

**As Amended Through  
Annual Shareholders' Meeting of  
October 24, 2013  
HPD Approval Date: December 18, 2013**

**BIG SIX TOWERS, INC.**

**BY-LAWS**

**ARTICLE I**

**Declaration of Purpose**

SECTION 1. Big Six Towers, Inc. (the "Corporation") is organized under and pursuant to the Rules and Regulations Governing City-Aided Limited Profit Housing Companies (the "Rules") of the City of New York and with the approval of the Department of Housing Preservation and Development of the City of New York ("HPD") and the Cooperative Corporations and Business Corporation Laws of New York.

The object of the Corporation is to construct and operate adequate, safe and sanitary housing accommodations for persons and families of low income, in accordance with cooperative principles, subject to the provisions and limitations of the City-Aided Limited Profit Housing Companies Law.

**ARTICLE II**

**Shareholders Meeting**

SECTION 1. **Annual Meetings.** The annual meeting of the shareholders of the Corporation (each a "shareholder" and, collectively, the "shareholders") for the election of directors of the Corporation (each a "Director" and, collectively, the "Directors") for the ensuing year and for the transaction of other business of the Corporation shall be held at the office of the Corporation, or at such other place in the City of New York as the Corporation's board of directors (the "Board") may determine, on the fourth Thursday in October, provided that such day is not a legal or religious holiday. If the fourth Thursday in October is a legal or religious holiday, the annual meeting shall take place on the next Thursday that is not a legal or religious holiday. Written notice of the annual meeting shall be signed by the President, Vice-President or Secretary of the Corporation and shall be mailed by first-class mail to each shareholder entitled to vote at such address as appears on the stock book not less than ten (10) days nor more than fifty (50) days prior to the meeting. At any meeting at which shareholders shall be present, or at which all shareholders not present have waived notice in writing, notice as specified above shall not be required.

**SECTION 2. Special Meetings.** Special meetings of the shareholders 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 of HPD, or at the request in writing of a majority of the Board, or at the request in writing of 25% of the shareholders. The Secretary or other officer of the Corporation shall give notice of each such meeting. Written notice of such meeting, setting forth the time and place of the holding of such meeting and the object thereof shall be mailed to each shareholder entitled to vote at such address as appears on the stock book not less than ten (10) nor more than forty (40) days prior to the date of such meeting; but at any meeting at which all shareholders shall be present, or at which all shareholders not present have waived notice in writing, notice as specified above shall not be required. No business other than that stated in the notice shall be transacted at any such special meeting unless the shareholders of record of all outstanding shares of the Corporation are present thereat in person or by proxy.

**SECTION 3. Notice to HPD.** The director of Project Services - Assistant Commissioner of Housing Supervision of HPD or his duly authorized deputy shall be notified in writing of and shall have the right to attend all meetings of the shareholders.

**SECTION 4. Quorum.** Presence in person or by proxy of a majority of the holders of the outstanding stock entitled to vote shall be necessary to constitute a quorum. If no quorum is present, a majority of the shareholders present may adjourn a meeting to a subsequent day.

**SECTION 5. Voting.** At all meetings of the shareholders, all questions the manner of deciding which is not specifically regulated by statute or the by-laws of the Corporation (the "By-Laws") shall be determined by a vote of the majority of the shareholders present at the meeting. Regardless of the number of shares allocated to an apartment or the number of persons in whose names such shares are held, such shares shall be entitled to only one vote for each apartment on all matters on which shareholders are entitled to vote. All voting, including voting for the election of Directors, shall be by written ballot except (i) voting on matters which are administrative in nature (which shall include the approval of minutes of prior-shareholder meetings) and as to which no shareholder present in person at such meeting expresses an objection to voting by means other than written ballot with respect to such matters; or (ii) as otherwise prescribed by statute.

**SECTION 6. Inspectors of Election.** In advance of any meeting of shareholders, the Board may appoint one or more inspectors to act at the meeting or any adjournment thereof. In case any person appointed fails to appear or act, the vacancy may be filled by appointment made by the Board in advance of the meeting or at the meeting by the person presiding thereat. Each inspector, before entering upon the discharge of his duties, shall take and sign an oath to execute faithfully the duties of inspector at such meeting with strict impartiality and according to the best

of his ability. The inspectors shall determine the number of shares outstanding and the voting power of each, the shares represented at the meeting, the existence of a quorum, the validity and effect of proxies, and shall receive votes, ballots or consents, hear and determine all challenges and questions arising in connection with the right to vote, count and tabulate all votes, ballots or consents, determine the result, and do such acts as are proper to conduct the election or vote with fairness to all shareholders.

**SECTION 7. Order of Business.** At all meetings of the shareholders, the following order of business shall be observed so far as consistent with the purposes of the meeting:

1. Call to order.
2. Proof of notice of meeting.
3. If necessary, the appointment of inspector(s) of election.
4. Roll call presentation and examination of proxies.
5. Reading of minutes of previous meeting.
6. Reports, respectively, of President, Treasurer, and Secretary.
7. Reports of committees, if any.
8. Election of Directors, if the annual meeting.
9. Unfinished business, if any.
10. Transaction of such other business as may properly come before the meeting.
11. Adjournment.

### **ARTICLE III**

#### **Directors**

**SECTION 1. Number and Term of Office and Qualifications.** The number of Directors comprising the Board shall be not less than five (5) nor more than nine (9), and shall be set initially at nine (9). Directors must be shareholders of the Corporation. The Directors shall be elected at the annual meeting of the shareholders each year of the Directors elected at the October 24, 1991 annual meeting, three (3) shall be elected for a one-year term, three (3) shall be elected for a two-year term and three (3) shall be elected for a three-year term. Their successors shall serve terms of three (3) years each, except that this shall not apply to Directors elected to

fill vacancies, whose terms shall be determined under Section 2 of this Article III. Directors shall serve until their successors are duly elected and qualified. Subject to the first sentence of this Section 1, the number of Directors comprising the Board may be amended from time to time at any shareholder meeting called for that purpose, and the number as amended shall be the number of Directors until changed in accordance with these by-laws, provided, however, that the number of Directors shall not be decreased to a number less than the numbers of Directors then in office, except at the annual meeting. Each shareholder and each Director of the Corporation must occupy a dwelling unit in Big Six Towers as his or her primary residence. Only one shareholder named on the stock certificate allocated to a particular dwelling unit may serve on the Board of Directors at any time. Any shareholder who is a current employee of the Corporation, and the spouse, sibling, child, parent, uncle or aunt who is a member of such employee's household, may not be a candidate for election to the Board of Directors and may not serve on the Board of the Directors. Any person who is in arrears in an amount equal to at least one month of his or her maintenance as shown on the books and records of the Corporation, at any time during the period of six (6) months prior to the date of an annual meeting of shareholders of the Corporation, shall not be eligible to be elected as a Director at such annual meeting. Any person who fails to complete his/her term of office as a Director for any reason shall not be eligible to be elected or to serve as a Director during the balance of the incomplete term which he/she ceased serving.

**SECTION 2. Vacancies.** Any vacancy occurring on the Board by reason of death, resignation, removal or otherwise of any Director or by reason of any increase in the number of members constituting the full Board, may be filled until the next annual meeting of shareholders by a majority vote of the remaining Directors, provided, however, that if such remaining Directors are not sufficient to constitute a quorum, a special meeting of shareholders ("Special Meeting") shall be called and such number of Directors shall be elected as may be necessary to constitute the full membership of the Board. Vacancies may be filled at any annual meeting or at any such Special Meeting of shareholders. The candidate(s) receiving plurality(ies) of votes, in declining order, shall be elected to fill vacancy terms in declining order of lengths of terms. Each Director elected by any such annual or Special Meeting shall hold office for the remainder of the unexpired term of the vacancy he is elected to fill. If all the Directors die or resign, any shareholder may call a Special Meeting as provided herein, and Directors may be elected to fill the vacancies for the unexpired term(s) thereat in the manner herein provided. At any meeting of shareholders at which Directors are elected, all three-year terms shall be filled first and then any vacancies shall be filled, but separate ballots for three-year terms and vacancy terms shall not be necessary.

**SECTION 3. Resignation and Removal.** Any Director may resign at any time by written notice delivered or sent by registered mail, return receipt requested, to the President or the Secretary of the Corporation. Such resignation shall take effect at the time specified therein, and, unless specifically requested, acceptance of such resignation shall not be necessary to make it effective.

Any Director may be removed from office at any time with or without cause and at the pleasure of the shareholders, upon a majority vote of the shareholders of record taken at a shareholder meeting duly called for such purpose and at which a quorum is present.

A Director who ceases to be a shareholder shall be deemed to have resigned as a Director.

Any Director who is absent from any four duly noticed Board meetings during any twelve-month period or from three consecutive duly noticed Board meetings during any period may be subject to removal by a vote of a majority of the entire Board.

Any Director may be removed for cause, after notice and an opportunity to be heard, by a vote of the majority of the entire Board.

Any Director who is in arrears in the payment of such Director's carrying charges to the Corporation for a period of more than two consecutive months, and who has not paid such arrears by the first day of the third month, may be removed for cause, after notice and an opportunity to be heard, by a vote of the majority of the entire Board.

In order to be present at and to participate in a meeting of the Board of Directors, a Director must personally attend the meeting. Participation and presence by conference telephone or other such communication devices is not permitted.

**SECTION 4. Directors Meetings.** Immediately after each annual election, the Board may meet forthwith at the principal office of the Corporation (the "Principal Office") for the purpose of organization, the election of officers and the transaction of other business. If a quorum of the Directors be then present, no prior notice of such meeting shall be required. If such meeting of the Board is not held immediately after the annual election, then such meeting of the Board shall be held, upon twenty-four (24) hours' written notice by the Secretary, within fourteen (14) days, excluding Saturday, Sundays and holidays, either secular or religious, after such election, at the Principal Office, or at such other place as may be designated in the Secretary's notice, which shall be within 10 miles of the Principal Office; if a quorum of the Directors is not present at such meeting, the meeting shall be adjourned, as required and from time to time, with at least twenty-four (24) hours' written notice by the Secretary to all of the

Directors, until the requisite number of Directors shall be present. Other meetings of the Board may be held without notice at such times and places as from time to time may be determined by resolution of the Board, provided, that each Director not voting for such resolution must be given 72 hours' prior written notice of each such meeting.

**SECTION 5. Special Meetings.** Special meetings of the Board may be called by the President at least one days' written notice given to each Director personally or by mail or by facsimile or by email setting forth the time, place and purpose of such meeting, and shall be called by the President or Secretary in like manner and on like notice at the written request of a majority of the number of Directors fixed by Article III, Section 1. No business shall be considered at such meeting except such as shall have been specified in the notice.

Any one or more of the Directors may participate in a special meeting of the Board by means of a conference telephone or similar communications equipment that allows all persons participating in the meeting to hear each other at the same time. Participation by such means shall constitute presence by the Director in person at the special meeting of the Board.

**SECTION 6. Notice to HPD.** HPD shall be notified in writing of and shall have the right to attend all meetings of the Board at the same time and in the same manner as the Directors shall be notified and its duly authorized representatives shall have the right to attend all meetings of the Board.

**SECTION 7. Quorum.** A majority of the Board of Directors shall constitute a quorum unless a greater or lesser number is required by law or by the certificate of incorporation of the Corporation or elsewhere by these By-laws and a majority of the members in attendance at any meeting of the Board of Directors shall, in the presence of a quorum, decide its action. In the case of a special meeting of the Board called to fill vacancies in the Board of Directors, a vote of the majority of the then acting Directors shall suffice. Notice of a meeting need not be given to any Director who submits a signed waiver of notice, whether before or after the meeting or who attends the meeting without protesting prior thereto or at its commencement, the lack of notice. A minority of the Board of Directors present at any meeting may, in the absence of a quorum, adjourn to a later date but may not transact any other business. At all meetings of the Board, each Director shall be entitled to one vote.

**SECTION 8. Executive Committee.** The Board of Directors may by resolution appoint from among its members an Executive Committee consisting of not less than three directors. Any vacancy occurring in the Executive Committee shall be filled by the Board of Directors. The Executive Committee shall exercise such powers and perform such duties as the Board of Directors from time to time shall prescribe. The Executive Committee may fix its own rules of

procedure, but in every case a majority of the members in attendance at any meeting of the Executive Committee shall, in the presence of a quorum, decide its action: a minority of the Executive Committee present at any meeting may, in the absence of a quorum, adjourn to a later date but may not transact any other business. The Executive Committee shall keep a record of all its proceedings and shall report the same to the Board of Directors.

**SECTION 9. Other Committees.** The Board of Directors may, from time to time, appoint from among its members other committees with such powers and duties as it shall determine in accordance with the New York Cooperative Corporations Law and the New York Business Corporation Law.

**SECTION 10. Duties and Powers.** The Board of Directors shall have the responsibility for establishing policies covering administration of the property, interests, business and transactions of the Corporation, and may adopt such rules and regulations-for the conduct of its meetings and management of the Corporation as it may deem proper, not inconsistent with law or these By-laws. 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 of Directors may deem necessary, proper or appropriate to the effective prosecution of the Corporation's business.

**SECTION 11. (a) Term Limits.** No person may be elected to more than two consecutive full three-year terms, and no person may serve for more than six consecutive years, as a member of the Board of Directors; provided, however, that, (i) if a Director serves two terms (including one or more partial vacancy terms) totaling less than six years, such Director may be elected to and serve a third full or vacancy term, even though that term may extend after such six consecutive years, and (ii) a Director who has been elected by the Board of Directors or by the shareholders to fill an unexpired term of a Director caused by a vacancy may complete that term as well as no more than two consecutive additional full three year terms.

(b) A person who becomes ineligible to be elected to the Board of Directors by reason of the term limits set forth in this Section 11, shall be eligible to again be elected to the Board of Directors after the passage of a one-year period that commences on the date of the annual meeting of shareholders of the Corporation at which such person's last term to which he/she was elected as a Director would have ended, whether or not such person actually served to the end of his/her term, and ends at the next following annual meeting of shareholders, at which meeting such person shall again be eligible to be elected to the Board of Directors.

(c) In the event that a Director resigns or otherwise ceases to serve as a Director before the date on which that Director's term of office is scheduled to end, then for purposes of this Section 11, even though the Director has not served his/her full term of office,

the calculation of such Director's consecutive terms and terms and years of service shall nevertheless include the full length of the term from which the Director resigned or ceased to serve early.

(d) Computation of the foregoing term limits shall apply and begin from the beginning of a person's first consecutive term as a Director, *provided that* the provisions of this Section 11, as amended, shall not reduce the then-current term of office of any Director who shall be serving when the amendment adopting the term limits set forth in Paragraph (a) of this Section 11 takes effect.

## ARTICLE IV

### Officers

SECTION 1. **Election.** The Board at its first meeting after the election of directors in each year shall elect from its number a President, a Vice-President, a Secretary and a Treasurer. It may elect an Assistant Secretary and Assistant Treasurer, and such other officers as in its discretion the needs of the Corporation may from time to time require. The Board shall also fill any vacancies in any of these offices as soon as practicable as and when they occur.

SECTION 2. **Term of Office.** All officers of the Corporation shall be appointed to hold their respective offices during the pleasure of the Board of Directors, and any vacancy occurring in the office of the President, Vice-President, Treasurer or Secretary or any other office shall be filled by the Board of Directors, upon affirmative vote taken at any meeting, by a majority of the then total authorized-number of directors.

SECTION 3. **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 shareholders. Subject to the supervision and direction of the Board of Directors and the Executive Committee, the President shall have the general management of the affairs of the Corporation and perform all the duties incidental to his office.

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. The Vice-President shall have those powers and perform those duties 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 shareholders; shall attend to the serving of notices of the meetings of the Directors and the shareholders; shall affix the seal of the Corporation to such certificates, documents and

papers as may require it, except that from time to time the Board of Directors may direct that such seal be affixed by any other office or officers; shall have charge of the stock certificate book, containing the names, arranged numerically by stock certificate number, of all persons who are shareholders, showing the place of residence of each, the number of shares of stock held by each, the time each became the owner thereof, 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; shall record all transfers of shares and cancel and preserve certificates of shares transferred; 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 Directors may designate. The Treasurer may be required by the Board of Directors to give such bonds as it shall determine for the faithful performance of his duties. The premium on the bonds shall be paid by the Corporation.

The Treasurer shall not at the same time hold any other office of the Corporation.

**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 them from time to time by the Board of Directors. They may be required by the Board of Directors to give such bonds as it shall determine for the faithful performance of their duties. The premium on such bonds shall be paid by the Corporation.

**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 V**

### **Operation of the Project as a Cooperative**

Subject to the provisions of statute, the Corporation will operate the project which it will develop, in the Borough of Queens, City of New York, State of New York, as a cooperative and, in accordance therewith, may pay or allow, as and when determined by the Board of Directors, with the approval of HPD, after payment of obligations, expenses, taxes and assessments, or after

making suitable provision therefor, and the establishment of suitable reserves, a rebate or rebates of rent to each tenant cooperator in proportion to the rental payments made by him during the period in respect of which such rent rebate or rebates are allowed or paid. The monthly rentals paid by the tenant cooperators shall be deemed to be payment on account of their annual rental obligation, which shall be finally determined by the Board of Directors, subject, however, in all respects, to the approval of HPD.

## ARTICLE VI

### Indemnification of Directors and Officers

**SECTION 1. Actions By or In the Right of the Corporation.** Any person made a party to an action by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that he, his testator or intestate, is or was a Director or officer of the Corporation, shall be indemnified by this Corporation against the reasonable expenses, including attorneys' fees, actually and necessarily incurred by him, in connection with the defense of such action, or in connection with an appeal therein, except in relation to matters as to which such Director or officer is adjudged to have breached his duties of good faith, fair dealing, and fiduciary responsibility to the Corporation.

**SECTION 2. Other Actions or Proceedings.** Any person made a party to an action or proceeding other than one by or in the right of the Corporation to procure a judgment in its favor, whether civil or criminal, brought to impose a liability or penalty on such person for an act alleged to have been committed by such person, his testator or intestate, as a Director or officer of the Corporation, or of any other corporation which he served as such at the request of the Corporation, shall be indemnified by this Corporation against judgments, fines, amounts paid in settlement and reasonable expenses, including attorneys' fees, actually and necessarily incurred as, a result of such action or proceeding, or any appeal therein, if such Director or officer acted in good faith, for a purpose which he reasonably believed to be in the best interests of the Corporation and, in the case of criminal actions or proceedings, in addition to having acted in good faith for a purpose which he reasonably believed to be in the best interests of the Corporation, also had no reasonable cause to believe that his conduct was unlawful.

The termination of any such civil or criminal action or proceeding by judgment, settlement, conviction or upon a plea of *nolo contendere* or its equivalent, shall not in itself create a presumption that any such Director or officer did not act in good faith for a purpose which he reasonably believed to be in the best interests of the Corporation or that he had reasonable cause to believe that his conduct was unlawful.

## **ARTICLE VII**

### **Signature of Instruments**

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 such officer, officers, individual or individuals as the Board of Directors may from time to time designate.

## **ARTICLE VIII**

### **Capital Stock**

**SECTION 1. Capital Shares.** Shares of stock of the Corporation shall be issued only in connection with the execution and delivery by a purchaser and the Corporation of a subscription agreement (a "Subscription Agreement"), and the ownership of the said shares so issued shall entitle the holder thereof to occupy for dwelling purposes the apartment specified in the Subscription Agreement so executed and delivered in connection with the issuance of said shares, subject to the covenants and agreements contained in such Subscription Agreement. Shares of stock of the Corporation hereafter acquired and subsequently reissued, and unissued but authorized shares of the Corporation hereafter issued, shall only be so reissued or issued, as the case may be, in conjunction with the execution of a Subscription Agreement.

**SECTION 2. Certificate.** Certificates of stock shall be numbered and issued in consecutive order, shall be signed by the President or the Vice-President and countersigned by the Secretary or Treasurer, and sealed with the seal of the Corporation; and in appropriate books of records 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. Each certificate exchanged and returned to the Corporation shall be marked "Cancelled," with the date of cancellation thereon, by the President, any Vice President, the Secretary, or the Treasurer and shall be filed with the records of the Corporation.

**SECTION 3. 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, or by stock power, duly executed and witnessed and filed with the Secretary upon surrender of the certificate for such shares.

**SECTION 4. Restrictions on Transfers.**

A. No shareholder shall have the right or power to pledge, sell, alienate or otherwise dispose of any share or shares of the capital stock of the Corporation without first offering said share or shares of stock for sale to the Corporation for the par value thereof.

B. Such offer shall be made in writing, signed by such shareholder, 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 designed 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 shareholder, 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 designed by the Corporation shall not purchase said shares of capital stock of the Corporation within said ninety-day period, then and in such event only, the shareholder 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, provided such person shall, upon transfer of said shares, enter into a lease with the Corporation for the premises formerly occupied by the retiring shareholder for a term and upon the same terms and conditions contained in the lease between the shareholder and the Corporation, except that the specified annual rental to be paid by such person shall be an amount equal to the shareholder's proportionate share of the operating costs of the Corporation under the lease. The Corporation will not, however, unreasonably withhold its acceptance of any person to whom the shareholder proposes to sell such shares as aforesaid. The Corporation agrees to enter into a new lease with any such person upon the terms and conditions aforesaid and to cause to transfer to the name of such person on the books of the Corporation the shares of the capital stock of the Corporation owned by the shareholder and so sold to such person.

In the event that the shareholder does not sell his stock to any person within three months after his right to do so has accrued, then and in such event, he must notify again the Corporation of his intent to transfer his shares and he shall again be bound by the provisions of Paragraphs A, B, C and D of this Section 4 of Article VII.

E. If in any case the retiring shareholder, after becoming bound to sell convey or transfer his shares to the Corporation (or such other person as may be designated by this

Corporation), defaults in transferring said shares, the Corporation shall hold the purchase money in trust for the retiring shareholder, 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 shareholder. 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 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 shareholder shall have defaulted in the payment of any obligation arising under his lease with the Corporation and/or shall, apart from said lease, become indebted to the Corporation and/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 and/or in the event of the violation by the shareholder of any provisions of this Section 4 of Article VII of these By-Laws, the shareholder shall forthwith surrender to the Corporation certificate representing the shares of capital stock of the Corporation owned by the shareholder and upon the failure or refusal of the shareholder so to surrender said shares of stock, the same shall, 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 are 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 shareholder, and the Corporation shall remit any balance after payment of the expenses of sale, to the shareholder.

G. No shareholder 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. In the event of such pledging or other encumbrances of said stock, the Corporation shall, in the discretion of its Board of Directors, have all of the rights described in Paragraph F of this Section 4 of the Article VII.

H. The provisions of this Article VII shall be binding upon any executor, administrator or other legal representative and successors and assigns of every shareholder. Any person acquiring through will, or descent, or by conveyance to take effect at death, in each case in accordance with the Rules, any share or shares of the capital stock 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 4 of the Article VII of the By-Laws.

I. The certificates of stock shall bear a legend to the effect that the right to assign, pledge, encumber, sell, alienate or otherwise dispose of the share or shares represented by such certificate is restricted as provided in Sections 3 and 4 of this Article VII.

**SECTION 5. Record Holder.** The Corporation shall be entitled to treat the holder or record of any share or shares of the capital stock of the Corporation as the holder in fact thereof, and shall not be bound to recognize any equitable or other claim to shares 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 6. Security Interest.** The Corporation shall at all times have a first lien upon the shares of stock of each shareholder and upon all moneys due and owing by the Corporation to any shareholder for any and all debts owed to the Corporation by such shareholder. The Directors may refuse to approve a transfer of any share upon which the Corporation has such lien. In the enforcement of such lien, the Corporation shall have the right to issue to any purchaser of such shares or to the nominee of such purchaser, a certificate for the shares so purchased substantially of the tenor of the certificate issued to such defaulting shareholder, and thereupon the certificate for such shares issued to such defaulting shareholder shall become void and such defaulting shareholder shall surrender the same to the Corporation on demand. The failure of such defaulting shareholder to so surrender such certificate shall not affect the validity of the certificate issued in replacement thereof.

**SECTION 7. Return of Equity.** Upon the surrender of shares of stock by a shareholder, such shareholder shall be entitled to receive his original equity reimbursement for any capital assessments for which he paid and which were approved by the supervising agency. In addition, he may receive such proportionate amount of the actual aggregate amortization paid by the shareholder for such period of time as he was a shareholder, subject to applicable laws, rules and regulations and as determined by the Board. If the Board shall determine that the outgoing shareholder shall receive a portion of the amortization, then the incoming shareholder shall pay that amount of the amortization. The housing company may charge a fee for its services in this matter, which fee is not to exceed \$150.00, and which is to be paid by the incoming cooperator.

## **ARTICLE IX**

### **Availability of Books and Records**

A copy of the Corporation's certificate of incorporation (the "Certificate of Incorporation"), the By-Laws, and the stock certificate book kept by the Secretary in accordance with ARTICLE IV, Section 5 herein, shall be open daily for inspection during at least three (3)

business hours by any shareholder or record. A shareholder so entitled to inspect the Certificate of Incorporation, the By-Laws or the stock certificate book may make extracts therefrom.

## **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".

## **ARTICLE XI**

### **Miscellaneous**

**Gender.** All pronouns contained herein and any variations thereof shall be deemed to refer to the masculine, feminine or neuter, singular or plural, as the identity of the person or persons to whom each refers requires.

## **ARTICLE XII**

### **Amendments**

These By-Laws may be amended, repealed or altered in whole or in part, at any duly called annual or special meeting of the shareholders, by vote of shareholders of record present in person or by proxy of a majority of the then outstanding capital shares, provided that the proposed amendment or the substance thereof is set forth in the notice of the meeting or that all of the shareholders are present in person or by proxy.