

**BY-LAWS of**

**HUDSON PARK CO-OPERATIVE APTS., INC.**

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**ARTICLE I. NAME AND LOCATION OF CORPORATION**

**ARTICLE II. PURPOSE**

**ARTICLE III. MEMBERSHIP**

Section 1.	Eligibility
Section 2.	Application for Membership
Section 3.	Subscription Funds
Section 4.	Members
Section 5.	Transfer of Membership
Section 6.	Termination of Membership

**ARTICLE IV. MEETINGS OF MEMBERS**

Section 1.	Place of Meetings
Section 2.	Annual Meetings
Section 3.	Special Meetings
Section 4.	Notice of Meetings
Section 5.	Quorum
Section 6.	Adjourned Meetings
Section 7.	Voting
Section 8.	Proxies
Section 9.	Order of Business

**ARTICLE V. DIRECTORS**

Section 1.	Number and Qualification
Section 2.	Powers and Duties
Section 3.	Election and Term of Office
Section 4.	Vacancies
Section 5.	Removal of Directors
Section 6.	Compensation
Section 7.	Organization Meeting
Section 8.	Regular Meetings
Section 9.	Special Meetings
Section 10.	Waiver of Notice
Section 11.	Quorum
Section 12.	Fidelity Bonds
Section 13.	Safeguarding Subscription Funds

**ARTICLE VI. OFFICERS**

Section 1.	Designation
Section 2.	Election of Officers
Section 3.	Removal of Officers
Section 4.	President
Section 5.	Vice-President
Section 6.	Secretary
Section 7.	Treasurer

**ARTICLE VII. CAPITAL STOCK**

Section 1.	Authorized Capital
Section 2.	Stock Certificates
Section 3.	Book Value
Section 4.	Lost Certificates
Section 5.	Transfer of Stock
Section 6.	Lien

**ARTICLE VIII. ISSUANCE OF SPECIAL STOCK TO FHA**

Section 1.	Rights of Preferred Stockholders
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**ARTICLE IX. AMENDMENTS**

**ARTICLE X. CORPORATE SEAL**

**ARTICLE XI. FISCAL MANAGEMENT**

Section 1.	Fiscal Year
Section 2.	Books and Accounts
Section 3.	Auditing
Section 4.	Inspection of Books
Section 5.	Execution of Corporate Documents

**ARTICLE XII. MEMBER'S INSURANCE REQUIREMENTS**

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## **ARTICLE I**

### **NAME AND LOCATION OF CORPORATION**

Section 1. The name of this corporation is HUDSON PARK CO-OPERATIVE APTS., INC. Its location is 164 Church Street, New Rochelle, New York 10805.

## **ARTICLE II**

### **PURPOSE**

Section 1. The purpose of this corporation is to provide its members with housing on a nonprofit basis consonant with the provisions set forth in its Certificate of Incorporation.

## **ARTICLE III**

### **MEMBERSHIP**

Section 1. Eligibility. Any natural person approved by the Board of Directors shall be eligible for membership, provided that he or she executes a Subscription Agreement, and Occupancy Agreement in the usual form employed by the corporation covering a specific unit in the housing project.

Section 2. Application for Membership. Application for membership shall be presented in person on a form of Subscription Agreement prescribed by the Board of Directors and approved by the FHA, and all such applications shall be acted upon promptly by the Board of Directors.

Section 3. Subscription Funds. All subscription funds received from applicants prior to the initial endorsement of the mortgage note by the Federal Housing Administration shall be deposited promptly without deduction in a special account to be designated "Escrow Account of Subscribers to Membership in Hudson Park Co-Operative Apts., Inc.", with National Bank of Westchester, located at 270 North Avenue, New Rochelle, New York. Such funds shall be subject to withdrawal or transfer to the account of the corporation only upon certification by the President and Secretary of the corporation to the above-named bank that:

- a) The Subscription Agreement of a named applicant has been terminated pursuant to its terms and such withdrawal is required to repay the amount paid by him under such agreement.
- b) Applicants for all dwelling units in the project have not been procured within the effective period of the FHA Commitment, or any extension thereof, and such withdrawal is required to repay to the applicants the amounts paid by them.

- c) Applicants for all dwelling units in the project have signed Subscription Agreements, have been approved as to their credit by the Federal Housing Administration, and have paid the subscription price in full. If these requirements have been met, the entire amount of the funds in the subscription escrow account may be transferred to the corporation, at which time the corporation shall issue and deliver stock certificates to all members.

Section 4. Members. The members shall consist of the incorporators and such subscribers as have been approved for membership by the Board of Directors and who have paid for their stock and received stock certificates.

Section 5. Transfer of Membership. Except as provided herein, membership shall not be transferable.

- a) Death of Member. If, upon death of a member, his or her stock in the corporation passes by will or intestate distribution to a member of his immediate family, such legatee or distributee may, by assuming in writing the terms of the Subscription Agreement, and Occupancy Agreement within sixty (60) days after member's death, and paying all amounts due thereunder, become a member of the corporation. If a member dies and an obligation is not assumed in accordance with the foregoing, then the corporation shall have an option to purchase the stock from the deceased member's estate in the manner provided in paragraph (b) of this Section, written notice of the death being equivalent to notice of intention to withdraw. If the corporation does not exercise such option, the provisions of paragraph (c) of this Section shall be applicable, the references to "member" therein to be construed as references to the legal representative of the deceased member.
- b) Option of Corporation to Purchase. If the member desires to leave the project, he or she shall notify the corporation in writing of such intention and the corporation shall have an option for a period of thirty (30) days thereafter, but not the obligation, to purchase the member's shares of common stock and the right of occupancy, at an amount to be determined by the corporation as representing the book value thereof, less any amounts due by the member to the corporation. The purchase by the corporation of the member's stock will immediately terminate the member's rights and the member shall forthwith vacate the premises.
- c) Procedure Where Corporation Does Not Exercise Option. If the corporation waives in writing its right to purchase the member's stock under the foregoing option, or if the corporation fails to exercise such option within the thirty-day period, the member may sell his or her stock to any person who has been duly approved by the corporation as a member.

Section 6. Termination of Membership. In the event the corporation has, pursuant to the provisions of the Occupancy Agreement, terminated the rights of a member under said Occupancy Agreement and repossessed the dwelling unit,

the member shall be required to deliver promptly to the corporation his or her share or shares of stock and his or her Occupancy Agreement, both endorsed in such manner as may be required by the corporation. The corporation shall thereupon at its election either (1) repurchase said stock at its book value as determined by the corporation, or (2) proceed with reasonable diligence to effect a sale of the member's rights under such share or shares of stock to a purchaser and at a sales price acceptable to the corporation. The retiring member shall be entitled to receive the book value (if the corporation has exercised election (1) above) or the sales price (if the corporation has exercised (2) above) but in either case less the following amounts (the determination of such amounts by the corporation to be conclusive):

- a) any amounts due to the corporation from the member under the Occupancy Agreement;
- b) the cost or estimated cost of all deferred maintenance, including painting, redecorating, floor finishing, and such repairs and replacements as are deemed necessary by the corporation to place the dwelling unit in suitable condition for another occupant; and
- c) legal and other expenses incurred by the corporation in connection with the default of such member and the resale of his or her stock.

## **ARTICLE IV**

### **MEETINGS OF MEMBERS**

Section 1. Place of Meetings. Meetings of the membership shall be held at the principal office or place of business of the corporation or at such other suitable place convenient to the membership as may be designated by the Board of Directors.

Section 2. Annual Meetings. The first annual meeting of the corporation shall be held on January 3, 1957. Thereafter, the annual meetings of the corporation shall be held no later than May 15<sup>th</sup> each year, or as may be designated by the Board of Directors. At such meeting there shall be elected by ballot of the members a Board of Directors in accordance with the requirements of Section 3 of Article V of these By-Laws. The members may also transact such other business of the corporation as may properly come before them.

Section 3. Special Meetings. It shall be the duty of the President to call a special meeting of the corporation as directed by resolution of the Board of Directors or upon petition signed by twenty percent of the members having been presented to the Secretary, or at the request of the Federal Housing Commissioner or his duly authorized representative. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice unless by consent of four-fifths of the stockholders present, in person.

Section 4. Notice of Meetings. It shall be the duty of the Secretary to mail a notice of each annual or special meeting, stating the purpose thereof as well as the time and place where it is to be held, to each stockholder of record, at his or her address as it appears on the stock book of the corporation, or if no such address appears, at his or her last known place of address, no less than ten but not more than fifty days prior to such meeting (the number of days notice to comply with state statute). The mailing of a notice in the manner provided in this Section shall be considered notice served. Notices of all meetings shall be posted in the building. The number of member-stockholders of record is fifty-nine (59).

Section 5. Quorum. The presence, in person or by proxy of a majority of the member-stockholders of record of the corporation shall be requisite for, and shall constitute a quorum for, the transaction of business at all meetings of members.

Section 6. Adjourned Meetings. If any meeting of members cannot be organized because a quorum has not attended, the members who are present, in person, may, except as otherwise provided by law, adjourn the meeting to a time not less than forty-eight hours from the time the original meeting was called, and those who attend such an adjourned meeting, although less than a majority of the membership, shall nevertheless constitute a quorum for the purpose or purposes of said meeting, provided at least twenty-five percent of the membership is present in person.

Section 7. Voting. At every meeting of the members, each member present, in person, shall have the right to cast one vote on each question and never more than one vote, without regard to the number of shares of stock standing in the name of the member on the books of the corporation. The vote of the majority of those present, in person, shall decide any question brought before such meeting, unless the question is one upon which, by express provision of statute or of the Certificate of Incorporation or of these By-Laws, a different vote is required, in which case such express provision shall govern and control.

Section 8. Proxies. Proxies and proxy voting are permitted. Proxy forms will be included in the notices for all official meetings of the members.

Section 9. Order of business. The order of business at all meetings of the stockholders shall be as follows:

- a) Roll Call.
- b) Proof of notice of meeting or waiver of notice.
- c) Reading of minutes of preceding meeting.
- d) Reports of Officers.
- e) Report of Federal Housing Administrative representative, if present.
- f) Report of Committees.

- g) Election of inspectors of election.
- h) Election of directors.
- i) Unfinished business.
- j) New business.

## **ARTICLE V**

### **DIRECTORS**

Section 1. Number and Qualification. The affairs of the corporation shall be governed by a Board of Directors composed of five persons (an odd number, not less than 5 nor more than 11), a majority of whom shall be stockholders in the corporation.

Section 2. Powers and Duties. The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the corporation and may do all such acts and things as are not by law or by these By-Laws directed to be exercised and done by the members. The powers of the Board of Directors shall include but not be limited:

- a) To accept or reject all applications for membership and admission to occupancy of a dwelling unit in the cooperative housing project, either directly or through an authorized representative;
- b) To establish monthly carrying charges prescribed in the Occupancy Agreement, based on an annual operating budget formally adopted by such Board;
- c) To authorize in their discretion patronage refunds from residual receipts when and as reflected in the annual report prescribed in the Certificate of Incorporation; and
- d) To promulgate such rules and regulations pertaining to use and occupancy of the premises as may be deemed proper and which are consistent with these By-Laws and the Certificate of Incorporation.

Section 3. Election and Term of Office. At the first annual meeting of the members the term of office of two directors shall be fixed for three years. The term of office of two directors shall be fixed at two years, and the term of office of one Director shall be fixed at one year. At the expiration of the initial term of office of each respective Director, his successor shall be elected to serve a term of three years. The Directors shall hold office until their successors have been elected and hold their first meeting. (If a larger Board of Directors is contemplated, the terms of office should be established in a similar manner so that they will expire in different years). The roster of Board members (containing Director name, position within Board and remaining term of office) shall be kept current and posted in the building.

Section 4. Vacancies. Vacancies in the Board of Directors caused by any reason other than the removal of a Director by a vote of the membership or by the vote of the preferred stockholders shall be filled by a vote of the majority of the remaining Directors, even though they may constitute less than a quorum; and each person so elected shall be a Director until a successor is elected by the members at the next annual meeting.

Section 5. Removal of Directors. Any one or more of the Directors elected by the common stockholders may be removed with or without cause at any time by a vote of the majority of the entire membership of the corporation at any regular or special meeting duly called, and a successor may then and there be elected to fill the vacancy thus created. Any Director whose removal has been proposed by the members shall be given an opportunity to be heard at the meeting. Any Director elected by the preferred stockholders may be removed only pursuant to the provisions of the Certificate of Incorporation.

Section 6. Compensation. No compensation shall be paid to Directors for their services as Directors. No remuneration shall be paid to a Director for services performed by him for the corporation in any other capacity, unless a resolution authorizing such remuneration shall have been unanimously adopted by the Board of Directors before the services are undertaken. No remuneration or compensation shall in any case be paid to a Director without approval of the preferred stockholders. A Director may not be an employee of the corporation.

Section 7. Organization Meeting. The first meeting of a newly elected Board of Directors shall be held within ten (10) days of election at such place as shall be fixed by the Directors at the meeting at which such Directors were elected, and no notice shall be necessary to the newly elected Directors in order legally to constitute such meeting, providing a majority of the whole Board shall be present.

Section 8. Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined, from time to time, by a majority of the Directors, but at least two such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each Director, personally or by mail, telephone or email, at least five (5) days prior to the day named for such meeting. The schedule of upcoming Regular meetings of the Board of Directors shall be kept current and posted in the building.

Section 9. Special Meetings. Special meetings of the Board of Directors may be called by the President on three days' notice to each Director, given personally or by mail, telephone or email, which notice shall state the time, place (as herein above provided) and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice on the written request of at least three Directors.

Section 10. Waiver of Notice. Before or at any meeting of the Board of Directors, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board shall be a waiver of notice by him of the time and place thereof. If all the Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 11. Quorum. At all meetings of the Board of Directors, a majority of the Directors shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. If, at any meeting of the Board of Directors, there be less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

Section 12. Fidelity Bonds. The Board of Directors shall require that all officers and employees of the corporation handling or responsible for corporate funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be paid by the corporation.

Section 13. Safeguarding Subscription Funds. It shall be the duty of the Board of Directors to see to it that all sums received in connection with stock subscriptions prior to the closing of the mortgage transaction covering the housing project of the corporation, are deposited and withdrawn only in the manner provided for in Article III, Section 3 of these By-Laws.

## **ARTICLE VI**

### **OFFICERS**

Section 1. Designation. The principal officers of the corporation shall be a President, a Vice President, a Secretary, and a Treasurer, all of whom shall be elected by and from the Board of Directors. The Directors may appoint an assistant treasurer, and an assistant secretary and such officers as in their judgment may be necessary. (In the case of a corporation of one hundred members or less the offices of Treasurer and Secretary may be filled by the same person).

Section 2. Election of Officers. The officers of the corporation shall be elected annually by the Board of Directors at the organization meeting of each new Board and shall hold office at the pleasure of the Board.

Section 3. Removal of Officers. Upon an affirmative vote of a majority of the members of the Board of Directors, any officer may be removed, either with or without cause, and

his or her successor elected at any regular meeting of the Board of Directors, or at any special meeting of the Board called for such purpose.

Section 4. President. The President shall be the chief executive officer of the corporation. He or she shall preside at all meetings of the members and of the Board of Directors. He or she shall have all of the general powers and duties which are usually vested in the office of president of a corporation, including but not limited to the power to appoint committees from among the membership from time to time as he or she may in his or her discretion decide is appropriate to assist in the conduct of the affairs of the corporation.

Section 5. Vice President. The Vice President shall take the place of the President and perform his or her duties whenever the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Board of Directors shall appoint some other member of the Board to do so on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed upon him or her by the Board of Directors.

Section 6. Secretary. The Secretary shall keep the minutes of all meetings of the Board of Directors and the minutes of all meetings of the members of the corporation; he or she shall have the custody of the seal of the corporation; he or she shall have charge of the stock transfer books and of other such books and papers as the Board of Directors may direct; and he or she shall, in general, perform all the duties incident to the office of the Secretary.

Section 7. Treasurer. The Treasurer shall, subject to control of the Board of Directors, have responsibility for corporate funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the corporation. He or she shall be responsible for the deposit of all moneys and other valuable effects in the name, and to the credit, of the corporation in such depositories as may from time to time be designated by the Board of Directors. These duties may be delegated to an independent third-party managing agent for which the Treasurer will oversee and direct on behalf of the Board of Directors.

## **ARTICLE VIII**

### **CAPITAL STOCK**

Section 1. Authorized Capital. The authorized capital stock of the corporation shall consist of 99,960 shares of common stock of a par value of \$ 1.00 per share and 100 shares of preferred stock of a value of \$1.00 per share, which shares shall have the preferences and restrictions provided herein and in the Certificate of Incorporation.

Section 2. Stock Certificates. Each share certificate shall state that the corporation is organized under the laws of the State of New York, the name of the registered holder of the shares represented thereby, the number of shares represented by such certificate, and the par value of each share, the corporation lien rights as against such shares as set forth in Section 6 of this Article. and the preferences and restrictions applicable thereto, and shall be in such form as shall be approved by the Board of Directors. Stock certificates shall be consecutively numbered, bound in one or more books, and shall be issued therefrom upon certification as to full payment. Every stock certificate shall be signed by the President or Vice President, and the Secretary, and shall be sealed with the corporate seal.

Section 3. Book Value. Whenever the corporation elects to purchase the stock of a member as set forth in Article III, Sections 5 and 6 of these By-Laws, the term "book value" shall be understood to mean the proportionate amount of the net worth of the corporation attributable to such holdings as of a given date. For the purposes of this computation, net worth consists of the share capital paid in by the members as increased or diminished by the reserve or surplus accounts listed under the capital account classification on the most recent balance sheet prepared in accordance with the FHA Uniform System of Accounts.

Section 4. Lost Certificates. The Board of Directors may direct a new certificate or certificates to be issued in place of any certificate or certificates previously issued by the corporation and alleged to have been destroyed or lost, upon the making of an affidavit of that fact by the person claiming the share certificate to be lost or destroyed. When authorizing such issuance of a new certificate or certificates, the Board of Directors may, in its discretion, and as a condition precedent to the issuance thereof, require the registered owner of such lost or destroyed certificates, or his legal representative, to advertise the same in such manner as the Board of Directors shall require and to give the corporation a bond in such sum as the Board of Directors may require as indemnity against any claim that may be made against the corporation.

Section 5. Transfer of Stock. No transfer of stock shall be made upon the books of the corporation within ten days next preceding the annual meeting of the stockholders.

Section 6. Lien. The corporation shall have a lien on the shares of the outstanding common stock in order to secure payment of any sums which shall be due or become due from the holders thereof for any reason whatsoever, including any sums due under any occupancy agreements.

## ARTICLE VIII

### ISSUANCE OF SPECIAL STOCK TO FHA

Section 1. Rights of Preferred Stockholders. The rights and privileges of the common stock of the corporation and the management, operation and control of the affairs of the corporation shall be subject to the rights, powers and privileges of the preferred stock of the corporation registered in the name of the Federal Housing Administration as provided in the Certificate of Incorporation.

## **ARTICLE IX**

### **AMENDMENTS**

Section 1. These By-Laws may be amended by two-thirds vote of the members present and voting at any regular or special meeting, provided that a quorum as prescribed in Section 5, Article IV herein, is present at any such meeting and provided further, that no amendment shall become effective unless and until it has received the written approval of the holders of the preferred stock. Amendments may be proposed by the Board of Directors or by petition signed by at least twenty percent of the members. A statement of any proposed amendment shall accompany the notice of any regular or special meeting at which such proposed amendment shall be voted upon.

## **ARTICLE X**

### **CORPORATE SEAL**

Section 1. Seal. The Board of Directors shall provide a suitable corporate seal containing the name of the corporation, which seal shall be in charge of the Secretary. If so directed by the Board of Directors, a duplicate of the seal may be kept and used by the Treasurer or any assistant secretary or assistant treasurer.

## **ARTICLE XI**

### **FISCAL MANAGEMENT**

Section 1. Fiscal Year. The fiscal year of the corporation shall begin on the 1st day of January every year, except that the first fiscal year of the corporation shall begin at the date of incorporation. The commencement date of the fiscal year herein established shall be subject to change by the Board of Directors should corporate practice subsequently dictate, but not without the prior written approval of the holders of the preferred stock.

Section 2. Books and Accounts. Books and accounts of the corporation shall be

kept under the direction of the Treasurer and in accordance with the Uniform System of Accounts prescribed by the FHA Commissioner.

Section 3. Auditing. At the closing of each fiscal year, the books and records of the corporation shall be audited by a Certified Public Accountant, whose report will be prepared and certified in accordance with the requirements of the holders of the preferred stock. Based on such reports, the corporation will furnish its members with a statement of the income and disbursements of the corporation for each fiscal year as provided in the Occupancy Agreements.

Section 4. Inspection of Books. Financial reports such as are required to be furnished for auditing and tax filing and the membership records of the corporation shall be available at the office of the management company of the corporation or through electronic means as is practical for inspection at reasonable times by any member.

Section 5. Execution of Corporate Documents. With the prior authorization of the Board of Directors, all notes and contracts, including Occupancy Agreements, shall be executed on behalf of the corporation by either the President or the Vice President, and all checks shall be executed on behalf of the corporation by (1) either the President or the Vice President, and countersigned (2) by either the Secretary or Treasurer.

## ARTICLE XII

### MEMBER'S INSURANCE REQUIREMENTS

All members are required to maintain a homeowner's insurance policy, which must include the following coverages with the specified minimum limits:

- Dwelling / improvements & Alterations	\$25,000
- Personal Property / Contents	\$25,000
- Personal Family Liability	\$500,000
- Medical Payments	\$5,000
- Loss of Use	\$10,000
- Loss Assessment	\$10,000