall be filed with the minutes of the proceedings of the Board.

SECTION 11. Compensation. No compensation shall be paid to directors or officers for their services.

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 members a President, a Vice-President, a Treasurer and a Secretary. It may elect an Assistant-Treasurer and an Assistant and Secretary, and such other officers as in its discretion it may determine that the needs of the corporation may from time to time require.

SECTION 2. Term of Office. All officers of the corporation shall be appointed to hold their respective offices at the pleasure of the Board of Directors, and any vacancy occurring in any office shall be filled by the Board of Directors. Each officer, within thirty days after being elected to such office, shall submit to the Board a written report regarding the affairs of the corporation which pertain to his office.

SECTION 3. President. The President shall be the chief executive officer of the corporation. He shall preside at all meetings of the stockholders and of the Board of Directors. He shall have all the general powers and duties which are usually vested in the office of president of a corporation, including but not limited to general management of the affairs of the corporation.

SECTION 4. Vice-President. The Vice-President, in the absence, disability or incapacity of the President, shall have the powers and perform the duties of the President, and those which the Board of Directors may assign to him from time to time.

SECTION 5. Secretary. The Secretary shall keep the minutes of the meetings 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, except that from time to time the Board of Directors may direct such seal to be affixed by any other officer or officers; shall have charge of the stock certificate book and of such other books and papers as the Board of Directors may direct; shall attend to such correspondence as may be assigned to him; and shall perform all the other duties incidental to his 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. The Treasurer shall render a full financial report at the annual meeting of stockholders.

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 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.

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.

ARTICLE VI

Operation of the Development as a Cooperative

Subject to the provisions of statute, the corporation will operate the development which it will own in the Borough of Brooklyn, City and State of New York, as a cooperative. The monthly

carrying charges paid by the cooperators shall be deemed to be payment on account of their annual obligation, which shall be finally determined by the Board of Directors in the light of each year's operating experience, subject, however, in all respects to the approval of the HPD. ✓

ARTICLE VII

Signature of Instruments and Contracts

Checks, notes, drafts and orders for the payment of money and obligations of the corporation, and all contracts, mortgages, deed and other instruments shall be signed by such officer or officers of the corporation as the Board may from time to time designate.

ARTICLE VIII

Fiscal Year

The fiscal year of the corporation shall begin the first day of July in each year.

ARTICLE IX

Amendments

These by-laws may be amended, repealed or altered by an affirmative vote of one-third of all the stockholders of record at any annual or special meeting of the stockholders, if notice of the proposed amendment be contained in the notice of meeting. These by-laws, except for those provisions relating to the number, election, term of office and qualifications of directors, may be amended, repealed or altered by an affirmative vote of two-thirds of the entire Board of Directors at any meeting of the Board, if notice of the proposed amendment be contained in the notice of meeting. All amendments and changes in these by-laws shall be subject to the approval of the HPD.

ARTICLE X

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".