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INV: 331144 USER: MD	Name(s) (Last Name First Name Middle Initial Suffix) (or Company Name as written)		Address (Optional)		
First Party (Grantor or Mortgagor or Assignor) (Enter up to five names)	Brooks-Sloate Terrace Cooperative Association, Inc.				
Second Party (Grantee or Mortgagee or Assignee) (Enter up to five names)	Brooks-Sloate Terrace Cooperative Association, Inc.				
Parcel Information (Enter up to three entries)	Municipality	Block	Lot	Qualifier	Property Address
Reference Information (Enter up to three entries)	Book Type	Book	Beginning Page	Instrument No.	Recorded/File Date
	Deed	E131	152		06/23/1992

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**BROOKS-SLOATE TERRACE COOPERATIVE ASSOCIATION, INC.
AMENDED BY-LAWS**

This Amendment to the By-Laws of Brooks-Sloate Terrace Cooperative Association, Inc., (the "Association") made this 17 day of June, 2019 by the Association, a Limited Equity Corporation of New Jersey, by and through its Board of Directors (the "Board"), having a principal address c/o Corner Property Management, P.O. Box 297, Springfield, New Jersey; and

WHEREAS, the Association was created by, among other things, a Master Declaration with attached By-Laws as may be amended from time to time (the "Governing Documents"), which was recorded in the office of the **Passaic County Register on June 23, 1992, in Book [REDACTED] Page 152 et. seq.;** and

WHEREAS, P.L. 2017, Ch. 106, often referred to as the Radburn Bill, a supplement to the Planned Real Estate Development Full Disclosure Act, passed on July 13, 2017, provides that, "[a]n executive board shall not amend the bylaws of an association without a vote of the association members open to all association members, as provided in the association's bylaws... except an executive board may amend the bylaws under the following circumstances:... (b) after providing notice to all association members of the proposed amendment, which notice shall include a ballot to reject the proposed amendment. Other than an amendment to render the bylaws consistent with State, federal or local law, if at least 10 percent of association members vote to reject the amendment within 30 days of its mailing, the amendment shall be deemed defeated;" and

WHEREAS, the Board of Directors convened for a Special Meeting on 4/15, 2019, and a quorum being present, a majority of the Directors present voted to amend the Association's By-Laws; and

WHEREAS, the Board of Directors proposed this amendment to the membership pursuant to N.J.S.A. 45:22A-46(d)(5) via a mailing sent on 4/17, 2019; and

WHEREAS, after waiting the required thirty (30) days, less than ten (10%) percent of the membership rejected this proposed amendment; and

NOW, THEREFORE, IT IS RESOLVED THAT:

1. The Association's By-Laws are amended in their entirety as set forth in Exhibit "A".
2. The amended By-Laws attached hereto as Exhibit "A" shall supersede and replace the By-Laws previously recorded with the Master Declaration on June 23, 1992 and all amendments thereto.
3. In the event any provision of this Amendment is deemed unenforceable by a court of competent jurisdiction, the remaining provisions shall remain in full force and effect.
4. Notwithstanding the full execution of this Amendment, this Amendment shall not take effect until this Amendment is recorded in the Passaic County Register's Office.

BROOKS-SLOATE TERRACE COOPERATIVE ASSOCIATION, INC.

Amendment: Policy No.

Pertaining To: By-Law Amendment

Duly adopted at a meeting of the Board of Directors of Brooks-Sloate Terrace Cooperative Association, Inc., held this 17th day of JUNE, 2019.

Officer

Vote:

YES NO ABSTAIN ABSENT

Bobby Faison, Director

Eladio Russ, Director

Ruby Hobbs, Director

Virginia Shoulers, Director

Sharna Long, Director

Shawn Quick, Director

Antonette Brewer, Director

Attest:

Virginia Shoulers
 VIRGINIA SHOULERS, Secretary

**BROOKS-SLOATE TERRACE
 COOPERATIVE ASSOCIATION, INC.**

Shawn Quick
 SHAWN QUICK, President

Amendment Effective: Upon recording with the County Register.

NOW THEREFORE, Shawn Quick, the President of Brooks-Sloate Terrace Cooperative Association, Inc., based on the authority granted by the Association's By-Laws, Master Declaration, N.J.S.A. 45:22A-46.4(d)(5) and the membership vote and the Board of Directors vote reflected above, hereby submits this Amendment to the By-Laws for recordation in the Passaic County Register's Office.

BROOKS-SLOATE TERRACE
COOPERATIVE ASSOCIATION, INC.

Shawn Quick
SHAWN QUICK, President

CORPORATE ACKNOWLEDGMENT

STATE OF NEW JERSEY)
) ss.
COUNTY OF PASSAIC)

On the 17TH day of JUNE, 2019, Shawn Quick personally appeared before me and this person acknowledged under oath, to my satisfaction, that:

- (a) this person signed and delivered the foregoing document as the President of Brooks-Sloate Terrace Cooperative Association, Inc., (the "Association") and
- (b) this document was signed and delivered by the Association as its voluntary act and deed by virtue of authority from its Board of Directors.

Signed and sworn to before me on
6/17, 2019

[Signature]
NOTARY PUBLIC OF NEW JERSEY
ATTORNEY-AT-LAW
Scott K. Penick, Esq.

RECORD AND RETURN TO:
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EXHIBIT
“A”

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BY-LAWS
OF
BROOKS-SLOATE TERRACE COOPERATIVE ASSOCIATION, INC.

NOT CERTIFIED COPY

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BY-LAWS
OF
BROOKS-SLOATE TERRACE COOPERATIVE ASSOCIATION, INC.
A LIMITED EQUITY COOPERATIVE

ARTICLE I - PURPOSE AND PRINCIPAL OFFICE

1.1. NAME OF THE CORPORATION

The name of the corporation is Brooks-Sloate Terrace Cooperative Association Inc., New Jersey corporation organized under N.J.S.A. 14A:1-1, et seq. Its principal office is located at 9 Christina Place, Paterson, New Jersey or such other place as may be designated by the Board of Directors of the Corporation.

1.2 PURPOSE

The purpose of the corporation is to provide lower income individuals and families with safe and affordable housing and community facilities on a LIMITED EQUITY BASIS in accordance with the provisions set forth in its Certificate of Incorporation and other organizational documents. The Corporation has been established to make affordable housing units available to persons of low and moderate income in the manner provided for herein. THERE ARE SUBSTANTIAL RESTRICTIONS ON THE TRANSFER OF SHARES AND PROPRIETARY LEASES AS TO WHOM THEY MAY BE SOLD AND THE PERMITTED SALE PRICES.

ARTICLE II - DEFINITIONS

2.1 CORPORATION

"Corporation", as used herein, is the legal entity of Brooks-Sloate Terrace Cooperative Association, Inc., as set forth in the Certificate of Incorporation, as amended, filed with the Secretary of State of the State of New Jersey in connection with the formation and existence of Brooks-Sloate Terrace Cooperative Association, Inc.

2.2 SHAREHOLDER

"Shareholder" as used herein, is the individual or individuals who are the owners of shares in the Corporation with an appurtenant Proprietary Lease and such other entitlements as specified in the Certificate of Incorporation and these By-Laws.

ARTICLE III - MEETING OF SHAREHOLDERS

3.1 ANNUAL MEETING

Each annual meeting of the Shareholders of the Corporation, for the election of directors and for such other business as may properly come before such meeting, shall be held in the City of

Paterson, County of Passaic, State of New Jersey, at such hour and place as may be designated in the notice of meeting, on or about the second Monday of September of each and every year, unless a legal holiday or weekend, in which event such meeting shall be held on or about the first day thereafter not a legal holiday or at such other time between September 1 -October 1 as may be designated by the Directors.

The notice of the annual meeting shall be in writing and signed by the President or a Vice President, the Secretary or an assistant Secretary of the Corporation. Such notice shall state the time when and the place at which such meeting is to be held. The notice of annual meeting shall further state the default of the Proprietary Lease will affect a Shareholder's right to exercise his or her vote.

Notice of the annual meeting and board election must be given not less than fourteen (14) days prior to the annual meeting and election. In addition, notice of an election shall be provided to all Shareholders via personal delivery, regular mail or electronic means. Notice of the election shall include a proxy ballot and an absentee ballot. Notice shall be deemed effective when hand-delivered, deposited in the mail with proper postage or immediately upon sending an electronic notice.

Proxies used for elections shall state, "Use of this proxy is voluntary on the part of the granting owner. This proxy may be revoked at any time before the proxy holder casts a vote. Absentee ballots are also available." The Corporation must provide both a proxy form and an absentee ballot for all Board elections. All proxies shall be in writing but need not be acknowledged but must be witnessed and shall be filed with the Secretary at or previous to the time of the meeting. The person named as proxy need not himself be a Shareholder of the Corporation.

At least thirty (30) days prior to the mailing of the notice of an election meeting, the Corporation must provide written notice to all Shareholders of their right to nominate themselves or other Shareholders in good standing for candidacy to serve on the Board. Shareholders must be given at least fourteen (14) days to respond to the request for nominations, and any nomination form that is received prior to the mailing of absentee ballots or proxies to the Shareholders must be added to the ballots and proxies, if the nominee is in good standing. Ballots and proxies may be mailed no earlier than the day after the response deadline set in the request for nominations. If no response deadline is set in the request for nominations, then the deadline shall be the business day before notice of the election is mailed to the Shareholders. All candidates nominated for the Board shall be listed in alphabetical order by last name on the proxy form and absentee ballot.

3.2 SPECIAL MEETINGS

Special meetings of Shareholders other than those regulated by statute or applicable law, may be called at any time by any officer of the Corporation by a majority of the Board of Directors, and it shall also be the duty of the Secretary to call such a meeting whenever requested in writing to do so by Shareholders of record of at least seventy-five percent (75%) of the stock of the Corporation. A notice of each special meeting, stating the time, place and purpose thereof and the officer or other person or persons by whom the meeting is called, shall be served upon the Shareholders in the same manner and within the same time period specified in Article III, Section 3.1, of these By-

Laws. No business other than that stated in the notice shall be transacted at any special meeting unless all the Shareholders of the Corporation are present thereat, in person or by proxy.

3.3 WAIVER OF MAILING OF NOTICE

The notice provided for in the two foregoing sections is not indispensable, and any Shareholders' meeting whatever shall be valid for all purposes if all the Shareholders of record of the Corporation are present thereat, in person or by proxy, or if a quorum is present as provided in this Article III, Section 3.5 and notice of the time, place and purpose of each meeting has been duly waived in writing by all Shareholders not so present. The attendance of any Shareholder at a meeting in person or by proxy, without protesting prior to the conclusion of the meeting the lack of notice of such meeting, shall constitute a waiver of notice by him.

Any notice to be served upon a Shareholder by mail shall be directed to the Shareholder at his address as it appears on the stock book unless the Shareholder shall have filed with the Secretary of the Corporation, prior to the giving of a notice, a written request that notices intended for him to be mailed to such other address, in which case it shall be mailed to the address designated in such request

3.4 ELECTRONIC NOTICES/VOTING

The primary method of providing notices to Shareholders shall be via electronic means. Electronic notice shall include identical information to that contained in any hard copy notice, including any ballots or other necessary documents. Any Shareholder may request mailed notice be reinitiated in writing.

Email notice shall be deemed sufficient to satisfy any provisions set forth in these By-Laws which require notice by mail. All Shareholders shall provide the Association with a valid email address for the purpose of receiving all notices from the Corporation, except notices which must be given as otherwise required by law.

Shareholders must notify the Corporation of any change in their email address. Notice of a change in email address must be in writing and preferably delivered via email correspondence to the property manager or a member of the Board of Directors. Shareholders are responsible for checking their junk mail, spam and all other folders in their email account for notices from the Corporation. Any notice sent electronically by the Corporation shall be deemed given immediately upon the sender hitting "send" or any other electronic command to transmit the notice to recipients. A Shareholder who certifies to the Corporation that he or she does not have an email address will be sent paper notices, which may be delivered via hand or regular first-class mail.

Any question subject to a vote of the Shareholders may be voted upon electronically or via "ballot by mail", including but not limited to Director elections and votes to approve amendments to the Corporation's governing documents. The Board of Directors may determine the exact manner of electronic voting and/or voting via "ballot by mail." In the event a Shareholder does not have access to means for electronic voting and notifies the Corporation, the Corporation shall provide

a paper ballot and/or proxy for such Shareholder to vote or may provide the Shareholder with access to an electronic terminal to cast his/her vote.

Except as otherwise required by the Master Deed, or any law, a quorum being present, a majority of votes shall be sufficient on those matters which are to be voted on by the Shareholders.

3.5 QUORUM

At all meetings of Shareholders, except where otherwise provided by law or by the Certificate of Incorporation, to constitute a quorum and to permit the transaction of any business, except to adjourn a meeting, there shall be present either in person or by proxy the holders of a majority of the shares then issued and outstanding. In case a quorum shall not be present, a majority of the Shareholders present may adjourn a meeting to a subsequent day despite the absence of a quorum. No notice of the time and place of the adjourned meeting need be given other than by announcement at the meeting. In case of an adjourned meeting, only those Shareholders who would have been entitled to vote at the original meeting shall be entitled to vote at the adjourned meeting.

3.6 VOTING

There shall be only one membership share per dwelling unit which shall be represented by one share in the Corporation. More than one occupant may share equally one joint membership or share. Eligibility for membership is governed by Rules and Regulations promulgated under the United States Housing Act of 1937 42 U.S.C. §1437a, 1437(c), 1437(n) Section 7d of the Department of Housing and Urban Development Act 42 U.S.C. §3535 (d) and codified and amended from time to time in 24 C.F.R. §960 and further in accordance with the provision of the Master Declaration for the Brooks-Sloate Terrance Cooperative Association, Inc. pursuant to N.J.S.A. 46:8D-6 which is recorded in the office of the Register of Passaic County, et seq.

There shall be no cumulative voting of Shares. There shall be one (1) vote per dwelling unit. If two persons' names appear on a share certificate and cannot agree for whom they wish to vote, each shall be entitled to $\frac{1}{2}$ of one vote or if more than two persons own such share, each shall own an equal fractional interest based upon the number of owners.

At each meeting of Shareholders, each unit in good-standing, present in person or by proxy shall be entitled to one vote, or to fractional votes as described above, for each share of stock registered to that unit in the stock records at the time of the meeting.

Notwithstanding the above, when voting for the election of Directors, Shareholders shall be entitled to one vote for each said share per Director to be elected and shall not have the right to cumulate his or her votes in favor of any one or more Directors to be elected. All elections shall be determined by a plurality vote. Unless otherwise specified in these By-Laws or the Certificate of Incorporation or the form of Proprietary Lease adopted by the Board, an affirmative vote of a majority of the shares of the Corporation shall be necessary for any item of business (other than election of Directors) and shall constitute the act of the Shareholders.

With the exception of election of Directors which shall be by written ballot, voting by Shareholders shall be by voice vote unless any Shareholder present at the meeting in person or by proxy, demands a vote by written ballot, in which case, the voting shall be by written ballot. Each written ballot shall state the name of the Shareholder voting and the number of shares owned by him/her, and in addition, the name of the proxy if such written ballot is cast by a proxy. The Board of Directors may determine that additional information must be included on ballots and/or proxies in order to ensure a fair and open voting process.

3.7 PROXY VOTE

Any Shareholder who is otherwise eligible to vote at any meeting of the Shareholders may execute a signed proxy naming the proxy, stating the effective period, naming the Shareholder and the number of shares owned. A designated proxy need not be a Shareholder. Once the vote of any Shareholder has been cast by the proxy and the voting has been closed, it cannot be rescinded.

3.8 INSPECTORS OF ELECTION

At any election of directors where more candidates are nominated than there are positions to be filled, the election shall be conducted by not less than two inspectors of election to be appointed by the President. No director, officer or candidate for director shall be eligible for appointment as inspector. Inspectors shall be appointed as provided in N.J.S. 14A:5-25 and N.J.S. 14A:5-26., as may be amended. Before entering upon the discharge of their duties, the inspectors appointed to act at any meeting of the Shareholders shall be sworn faithfully to execute the duties of inspectors at such meeting with strict impartiality, and according to the best of their ability, and the oath so taken shall be subscribed by them and immediately filed with the Secretary of the Corporation with a certificate of the result of the vote taken at such meeting.

3.9 CONSENT OF SHAREHOLDERS

Whenever the Shareholders are required or permitted to take any action by vote, such action may be taken without a meeting on written consent, setting forth the action so taken and signed by the holders of all outstanding shares entitled to vote thereon.

3.10 MEMBER IN GOOD-STANDING

The definition of "Good Standing" as it relates to (1) voting in board elections, (2) voting to amend the By-Laws, and (3) nominating or running for any membership position on the Board of Directors:

An association member who is: 1) current on the payment of common expenses, late fees, interest on unpaid assessments, legal fees, or other charges lawfully assessed; or 2) in full compliance with a settlement agreement with respect to the payments of assessments, legal fees or other charges lawfully assessed; or 3) has a pending, unresolved dispute concerning charges assessed which dispute has been initiated through a valid alternative to litigation pursuant to N.J.S.A. 46:45:22A-44.2(c), through N.J.S.A. 46:8B-14(k), or

through a pertinent court action. A member who meets this definition shall be entitled to vote in a board election, vote to amend the By-Laws, and nominate or run for any membership position on the Board of Directors.

3.11 ORDER OF BUSINESS

At each meeting of Shareholders, the President, or in his/her absence a Vice President, shall act as chairman of the meeting. The Secretary, or in his/her absence such person as may be appointed by the chairman, shall act as Secretary of the meeting. So far as is consistent with the purposes of the meeting, the order of business shall be as follows:

1. Call to order.
2. Presentation of proof of due calling of the meeting.
3. Roll call and presentation and examination of proxies.
4. Reading of minutes of previous meeting or meetings.
5. Reports of officers and committees.
6. If the annual meeting, the appointment of inspectors of election, if any.
7. If the annual meeting, the election of directors.
8. Unfinished business.
9. New business.
10. Adjournment

ARTICLE IV - BOARD OF DIRECTORS

4.1. NUMBER

The affairs of the corporation shall be governed by a Board of Directors composed of seven (7) persons, all of whom shall be members in good standing of the Corporation.

4.2 QUALIFICATION AND ELECTION

Directors shall be at least eighteen years of age but need not be residents of the State of New Jersey. All Directors shall be Shareholders. As a condition for standing as a candidate for Director, a Shareholder must 1) be current on the payment of common expenses, late fees, interest on unpaid assessments, legal fees, or other charges lawfully assessed; or 2) be in full compliance with a settlement agreement with respect to the payments of assessments, legal fees or other charges lawfully assessed; or 3) have a pending, unresolved dispute concerning charges assessed which dispute has been initiated through a valid alternative to litigation pursuant to N.J.S.A. 46:45:22A-44.2(c), through N.J.S.A. 46:8B-14(k), or through a pertinent court action.

Directors shall be elected for a two-year term at the annual meeting called for that purpose as provided by law, by a plurality of the votes cast in such election. The term of office for Directors shall be two (2) years or until successors are elected. Three (3) Directors' seats shall be elected in even-numbered years, and four (4) Directors' seats shall be elected in odd-numbered years. No member shall be eligible to be elected to the Board of Directors who is not in good standing.

There shall be one ballot, with the person(s) receiving the plurality of votes being elected to fill the vacancies on the Board. If ever applicable, candidates polling the highest votes will be considered elected for the longest period of years. In the event two (2) or more candidates receive an equal number of votes and this results in a tie among candidates for the final available position, a second vote shall be held, naming only the tied candidates, and on the second vote, the person(s) receiving the plurality of votes will be deemed to be elected to the final available position. This second vote shall occur immediately at the annual meeting, and the tie shall be broken by those members present in person or via proxy. In such second vote to break a tie, any proxy holder shall be deemed empowered to cast a vote on behalf of the shareholder that named him/her as his/her proxy in the tie-breaking second vote, unless that shareholder is present in-person and revokes the proxy for the tie-breaking second vote. This tie-breaker may be conducted via written ballot, a show of hands for each candidate or any other method determined sound by the Chairperson of the meeting.

4.3 RESTRICTIONS ON HOLDING A DIRECTOR POSITION

No Director shall continue to serve as Director of the Corporation when:

- (a) He or she sells all shares in the Corporation and thereby ceases to be a Shareholder; or
- (b) He or she shall fail to maintain good-standing status as defined in Section 3.10; or
- (c) During any term of office, he or she misses three (3) consecutive regularly scheduled Board meetings – whether such meetings were an executive session, open session or other regularly scheduled Board meeting. If an executive and open session meeting are held “back-to-back” on the same day, a Director’s absence at both meetings shall only count as a single absence.

In the event of any of the above, the Director shall be removed from office by Resolution of the remaining Board of Directors.

4.4 CODE OF ETHICS

Each Director understands that he or she has a fiduciary obligation to the Corporation. Every elected and/or appointed Director must execute and abide by a Fiduciary Code of Ethics. Failure to do so shall subject the Director to removal from the Board.

4.5 QUORUM

A majority of the Directors serving at any given time shall constitute a quorum of the Board. A Director shall be considered present for purposes of quorum and voting if he or she appears via telephonic conference, video conference or an equivalent method that allows him or her to participate in a meeting as if he or she were physically present.

4.6 BOARD VACANCIES

When any vacancy exists or occurs among the Directors by death, resignation or otherwise, the same shall be filled for the remainder of the term of that Director by a majority of votes cast at a

regular or special meeting of the remaining Directors. If all the Directors die or resign, any Shareholder may call a special meeting of the Shareholders as provided herein and Directors for the unexpired term may be elected at such special meeting in the manner provided for their election at the annual meeting.

4.7 RESIGNATION AND REMOVAL

Any Director may resign at any time by written notice personally delivered or sent by certified 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 affirmative vote of seventy-five (75%) percent of the Shareholders present in person or by proxy at any shareholders meeting duly called and where a quorum is present. Any Director subject to a vote for removal shall be given an opportunity to speak on his/her own behalf at the meeting where the vote for removal is to be taken.

A Director who ceases to hold shares in the Corporation shall immediately cease to be a Director.

4.8 BOARD MEETINGS

The first meeting of each newly elected Board of Directors shall be held immediately after the annual meeting of the Shareholders or at another time determined by the Board of Directors. The first meeting of each newly elected Board of Directors must be held within 15 days after the annual meeting of the Shareholders. Unless held immediately following the annual meeting, notice of this, and all Board meetings, shall be provided to each Director, via phone call, text message, email or other written notice, at least forty-eight (48) hours prior to the meeting.

Regular meetings of the Board may be held at such time and place as the Board may determine, at least four times per year. Individual notice shall not be required for regular meetings of the Board of Directors, which may be scheduled in advance of the year or scheduled to occur on regular dates, such as the third Monday of each month or on such other date(s) selected by the Directors and may be held at such time and at such place in the City of Paterson, County of Passaic, State of New Jersey or such other place as shall from time to time be determined by the board.

Special meetings of the Board of Directors may be called by the President on two days' notice to each Director, either personally or by mail or telephone or other electronic means; special meetings shall be called by the President or Secretary in like manner and on like notice on the written request of a majority of the then acting Directors.

Meetings of the Board of Directors, regular or special, shall be held at such place within the City of Paterson, County of Passaic, State of New Jersey or elsewhere as the Board may determine. Board meetings may also be conducted by telephone conference or any other means of communication by which all participants are able to hear each other. 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 despite the lack of notice. Neither the business to be

transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need be specified in the notice or waiver of notice of such meeting, except where otherwise required by law or by these By-Laws.

A majority of the number of Directors then serving shall constitute a quorum for the transaction of business unless a greater or lesser number is required by law or by the Certificate of Incorporation or elsewhere by these By-Laws. The act of a majority of the Directors present at any meeting at which a quorum is present shall be the act of the Board of Directors, unless the act of a greater number is required by law or by the Certificate of Incorporation or elsewhere in these By-Laws. If a quorum shall not be present at any meeting of Directors, the Directors present may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present. At all meetings of the Board of Directors, each Director shall be entitled to one vote.

Any action required or permitted to be taken by the Board may be taken without a meeting if all members of the Board consent thereto in writing and such consents are filed with the minutes of the proceedings of the Board.

4.9 MEETINGS OPEN TO UNIT OWNERS

All board meetings, except conferences or working sessions at which no binding votes are to be taken, shall be open to attendance by all Shareholders. Notwithstanding the above, the board may exclude or restrict attendance at those meetings, or portions of meetings, at which any of the following matters are to be discussed: (1) any matter the disclosure of which would constitute an unwarranted invasion of individual privacy; (2) any pending or anticipated litigation or contract negotiations; (3) any matters falling within the attorney-client privilege, to the extent that confidentiality is required in order for the attorney to exercise his/her ethical duties as a lawyer; or (4) any matter involving the employment, promotion, discipline or dismissal of a specific officer or employee of the Corporation. Adequate notice of the time, place and the agenda, to the extent known, of all such open meetings shall be given by the Board to all Shareholders.

4.10 BOARD DUTIES AND POWERS

The affairs and business of the Corporation shall be managed by its Board of Directors, except with respect to the powers which are herein delegated to the officers. The Directors shall at all times act as a board, regularly convened, and they may adopt such rules and regulations for the conduct of their meetings, the execution of their resolutions and the management of the affairs of the Corporation as they may deem proper, provided the same are not inconsistent with the laws of the State of New Jersey, the Certificate of Incorporation or these By-Laws.

The Board of Directors shall be responsible for carrying out the duties imposed upon it under these by-laws, or the proprietary leases, regardless of whether an apartment in the Buildings is vacant or occupied by the owner thereof (i.e., shareholder-lessee) or a permitted lessee or other occupant of such owner. This provision shall not be deemed to impose any greater obligation or responsibility on the Board of Directors than now provided for in the New Jersey Business Corporation Law.

Subject to the restrictions promulgated herein, the Cooperative Corporation may do all that it is legally entitled to do under the laws applicable to its form of organization. The Cooperative Corporation shall discharge its powers in a manner that protects and furthers the health, safety and general welfare of the residents of the Cooperative. The Cooperative Corporation shall provide a fair and efficient procedure for the resolution of disputes between individual Shareholders and the Cooperative Corporation and between different Shareholders, which shall be readily available as an alternative to litigation.

Despite any other provisions of these By-Laws, the Board of Directors shall not take any action detrimental to the sale of Unsold Shares. The Board of Directors shall also maintain the same level of services, maintenance, and operation as was in effect immediately before the assumption of control by Shareholders.

4.11 COMPENSATION

No Director, by virtue of his/her office as such, nor for any other reason, at any time, shall receive any salary or compensation for his/her services as such Director, or otherwise, unless and until the same shall have been duly authorized in writing, or by affirmative vote taken at a duly held Shareholder's meeting, by the record holders of at least three-quarters (3/4) of the then outstanding shares of the stock of the Corporation.

ARTICLE V – POWERS OF THE BOARD OF DIRECTORS AND COMMITTEES

5.1 ANNUAL CASH REQUIREMENTS

In furtherance of the definitions and provisions of the Proprietary Leases entered into or to be entered into by the Corporation with its Shareholders, the Board of Directors shall determine the cash requirements as defined therein, for each particular year of the term of such Proprietary Lease, by resolution or resolutions adopted during the particular year in question or the preceding year, and shall likewise fix the terms and times of payment of the rent and/or assessments due from Shareholders who are lessees under such Proprietary Leases. The adoption of a cash requirement for a particular year shall not prevent the Board of Directors from modifying the cash requirement from time to time during that particular year if deemed necessary to satisfy that year's cash requirement for the Corporation.

The Board shall also in its discretion establish policies for the investment of reserves. Immediately after the adoption of any such resolution as above provided, the Secretary shall mail or cause to be mailed by regular mail or email, or deliver or cause to be delivered to each Shareholder who is such a lessee a statement of the amount of the cash requirements so determined or a copy of the resolution of the Board concerning the same. The Board of Directors shall have power to prescribe the manner of maintaining and operating the buildings of the Corporation, and any other premises acquired by the Corporation by purchase or otherwise, and to determine the aforesaid cash requirements. Every such determination by the Board shall be final and conclusive as to all Shareholders who are lessees under proprietary leases and any expenditures made by the Corporation's officers or agents under the direction or with the approval of the board shall, as against such Shareholders, be deemed necessarily and properly made for such purposes. The operating year of the corporation shall be the calendar year.

5.2 HOUSE RULES

The Board of Directors shall have power to make and change reasonable rules applicable to the apartment building owned by the Corporation whenever the Board deems it advisable to do so. All house rules shall be binding upon all tenants and occupants of the apartment building. Copies of changes in house rules shall be furnished to each Shareholder and shall be binding upon the delivery thereof in the manner provided in the Proprietary Lease. Each Shareholder is responsible for providing a copy of the House Rules to his/her guests, rental tenants, or otherwise.

The Board may make any provisions for charges for the rental or assignment of parking spaces or the utilization of in common parking spaces.

The Board of Directors may adopt and cause to be enforced such fines, penalties or other consequences as it deems reasonable for violations of the House Rules.

5.3 ADMISSIONS COMMITTEE

In furtherance of the cooperative purposes of the Corporation and to assure, so far as possible, that the occupants of all apartments therein comply in all respects with 24 C.F.R. §960 or any successor legislative action governing standards for admission to and occupancy of public housing and in compliance with the Master Declaration and all other organizational documents and shall be financially responsible and of good moral character, the Board may by resolution create an Admissions Committee of three or more persons to interview and consider the qualifications of proposed assignees and subtenants.

Once such committee has been created, no consent to the transfer of stock or assignment of lease or subletting of apartments shall thereafter be given by any member of the Board of Directors until the Admissions Committee shall have approved the same in writing, said approval being made by the affirmative vote of no less than a simple majority of all members of the Admissions Committee, or until there shall have been a meeting of the Board of Directors to act on an unfavorable report of the Admissions Committee. All information received and reported by the Admissions Committee or any member of the Board of Directors (whether or not an Admissions Committee has been created) concerning a proposed assignee or subtenant, and the deliberations of the Committee and/or the Board thereon, shall be deemed confidential and disclosed to no one except other Directors of the Corporation.

The Board of Directors shall act within fourteen (14) days on all applications recommended unfavorably or favorably by the Admissions Committee.

On all applications for consent to assignment or subletting, the only action of the Board shall be to "approve" or "disapprove" without comment. No member of the Admissions Committee or the Board of Directors shall be required to explain to any Shareholder or any other person the reasons for his determination. No assignee may be rejected for other than financial reasons or failure to meet the eligibility requirements set forth herein or if applicant fails to demonstrate his/her good character.

The corporation shall not discriminate against any person for reasons of race, creed, color, sex, sexual preference, national origin, religion or other grounds prohibited by law but is entitled to

reject any applicant who does not comply with 24 C.F.R. §960, Section (1) of the Master Declaration and Articles VIII, IX and/or X, Section 10.4 of these By-Laws or for any other reason thought by the Board in its reasonable judgment exercised fairly to be in the best interests of the Corporation.

5.4 OTHER COMMITTEES

The Board of Directors shall have the power to appoint such committees as it deems appropriate.

5.5 CONTRACTS AND TRANSACTIONS OF THE CORPORATION

No contract or other transaction between the Corporation and any one or more of its Directors or between any other corporation, firm, association or other entity in which one or more of its Directors are Directors or officers of the corporation, or are financially interested therein (either directly or indirectly), shall be void or voidable for this reason alone or by reason alone that such Director or Directors are present at the meeting of the Board, or of a committee thereof, which approves such contract or transaction, or that his or her votes are counted for such purposes.

ARTICLE VI – OFFICERS

6.1 ELECTION AND REMOVAL

The Board of Directors at each annual meeting, shall elect by a majority vote, a President, a Vice-Presidents, a Secretary and a Treasurer, and may also at any time appoint or elect one or more assistant secretaries or assistant treasurers and accord to such assistant officers such powers as the Board may deem proper. Officers must be Directors of the Corporation. Any person otherwise qualified may hold any two offices, except the offices of President and Vice President. Each of the officers shall serve until the next annual meeting of the Board and until the election or appointment of his/her respective successor; but any officer may be removed from office at any time, and a successor chosen, at the pleasure of the Board, upon affirmative vote, taken at any meeting, by a majority of the then serving Directors.

6.2 QUALIFICATION AND VACANCIES

The President and all other officers shall be members of the Board. Vacancies occurring in any office may be filled by the Board at any time, upon affirmative vote taken at any meeting, by a majority of the then serving Directors. An officer who ceases to be a Shareholder shall be deemed to have resigned as an officer.

6.3 PRESIDENT AND VICE PRESIDENT

The President shall preside at meetings of the Shareholders and of the Board of Directors. S/He shall, subject to the control of the Board, have general management of the affairs of the Corporation and shall perform all the duties incidental to his/her office or prescribed for him/her by these By-Laws or by the Board, and shall make and sign in the name of the Corporation all contracts, leases and other instruments which are authorized from time to time by the Board. In the absence or inability of the President to serve, the Vice President shall have the power to

perform the duties of the President. The Vice President shall at all times have the power to make and sign Proprietary Leases in the name of the Corporation.

6.4 SECRETARY

The Secretary shall keep and record in proper books provided for the purpose, which books may be maintained in electronic format, the minutes of meetings of the Board of Directors and of the Shareholders. S/He shall record all transfers of shares and cancel and preserve certificates of shares transferred, and s/he shall keep such other records as the Board shall require. S/He shall attend to the giving and serving of notices of the Corporation. S/He shall keep a book, to be known as the stock book, which may be maintained in electronic format, containing the names, alphabetically arranged, of all persons who are Shareholders of the Corporation, showing their places of residence, the number of shares of stock held by them, respectively, the time when they respectively became the owners thereof, the amount paid therefor, the denomination and amount of all stock transfer stamps affixed thereto, and such books shall be open for inspection as provided by law. [removed list of those authorized to inspect records] Persons so entitled to inspect the stock book may make extracts therefrom in the form of copies or photographs. The Corporation may charge a reasonable copying fee for any copies.

In the absence or inability of the Secretary to perform his/her duties, the Assistant Secretary, if one has been appointed, shall have all the powers and perform all the duties of the Secretary.

The Directors, may in their discretion, maintain the above records at the office of the managing agent or the office of the Corporation's general counsel, if not maintained onsite at the Corporation's office.

6.5 TREASURER

The Treasurer shall, subject to the control of the Board, have the care and custody of, and be responsible for, all funds and securities of the Corporation and shall keep the same in its name in such banks, trust companies or safe deposit companies as the Board shall designate, and shall perform all other duties incidental to his/her office, or prescribed for him/her by these By-Laws or by the Board. If so required by the Board, s/he shall, before receiving any such funds or securities, furnish to the Corporation a bond with a surety company as surety, in such form and amount as the Board from time to time shall determine. The premium upon such bond shall be paid by the Corporation. Within 90 days after the end of each fiscal year, or as soon thereafter as reasonably practicable, the Treasurer shall furnish to each Shareholder who is a lessee under a Proprietary Lease then in force a statement of the income, expenses and paid-in surplus of the Corporation during such year, certified by an independent Certified Public Accountant. In addition, no later than March 15th of the year following the close of each year ending December 31st, the Treasurer shall send to each Shareholder who is a lessee under a Proprietary Lease in force during said prior year a statement on which there shall be indicated the portion of the rent paid by such Shareholder under his Proprietary Lease during such year which has been used by the Corporation for the payment of taxes on real state and interest on its mortgage or other indebtedness and such other information as may be necessary to permit the Shareholder to compute his income tax liability or income tax benefits that may accrue to him in respect thereof.

In the absence or inability of the Treasurer, the assistant Treasurer shall have all the powers and perform all of the duties of the Treasurer.

6.6 SALARIES AND COMPENSATION FOR OFFICERS

No salary or other compensation for service shall be paid to any officer of the corporation for services rendered by such officer unless and until the same shall have been authorized in writing, or by affirmative vote taken at a meeting of Shareholders called for that purpose, by the Shareholders of record of at least three quarters (3/4) of the then outstanding capital stock.

ARTICLE VII – INDEMNIFICATION OF DIRECTORS AND OFFICERS

7.1 IN ACTIONS BY OR IN THE RIGHT OF CORPORATION

Unless adjudged to have breached his/her fiduciary duty(ies) to the Corporation, in any action brought by or in the right of the Corporation, the Corporation shall defend and indemnify any Director or Officer of the Corporation who is made a party to an action by virtue of his/her current or past position as a Director or Officer. Such defense and indemnification shall include payment of reasonable expenses and costs for defending against the action, including, but not limited to attorneys' fees and costs.

7.2 IN 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 as a Director or Officer of the Corporation shall be indemnified by the 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 s/he reasonably believed to be in the best interest of the Corporation, and, in addition, in criminal actions or proceedings if s/he had no reasonable cause to believe that his/her conduct was unlawful.

The termination of any 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 s/he reasonably believed to be in the best interest of the Corporation, or with respect to any criminal proceeding, that s/he had reasonable cause to believe his conduct was unlawful.

7.3 PAYMENT

Any indemnification under Sections 7.1 and 7.2 above, unless ordered by a Court, shall be made by the Corporation only as authorized in a specific case upon a determination that indemnification is proper in the circumstances because the person/party met the applicable standard of conduct set forth in the New Jersey Business Corporation Act.

ARTICLE VIII – PROPRIETARY LEASES

8.1 FORM

The Board of Directors shall adopt a form of Proprietary Lease to be issued by the Corporation for the leasing of all apartments, and other residential space in the apartment building, if any, to be leased to Shareholders under Proprietary Lease. Such proprietary leases shall be for such term, with or without provisions for renewals, and shall contain such restrictions, limitations and provision in respect to the assignment thereof, the subletting of the premises demised thereby, and the sale or transfer of the shares of stock of the Corporation accompanying the same, and such other terms, provisions, conditions and covenants, as the board deems advisable. After a Proprietary Lease in the form so adopted by the Board has been executed and delivered by the Corporation, all Proprietary Leases subsequently executed and delivered shall be in the same form (except with respect to commencement of the lease term and the statement as to the number of shares owned by the lessee), and shall not be changed in form or substance unless varied in accordance with the terms thereof. The term of all proprietary leases shall be uniformly extended or renewed if so determined by (i) the holders of a majority of the shares in writing or by vote at a meeting called for such purpose, or (ii) the Board of Directors (except the Board shall not have the right to so extend or renew if the holders of a majority of the shares shall determine not to extend or renew).

8.2 ASSIGNMENT

Proprietary Leases shall be assigned or transferred only in compliance with and shall not be assigned or transferred in violation of, the terms, conditions or provision of such Proprietary Lease. A duplicate original of each Proprietary Lease shall always be kept on file in the office of the Corporation or with the managing agent of the apartment building.

8.3 ACCOMPANYING SHARE INTEREST

The Board of Directors shall allocate to each apartment to be leased under a Proprietary Lease the one restricted share of the corporation which must be owned by the Proprietary Lessee thereof. Shares are subject to the following restrictions provided such standards are met, and provided all non-financial membership criteria are met, shares and proprietary leases may be sold to third parties in the following order of priority:

Category 1. First preference is given to persons currently residing in public housing in the City of Paterson, who would like to be eligible to join the Cooperative Corporation (or to a relative of the Owner limited to spouse, parents or children). The criteria to join the Cooperative Corporation is as follows:

- i. Applicant must have good payment history.
- ii. Applicant must have no convictions for drugs or other crimes as defined by New Jersey Law.
- iii. Applicant must not have a history of excessive complaints with management at his/her present apartment.
- iv. Applicant must have the ability to buy for cash or must be credit-worthy and can either assume the present financing on the unit or can obtain his/her own financing.

- v. Applicant must keep his/her present apartment in good order and must be willing to give up his present public housing apartment.
- vi. The cooperative Corporation has the right to impose such reasonable Rules and Regulations concerning resales provided same are applied in a non-arbitrary manner. These restrictions impose ceiling on maximum sale prices on resale and are incorporated in Article (1) of the Master Declaration annexed hereto and incorporated herein by reference as Exhibit A.

Category 2. Second preference for resale is given to persons presently not tenants of the Housing Authority of the City of Paterson but who lived in the City of Paterson for not less than (1) year during the period immediately preceding the proposed purchase of a share in the Corporation and are on the waiting list maintained by the managing agent of persons qualified to join the cooperative corporation based on their income levels and other factors.

Category 3. Third preference for resale is given to persons living outside the City of Paterson who are on the managing agents waiting list (or who are not on such list but who would otherwise qualify) and who would be qualified to join the cooperative corporation in accordance with 24 C.F.R. § 960 or any successor legislation governing standards for admissions to public housing and further in accordance with the Master Declaration.

Category 4. Shares and proprietary lease may be transferred to any person or persons who meet the eligibility standards set forth in C.F.R. §960 governing admission to and occupancy of public housing of the eligibility standards of any successor statute, law, regulation or rule governing such admission and occupancy provided same is in keeping with the limited equity affordable housing declaration of the development.

8.4 **ASSIGNMENT OF PROPRIETARY LEASE AND TRANSFER OF SHARES**

No assignment of any Proprietary Lease nor transfer of shares of stock of the Corporation shall take effect as against the Corporation for any purpose until a proper assignment has been delivered to the Corporation; the assignee has assumed and agreed to perform and comply with all covenants and conditions of the assigned Proprietary Lease or has entered into a new Proprietary Lease for the remainder of the term; all shares of stock of the Corporation appurtenant to the Proprietary Lease have been transferred to the assignee; all sums due have been paid to the Corporation; and the consents required by the Proprietary Lease and these By-Laws have been properly obtained. The action of the Board with respect to the written application for consent of a proposed assignment or transfer must be made within sixty (60) days after receipt of said written application, and must be authorized by a resolution of the Board, or given in writing by a majority of the Board, or if the Board shall have failed or refused to render such consent within sixty (60) days after submission to it of an application for an assignment then by the Owners of a least two-thirds (2/3) of the shares of stock of the Corporation, as provided in these By-Laws.

No person to whom the interest of a Proprietary Lease or shares of stock shall pass by law, shall be entitled to assign any Proprietary Lease, transfer any shares of stock, or to sublet or occupy

any apartment except upon compliance with the requirements of the Proprietary Lease and these By-Laws.

8.5 FEES ON ASSIGNMENT

Subject to the provisions of the form of Proprietary Lease adopted by the Board of Directors (and the rights of the holders of Unsold Shares as herein and in the Proprietary Lease set forth), the Board of Directors shall have the authority to fix by resolution and to collect, before any assignment of a proprietary lease or any reallocation of shares takes effect as against the Corporation as lessor, reasonable fees to cover the Corporation's expenses and attorneys' fees in connection with such proposed assignment, or reallocation, or both, as the case may be.

8.6 LOST PROPRIETARY LEASES

In the event that the original of any Proprietary Lease in full force and effect is lost, stolen, destroyed or mutilated, the Board of Directors may authorize the issuance of a new replacement Proprietary Lease, in the same form and with the same terms, provision, conditions and limitations. The Board may, in its discretion, before the issuance of such new Proprietary Lease, require the owner of the lost, stolen, destroyed or mutilated Proprietary Lease, or the legal representative of the owner, (i) to pay the Corporation a reasonable fee for the time and expense incurred in preparing the same, including, but not limited to, reasonable attorneys' fees; (ii) to make an affidavit or affirmation setting forth such facts as to the loss, theft, destruction or mutilation as it deems necessary; and (iii) to give the Corporation a bond in such sum as it directs, not exceeding double the value of the shares accompanying such proprietary lease, to indemnify the Corporation.

ARTICLE IX – SUBLEASES

9.1 SUBLEASES

A Lessee shall not sublet the whole or any part of an Apartment or renew or extend any previously authorized sublease, unless or until consent thereto shall have been duly authorized by a resolution of the Directors or given in writing by a majority of the Directors, or, if the Directors shall have failed or refused to give such consent, then by lessees owning at least 75% of the then issued shares of the Lessor.

Under no circumstances can less than the whole of the apartment be sublet. Consent by the Directors shall be evidenced by written consent or by affirmative vote taken at a meeting called for such purpose. Any consent to subletting may be subject to such conditions as the Directors may impose. There shall be no limitation on the right of Directors or lessees to grant or withhold consent, for any reason or for no reason, to a subletting and consent shall specifically be withheld to a subtenant who does not meet the admissions and occupancy standards of 24 C.F.R. §960 or any successor regulation.

In the event an Apartment is leased to a sublessee, if the Lessee defaults in the payment of any financial obligation, the Corporation may, at its option, demand and receive from the sublessee the rent due or becoming due to the Lessee. This amount will be applied to pay sums due or

becoming due from the Lessee to the Corporation. Any payment by the sublessee to the Corporation will be considered as a discharge of sublessee's obligation to the Lessee to the extent of the amount paid. The acceptance of the rent from the sublessee will not be considered as a release or discharge of any of the obligations of the Lessee, except that the rents collected will be credited to amounts due from Lessee to the Corporation.

Due to the Limited Equity nature of the Corporation, no sublet rent may be charged to any subtenant exceeding the maintenance charge plus additional rent (for Lessee's monthly finance charge to his lending institution, if any) due from Lessee to Lessor plus a \$25.00 per month administrative fee to Lessee from Subtenant. No consent to a subletting shall operate to release the Lessee from any obligation hereunder.

ARTICLE X – SHARE INTERESTS

10.1 SHARE INTERESTS TO ACCOMPANY PROPRIETARY LEASE

Shares of stock of the Corporation shall only be issued or reissued in connection with the execution and delivery by the purchaser and the Corporation of a Proprietary Lease of an apartment in the Building(s) owned by the Corporation, and the ownership of the said shares so issued shall entitle the holder thereof to occupy for dwelling purposes the apartment specified in the Proprietary Lease so executed and delivered in connection with the issuance of said shares, subject to the covenants and agreements contained in such Proprietary Lease. There shall be one (1) share allocated to each dwelling unit. Shares of stock of the Corporation hereafter acquired and subsequently reissued, and unissued but authorized shares of the Corporation hereafter issued shall only be issued, as the case may be, in conjunction with the execution of a Proprietary Lease of an apartment in the building.

10.2 SHARE CERTIFICATE REGISTER

Certificates of the shares of the Corporation shall be in the form prepared and adopted by the Board of Directors, and shall be signed by the President or any Vice-President and the Secretary or an assistant Secretary or the Treasurer or an assistant Treasurer, and sealed with the seal of the Corporation, and shall be numbered in the order in which issued. Certificates shall be bound in a book and issued in consecutive order therefrom, and in the margin or stub thereof shall be entered the name of the person holding the shares therein represented, the number of shares and the date of issue. Each certificate exchanged or returned to the Corporation shall be cancelled, and the date of cancellation shall be indicated thereon by the Secretary and such certificate of cancellation shall be immediately pasted in the certificate book opposite the memorandum of its issue.

10.3 ISSUANCE OF SHARE CERTIFICATES

Shares issued to accompany each Proprietary Lease shall be issued in the amount allocated by the Board of Directors to the apartment or other space described in such Proprietary Lease which shall have been executed by the Corporation. The shares of stock which accompany each Proprietary Lease shall be represented by a single certificate and shall not be sold or transferred except to the Corporation or as an entirety to a person who has acquired such Proprietary Lease, or a new one in place thereof, after complying with and satisfying the requirements of such Proprietary Lease in respect to the assignment thereof.

10.4 TRANSFERS

Transfers of shares shall be made only upon the books of the Corporation by the holder in person or by power of attorney, duly executed and witnessed (or with such signature guaranty as the Board may request) and filed with the Secretary, and on the surrender and/or assignment of the certificate of such shares, except that shares sold by the Corporation to satisfy any lien which it holds thereon, or shares required to be (but which are not) surrendered under the Proprietary Lease, may be transferred without the surrender of such certificate. No transfer of shares shall be valid as against the Corporation, its shareholders and creditors, for any purpose, except to render the transferee liable for the debts of the Corporation to the extent provided for in the Business Corporation Law, until it shall have been entered in the stock book as required by the Business Corporation Law or any other applicable law by an entry from whom and to whom transferred. No such transfer shall be valid or effective until all the requirements set forth in the Proprietary Lease shall have been satisfied and complied with.

Voluntary Transfer. A membership may be transferred to a new Member only in the following manner:

1. The outgoing Member notifies the Board of intent to transfer his/her Shares and Proprietary Lease to a qualified third party.
2. The Board selects the next approved applicant on the Waiting List for whom the unit is the appropriate size, who shall be screened by the Admissions Committee, who shall comply with the requirements set forth in Article VIII and who shall complete the required application as set forth in Article V, Section 5.3, Article VIII, Sections 8.2 and 8.3 and Article X hereof.

Death of a Member. A member may designate any person(s) to his or her financial interest in the Corporation's shares. If a membership is transferred by will or intestacy to a person who satisfies fully the then applicable membership selection criteria of the Corporation including having household income appropriate for the dwelling unit, then provided that he or she is able to demonstrate to the reasonable satisfaction of the Corporation that he or she has a regular source of income sufficient to pay any monthly carrying charges then in effect and qualifies in all other respects with these By-Laws, the person receiving such membership shall have a right to occupy the subject unit by assuming in writing the terms of the Proprietary Lease within sixty days of the transfer or death and by paying all amounts due. If the person receiving such membership chooses to not occupy the unit or if he or she does not qualify, then the Corporation shall either purchase the subject membership in the manner provided below or select a new member to purchase the subject membership within the same time frame and upon the same terms as if it were the purchaser under the paragraph below.

Purchase by Corporation. If a member desires to leave the Cooperative or if a person receiving membership under will or intestacy does not choose to occupy the unit or does not qualify under the above paragraph, the Cooperative shall either purchase the membership, together with all of the member's rights with respect to the unit, or shall select a new member to purchase the subject membership within ninety (90) days from the date it receives notice of such person's intent to leave or ineligibility, as the case may be. The purchase price shall be determined by the Corporation as representing the transfer value thereof, less any amounts due by the member of

the Corporation under the Proprietary Lease, and less the cost or estimated cost of all deferred maintenance, including painting, redecorating, floor finishing, and such repairs and replacements as are deemed beyond normal wear and tear by the Corporation to place the unit in suitable condition for another occupant. The purchase by the Corporation (or by a person(s) selected by the Corporation) of the membership will immediately terminate the member's rights and the member shall forthwith vacate the premises. Within a reasonable period, if the Corporation has purchased the membership, the Corporation shall re-sell such membership to a person or persons eligible for membership.

Transfer Value; Sale During Lifetime and Death. The term "Transfer Value" means the sum of the following:

1. (a) The equity price paid by the current Member to the Cooperative plus, (b) his financing cost paid to his Share Lender (limited to interest payable to the share lender) or in the case of persons not having a share loan, they shall receive an imputed charge based on a cooperative loan calculated at 80% of the purchase price of the unit at the interest rate charged by the Share Lender holding the largest number of cooperative and loans at the development, (c) plus an increase over the equity price equal to Housing Component Figures for Urban Consumers (CPI-U) of U.S. Department of Labor, Bureau of Labor Statistics, compounded annually, for New York, North Eastern New Jersey (on the 1967 equals 100 standard) for base July 1, 1992 or since the current Member obtained ownership of his proprietary lease and stock certificate evidencing his/her ownership in the Cooperative; and
2. In addition, the price shall also include the cost of any improvement installed at the expense of the current Member with the prior approval of the Board.

The Transfer Value shall establish the price for all shares of units whether during Transferor's lifetime or otherwise.

10.5 FEES ON TRANSFER

Subject to the provisions of Section 10.6 of this Article X hereof and subject further to the provisions of the Proprietary Lease, the Board of Directors shall have authority to fix by resolution and to collect, before the transfer of any shares takes effect as against the Corporation, reasonable fees to cover the corporation's expenses and attorney's fees in connection with such proposed transfer.

10.6 CORPORATION'S LIENS

The ownership interests which are acquired by any person(s) owning shares in the Corporation are comprised of the following rights and obligations:

- (a) Issuance of a stock certificate representing the number of shares of the Corporation allocated to a particular Unit in the Corporation; and
- (b) The rights and obligations set forth are more particularly described in the Proprietary Lease for the Unit; and

(c) An undivided percentage interest in the Common Elements of the Cooperative.

The foregoing rights are hereinafter collectively referred to as the "Ownership Interest." The Ownership interests are unitary in nature and are not subject to division or partition. The rights and obligations of a Unit Owner in and to the Ownership Interests cannot be segregated, attached or divided in any manner whatsoever.

The Corporation shall at all times have a first and paramount lien upon the Ownership Interests of each shareholder to secure (i) the payment by such shareholder of all maintenance (also known as cooperative rent or carrying charges) and additional maintenance to become payable by such shareholder under the provisions of any Proprietary Lease issued by the Corporation and at any time held by such shareholder; and (ii) for all other indebtedness from such shareholder (together with reasonable attorney's fees and costs in connection with the enforcement of its rights hereunder) to the Corporation; and (iii) to secure the performance by the shareholder of all the covenants and conditions of said Proprietary Lease to be performed or complied with by the shareholder.

Unless and until such shareholder as lessee defaults in the payment of any such rent or other indebtedness or in the performance of any such covenants or conditions, said shares shall continue to stand in the name of the shareholder upon the books of the Corporation and the shareholder shall be entitled to exercise the right to vote thereon as though said lien did not exist. The Board may refuse to consent to the transfer of such shares until any indebtedness of the shareholder to the Corporation is paid. Upon the enforcement by the Corporation of such lien, the Corporation shall have the right to issue to a purchaser of such shares or to the nominee of such purchaser, a certificate for the shares so purchased. Thereupon, the certificate for the shares issued to such defaulting shareholder shall become void and shall be surrendered to the Corporation by the defaulting Shareholder on demand, but the failure of the defaulting shareholder to so surrender his/her certificate shall not affect the validity of the Certificate issued in its replacement.

The Corporation reserves all its rights and remedies under New Jersey law to enforce its lien as well as to seek collection of such lien in any court of competent jurisdiction.

10.7 LEGEND ON SHARE CERTIFICATES

Certificates representing shares of the Corporation shall bear a legend reading as follows:

LEGEND – RESTRICTIVE SHARES
THIS IS RESTRICTED STOCK

"This certificate is issued together with a Proprietary Lease for the apartment designated herein, which is located in Building _____, Unit _____."

"The rights of any holder of the shares evidenced by this certificate are subject to the provisions of the Certificate of Incorporation, Master Declaration filed by the Register of Passaic County pursuant to N.J.S.A. 46:8D-6 (as may be amended

from time to time), and the By-Laws of the Corporation and to all the terms, covenants, conditions and provisions of a certain Proprietary Lease made between the Corporation, as Lessor, and the person in whose name this certificate is issued, as lessee (hereinafter jointly referred to as "Organizational Documents"), for an apartment at Brooks-Sloate Terrace which is owned by the Corporation and operated as a LIMITED EQUITY COOPERATIVE, which proprietary lease SEVERELY limits and restricts the title and rights of any transferee of this certificate and SEVERELEY limits to whom and at what price the stock, and the proprietary lease can be sold or transferred to third parties in order to retain the affordable housing nature of the development."

"The shares represented by this certificate are transferable only in their entirety and only to an assignee approved in writing in accordance with the provisions of the By-laws and Proprietary Lease and other Organizational Documents."

"The Directors of this Corporation may refuse to consent to the transfer of the shares represented by this certificate until any indebtedness of the transferor to the corporation is paid. The Proprietary Lease and By-Laws give the Corporation a first lien on the shares represented by this Certificate for all sums due or to come due to the Corporation under the Proprietary Lease"

ARTICLE XI -- MISCELLANEOUS

11.1 FISCAL YEAR

The fiscal year of the Corporation shall be the calendar year unless otherwise determined by resolution of the Board of Directors.

11.2 DEMOLITION OR DISPOSITION OF PROPERTY

It is the intent of this Corporation that if a building or buildings are damaged or destroyed, that it or they shall be rebuilt to provide safe and affordable housing to the shareholders. No decision to demolish or fail to reconstruct any building or other improvement standing on the land owned or leased by the Corporation, or to sell or exchange the Corporation's fee simple or leasehold interest therein (excepts as otherwise provided in Article III Section 3 of the Certificate of Incorporation), or to lease any such building or improvement in its entirety or substantially in its entirety, shall not be made except upon the affirmative vote of the holders of ninety (90%) percent of the shares of the Corporation then issued and outstanding. Notwithstanding the foregoing, the sale, exchange, lease or other disposition of the property owned by the Corporation after the termination of all the Proprietary Leases which are made by the Corporation shall be determined by the affirmative vote of the holders of most of the shares of the Corporation then issued and outstanding.

11.3 TAX ABATEMENT

If the present tax abatement (payment in lieu of taxes) established by City Council Resolution §92-191 of the City of Paterson, which was adopted in accordance with N.J.S.A. 55:14A-19 as amended is made available after the expiration of its initial fifteen (15) year term, such tax abatement shall

be accepted and the limited equity nature of the development continued unless the holders of ninety (90%) percent of the shares issued and outstanding vote to refuse to accept the tax abatement and decide to terminate the limited equity character of the development.

11.4 FIDELITY BONDS

The Board requires that all officers and employees of the Cooperative handling or responsible for corporate or trust funds qualify for bonding on fidelity bonds. The premiums on such bonds are paid by the Cooperative.

11.5 EXECUTION OF CORPORATE DOCUMENTS

With the prior authorization of the Board, all notes and contracts, including Occupancy Agreements, are signed on behalf of the Cooperative by either the President or Vice President, and attested by the Secretary or Assistant Secretary.

11.6 CONFLICT

These By-Laws are subordinate and subject to all the provisions of the Articles and any Regulatory Agreement, executed by the Cooperative. In the event of any conflict between these By-Laws and any Regulatory Agreement, the provisions of all the latter control. These By-Laws are governed by and constructed under the laws of the state of incorporation except that in the case of conflict between the Proprietary Lease and the By-Laws, these By-Laws shall control.

11.7 NOTICES

Unless another type of notice is specifically provided for, any and all notices called for in these By-Laws must be in writing.

11.8 SEVERABILITY

In the event any provision of these By-Laws is determined to be invalid, void or unenforceable, that determination does not render invalid, void or unenforceable any other provisions which can be given effect.

11.9 WAIVER

No condition or provision of these By-Laws may be considered waived by reason of any failure to enforce that condition or provision.

11.10 CAPTIONS

The captions contained in these By-Laws are for convenience only and are not a part of these By-Laws and are not intended in any way to limit or affect the terms and provisions of these By-Laws.

11.11 GENDER

Whenever in these By-Laws the context so requires, the singular number includes the plural and the converse; and the use of any gender includes all genders.

ARTICLE XII – NEGOTIABLE INSTRUMENTS

12.1 SIGNATURES

All checks, drafts, orders for payment of money and negotiable instruments shall be signed by such officer or officers, or employees as shall be designated from time to time by the Board of Directors by resolution or special order, for that purpose. All checks shall require two (2) signatures, one of whom may be the designee(s) of the Managing Agent.

Promissory notes and bonds of the corporation shall be signed by any two officers who, from time to time, shall be designated by the Board of Directors for that purpose.

12.2 ENDORSEMENTS

Endorsements or transfers of shares or other securities shall be signed by the President or any Vice President and by the Treasurer or the Secretary or an Assistant Secretary unless the Board of Directors, by special resolution in one or more instances, prescribes otherwise.

12.3 SAFE DEPOSIT BOXES

Any officer or officers who, from time to time, shall be designated by the Board of Directors for that purpose shall have access to any safe deposit box of the Corporation in the vault of any safe deposit company.

12.4 SECURITIES

Any officer or officers who, from time to time, shall be designated by the Board of Directors for that purpose shall have the power to control and direct the disposition of any bonds or other securities or property of the Corporation deposited in the custody of any bank, trust company or other custodian.

ARTICLE XIII – FISCAL MANAGEMENT

13.1 CHARGES

Prior to the beginning of each fiscal year, the Board estimates the cost to the Cooperative for that fiscal year for principal and interest on indebtedness, property taxes, property insurance, management, repairs, utilities which are not individually metered and paid directly by residents, operating and replacement reserves and other costs of operating multi-unit cooperative housing and shall fix the maintenance accordingly. Each Member pays its share to meet these expenses monthly, in amounts and in a manner fixed by the Board as determined by the Board. If the Board

finds there is an urgent need for additional funds, it may increase the required monthly charges with at least 30 days' notice.

13.2 FINES

To the extent now or hereafter permitted by the laws of the State of New Jersey, the Board shall have the power to levy fines against the Shareholders for violation(s) of any Rule or Regulation of the Corporation or for any covenants or restrictions contained in the Master Declaration, Proprietary Lease or these By-Laws, except that no fine may be levied for more than \$500.00 for any one violation; provided, however, that for each day a violation continues after notice it shall be considered a separate violation. Collection of the fines may be enforced against any Shareholder involved as if the fine were additional rent owed by the particular Shareholder. Despite the foregoing, before any fine is imposed by the Board, the Shareholder involved shall be given at least ten (10) days prior written notice and afforded an opportunity to be heard, with or without counsel, with respect to the violation(s) asserted.

ARTICLE XIV – DUE PROCESS

14.1 TERMINATION OF MEMBERSHIP

The Cooperative may terminate a Membership (if so permitted by applicable law) on the following grounds: (a) the Member fails to pay any charge within ninety (90) days after it is due; or (b) the Member willfully or presently violates any provision of these By-Laws, the Occupancy Agreement or the House Rules. The Member has the opportunity to be heard at a board meeting prior to the Board making a final decision to terminate the Membership.

The Board shall determine uniform procedures to ensure the parties a fair hearing and due process of law.

Upon such termination, the Member shall be obligated to sell his shares and proprietary leases according to the formula provided for in Article X, Section 10.4 hereof.

14.2 DUE PROCESS PROCEDURES

The Board shall establish a procedure to assure due process in cases where there is a question of compliance by a Shareholder with provisions of the Cooperative Documents, thereby attempting to minimize the necessity for seeking action in or through a court of law. The Board has the power to enforce on its own behalf and on behalf of all Shareholders, all of the restrictions set forth in the Master Declaration and Proprietary Lease, including the regulation of appearance and use of the Units and Common Elements and which has standing to notify and issue a cease and desist request. The following due process procedures shall apply:

- (a) **Written Complaint.** The formal process shall be initiated upon the filing of a written complaint by any Shareholder, Officer, Director or Agent of the Corporation with the Board. The Complaint shall constitute a written statement of charges which shall set forth in ordinary and concise language the acts or omissions with which the respondent is charged, to the end that

the respondent will be able to prepare his/her defense. The Complaint should specify the specific provisions of the Cooperative Documents which the respondent is alleged to have violated but shall not consist merely of charges phrased in the language of such provisions without supporting facts. The Complaint must be as specific as possible as to time(s), date(s), place(s), and person(s) involved.

- (b) **Preliminary Investigation.** Upon receipt and consideration of the written Complaint, the Board may request that the Managing Agent make a preliminary investigation as to the validity of the Complaint and promptly report the findings to the Board. If conditions have been corrected since the Complaint was made, or if the Complaint is for any other reason no longer valid, the Board shall determine the appropriate disposition of the matter and respond in writing to the complainant. If the preliminary investigation indicates the need for further action, then the Board may proceed as appropriate with the steps set forth below.
- (c) **Service of Complaint.** If the preliminary investigation indicates that further action is necessary, the Board shall serve a copy of the Complaint on the respondent by either of the following means: (1) personal service, or (2) by registered or certified mail, return receipt requested, and addressed to respondent at the address appearing on the books of the Corporation. Service by mail shall be deemed effective two (2) days after such mailing in a regular depository of the United States Mail. The Complaint shall be accompanied with a postcard or other written form entitled "Notice of Defense" which constitutes a notice of defense hereunder. No order adversely affecting the rights of the respondent may be made in any case, unless the respondent shall have been served as provided herein.
- (d) **Notice of Hearing.** Along with service of the Complaint, the Board shall serve a Notice of Hearing on all parties at least fifteen (15) days prior to the hearing. The Notice of Hearing sent to the respondent shall be substantially in the following form, but may include other information:

You are hereby notified that a hearing will be held before the Covenants Committee of the Corporation at _____ on the _____ day of _____, 20____, at the hour of _____< upon the charges made in the Complaint served upon you. You may be present at the hearing, may but need not be represented by counsel, may present any relevant evidence, and you will be given full opportunity to cross-examine all witnesses testifying against you. You are entitled to request the attendance of witnesses and the production of books, documents, or other items by applying to the Covenants Committee of the Corporation.

If any party can promptly show good cause as to why they cannot attend the hearing on the set date and indicate times and dates on which they would be available, the Covenants Committee may reset the time and date of the hearing and promptly deliver notice of the new hearing date.

- (e) **Notice of Defense.** The service of Complaint and the Notice of Hearing shall be accompanied by a Notice of Defense. The Notice of Defense shall state that the respondent may:
- Attend a hearing before the Covenants Committee as hereinafter provided;
 - Object to the Complaint on the grounds that it does not state the acts or omissions upon which the Covenants Committee may proceed;
 - Object to the form of the Complaint on the grounds that it is so indefinite or uncertain that the respondent cannot identify the proper defense; or
 - Admit to the Complaint in whole or in part, in such event, the Covenants Committee shall meet to determine appropriate action or penalty, if any.

Any objections to the form or substance of the complaint shall be considered by the Covenants Committee within thirty (30) days of their receipt. The Covenants Committee shall make its determination and notify all parties within said thirty (30) day period. If the Complaint is found to be insufficient, the complaining party shall have fifteen (15) days within which to amend the Complaint to make it sufficient. The same procedure as set forth above shall be followed with respect to any amended or supplemental Complaint. If it is determined by the Covenants Committee that the Complaint is still insufficient, then the matter shall be dismissed by the Covenants Committee.

- (f) **Cease and Desist Request.** The Board may, at its own discretion, issue a cease and desist request along with the Complaint, statement to respondent, and Notice of Defense. Such cease and desist request shall be substantially in the following form:

The Board of Directors has received the attached Complaint and the Board of Directors hereby request that you CEASE AND DESIST such acts or actions until such time, if any, as a ruling of the Covenants Committee or Board of Directors or court of law permits. Failure to comply with this request may result in penalty greater than that which would be imposed for a single violation.

- (g) **Amended or Supplemental Complaints.** At any time prior to the hearing date, an amended or supplemental complaint may be filed. All parties shall be notified thereof in the manner herein provided. If the amended or supplemental complaint presents new charges, the Covenants Committee shall afford the respondent a reasonable opportunity to prepare a proper defense thereto.

- (h) **Discovery.** Upon written request to the other party, made prior to the hearing and within fifteen (15) days after service of the complaint or within ten (10) days after service of any amended or supplemental complaint, either party is entitled to: (1) obtain the names and addresses of witnesses to the extent known to the other party; and (2) inspect and make a copy of any statements, writings, and investigative reports relevant to the subject matter of the hearing. Nothing in this section, however, shall authorize the inspection or copying of any writing or thing which is privileged from disclosure by law or otherwise made confidential or protected as the attorney's work product. Any party claiming his request for discovery has not been complied with shall submit a petition to request discovery by the Board. The

Covenants Committee shall make a determination and issue a written order setting forth the matters or parts thereof which the petitioner is entitled to discover.

- (i) **Statements.** At any time ten (10) or more days prior to a hearing or a continued hearing, any party shall mail or deliver to the opposing party a copy of any sworn statement, which that party proposes to introduce into evidence. Unless the opposing party, within seven (7) days after such mailing or delivery, mails or delivers to the proponent a request to cross-examine the statement's author, his right to cross-examine such author is waived and the sworn statement, if introduced in evidence, shall be given the same effect as if the author had testified orally. If any opportunity to cross-examine the statement's author is not afforded after request is made as herein provided, the statement may be introduced in evidence, but shall be given only the same effect as hearsay evidence.
- (j) **Constraints on the Covenants Committee.** It shall be incumbent upon each member of the Covenants Committee to make a determination as to whether that member is able to function in a disinterested and objective manner in consideration of the case before it. Any member incapable of such objective consideration of the case shall disclose such to the parties and shall not participate in the proceedings and have it so recorded in the minutes. Any member of the Covenants Committee has the right to challenge any member who is unable to function in a disinterested and objective manner.

Prior to the hearing, the complainant and respondent may challenge any member of the Covenants Committee for cause. In the event of such a challenge, the Board shall meet within fifteen (15) days to determine the sufficiency of the challenge. If the Board sustains the challenge, the challenged member shall be disqualified, and the remaining members of the Covenants Committee shall participate in the hearing and the decision. All decisions of the Board regarding eligibility of members of the Covenants Committee shall be final.

- (k) **Hearing.** The Covenants Committee shall select a person to serve as hearing officer and preside over the hearing. Such hearing officer need not be a Shareholder or a member of the Covenants Committee. At the beginning of the hearing, the hearing officer shall explain the rules and procedures by which the hearing is to be conducted. The Covenants Committee may determine the manner in which the hearing will be conducted, so long as the rights set forth in this section are protected. The hearing need not be conducted according to technical rules relating to evidence and witnesses. Counsel for the Corporation may be present at all hearings and may serve as hearing officer.

Neither the complainant nor respondent must be in attendance at the hearing. At the request of either complainant or respondent or on its own motion, the Covenants Committee may conduct the hearing in private session.

Each party shall have the right to do the following, but may waive any or all of these rights:

- Make an opening statement;
- Introduce evidence, testimony and witnesses;
- Cross-examine opposing witnesses;

- Rebut evidence and testimony; and/or
- Make a closing statement.

Even if the complainant and/or respondent does not testify in his own behalf, each may still be called and questioned.

Whenever the Covenants Committee has commenced to hear the matter and a member of the Covenants Committee withdraws or is disqualified prior to a final determination, the remaining members shall continue to hear the case. In the case of any tie votes, the hearing officer shall cast a vote to break the tie. Oral evidence shall be taken only on oath or affirmation administered by the hearing officer.

- (l) **Disposition of Complaint.** Upon the conclusion of any hearing the Covenants Committee shall make its decision and notify the parties of same in writing within thirty (30) days thereafter. Said decision need not state any reasons to support same, and in the event that the Covenants Committee finds that there has been a material violation of any restrictive provision of the Cooperative Documents, it shall have the power to impose the penalties authorized in subsections (n) and (o) below.
- (m) **Suspension of Privileges.** Disciplinary action imposed by the Covenants Committee may include suspending or conditioning the respondent's right to use the Common Elements and facilities. For any non-continuing infraction, such suspension shall be for a period of not more than thirty (30) days. For a continuing infraction (including non-payment of any assessment after same becomes delinquent), suspension may be imposed for so long as the violation continues.
- (n) **Fines and Other Remedies.** The Covenants Committee shall also have the right to impose fines to the extent that the Board is permitted to do so.
- (o) **Appeal to Board.** Any respondent found guilty by the Covenants Committee of a material violation of any restrictive provisions of the Cooperative Documents shall have the right to appeal the decision to the Board of Directors within thirty (30) days after such decision is rendered. The Board may by at least a seventy-five percent (75%) vote of its entire membership reverse or modify such decision or the penalty imposed after reviewing written grounds for the appeal presented by the respondent when he/she files the appeal and a written response to same by the Covenants Committee, which shall be prepared and filed with the Board within thirty (30) days after the appeal is forwarded to the Covenants Committee. Moreover, the Board shall have the right to consider such other matters of record and to hear such oral argument as it may deem necessary or appropriate for it to render its decision. The Board shall dispose of said appeal within thirty (30) days after it receives the Covenants Committee's response, and the Board's determination shall be final. However, the determination is not binding upon the applicant who has the right to take action in a court of competent jurisdiction.

(p) Mediation Alternative. Prior to the commencement of any hearing by the Covenants Committee, any party to the dispute or the Committee on its own motion may request mediation of the dispute by an impartial mediator appointed by the Committee in order to attempt to settle the dispute in good faith. Any such mediation shall be completed within thirty (30) days after such request and in the event that no settlement is reached, all relevant time periods in the hearing process shall be extended for thirty (30) days.

The foregoing procedures are intended to serve as a protection to Shareholders to assure that their due process rights are protected in an adversary proceeding and to serve as a guideline for the Board and the Covenants Committee in discharging their duties to enforce the Cooperative Documents. The Board and the Covenants Committee, as appropriate, may determine the specific manner in which the procedures applicable to each of them respectively are to be implemented, provided that due process is protected.

Any inadvertent omission or failure to conduct an adversary proceeding in exact conformity with this Article XIV, Section 14.3 shall not invalidate the results of such proceeding, so long as a prudent and reasonable attempt has been made to ensure due process according to the general steps set forth herein.

"Due process," as used herein, refers to the following basic rights: 1) the charges shall be provided to the respondent; 2) a hearing shall be held at which witnesses may appear and be cross-examined and at which evidence may be introduced; 3) basic principals of fairness shall be applied; and 4) a reasonable review of the salient facts and findings is made by the Board in the case of any appeal.

ARTICLE XV – REPORTS

15.1 ANNUAL REPORTS

The Corporation shall within four (4) months following the close of a fiscal year, send to each shareholder then listed on the books of the Corporation, a financial statement including a balance sheet (as of the end of said prior fiscal year) and a profit and loss statement (for the entire prior fiscal year), prepared and certified by an independent certified public accountant. On the written request of any current shareholder, or any former shareholder who owned shares of the corporation during any portion of the fiscal year covered by the financial statement, such financial statement shall be sent to such current or former shareholder.

15.2 TAX DEDUCTION STATEMENT

The Corporation shall, on or before February 15th following the close of a fiscal year, send to each shareholder listed on the books of the Corporation for the prior fiscal year, a statement setting forth the amount per share of that portion of the rent paid by such shareholder under his Proprietary Lease during such year which has been used by the Corporation for payment of real estate taxes and interest on mortgages or other indebtedness paid by the Corporation with respect to property owned by it.

ARTICLE XVI – AMENDMENTS

16.1 AMENDMENTS

- (a) **By the Shareholders.** These By-Laws and the Master Declaration under N.J.S.A. 46:8D-6 may be amended, altered, repealed or added to at any shareholders' meeting by vote of shareholders of record, present in person or by proxy, of at least three quarters (3/4) of the then outstanding capital shares, provided that the proposed amendment or the substance thereof has been inserted in the notice of meeting or that all of the shareholders are present in person or by proxy.

Such amendment shall be recorded in the office of the Passaic County Register as an amendment to the Master Register and shall be deemed effective on the date of such recording.

- (b) **By the Directors.** The Board of Directors may, by a vote of fifty-one percent (51%) of the then authorized total number of Directors at any meeting (regular or special) of the board, make, alter, amend, or repeal these By-Laws, and the Master Declaration other than Article III, Section 3.6, Article IV, Sections 4.3, 4.7 & 4.11, Article VI, Section 6.6, Article VIII, Section 8.1 and Article X, Sections 10.1 and 10.3; provided, however, that the proposed amendment or the substance thereof shall have been contained in the notice of said meeting or that all Directors voting shall be present in person and, provided further, that the Board may not repeal or modify an amendment to these By-Laws adopted by the shareholders pursuant to Section (a) of this Article XVI.

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