

BY-LAWS

OF

AGUILAR GARDENS, INC.

Organized Pursuant to the Limited-Profit Housing
Companies Laws

ARTICLE I

DECLARATION OF PURPOSES

SECTION 1. This corporation is organized under and pursuant to the Limited-Profit Housing Companies Law of the State of New York and with the approval of the Comptroller of the city of New York and the Commissioner of Housing of the State of New York.

The object of the corporation is to construct and operate adequate, safe and sanitary housing accommodations for persons of low income, in accordance with cooperative principles.

ARTICLE II

STOCKHOLDERS MEETINGS

SECTION 1. Annual Meetings. The annual meeting of the stockholders of the corporation for the election of Directors and for the transaction of other business of the corporation shall be held at the office of the corporation in the Borough of Queens, State of New York, or such other place as may be designated in the notice or meeting, on the 15th day of May if not a legal holiday; and if a legal holiday, then on the next secular day following. Written notice of the annual meetings shall be mailed to each stockholder entitled to vote at such address as appears on the stock book not less than 10 or more than 40 days prior to the date of the meeting; but any meeting at which all stockholders shall be present, or at which all stockholders not present have waived notice in writing, shall be deemed held on due notice.

SECTION 2. Special Meetings. Special meetings of the stockholders for any purpose or purposes may be called at any time by the President and shall be called by the President or Secretary at the request in writing of a majority of the Board of Directors or at the request in writing of 25% of the stockholders who shall require the Secretary or other officer of the corporation to give notice of such meetings. Written notice of such meeting, setting forth the time and place of the holding of such meeting and the object thereof, shall be mailed to each stockholder entitled to vote at such address as appears on the stock book not less than 10 nor more than 40 days prior to the date of the meeting; but any meeting at which all stockholders shall be present, or at which all stockholders not present have waived notice in writing, shall be deemed held on due notice.

SECTION 3. The Comptroller of the City of New York or his duly authorized deputy shall be notified in writing of and shall have the right to attend all meetings of the stockholders of the company.

SECTION 4. Quorum. Presence in person or by proxy of a majority of the holders of the outstanding stock entitled to vote shall be necessary to constitute a quorum, but a lesser number may adjourn from time to time without notice other than an announcement at the meeting in which the requisite number of stockholders shall not be present.

SECTION 5. Voting. At all meetings of the stockholders, all questions the manner of deciding which is not specifically regulated by statute or these by-laws shall be determined by a vote of the majority of the stockholders present at the meeting. Each stockholder shall be entitled to vote for any and all purposes regardless of the number of shares held by such holder. All voting shall be viva voce except as otherwise prescribed by statute or these by-laws.

SECTION 6. Order of Business. At all meetings of the stockholders the following order of business shall be observed so far as consistent with the purposes of the meeting: Calling the roll of persons entitled-to vote.

1. Proof of notice of meeting.
2. Reports, respectively, of President, Treasurer and Secretary.
3. Reports of committees, if any.
4. Election of directors.
5. Transaction of such other business as may properly come before the meeting.

ARTICLE III

DIRECTORS

SECTION 1. Number, Term of Office, Qualifications and Restrictions. The directors shall be elected at the annual meeting of the stockholders in each year.

1. Number: The number of directors shall be nine.
2. Term of Office: Directors shall serve for three years and until their successors are duly elected and shall qualify.
3. Qualifications and Restrictions:
 - A. Each director must be a shareholder of the corporation.
 - B. Only one member of each household may serve as a director and/or officer at any one time.
 - C. No shareholder may serve as a member of the Board of Directors and/or as an officer of the corporation while serving as either an employee or independent contractor of the corporation.
 - D. No shareholder of the corporation may serve more than two full consecutive terms as a director of the corporation and any such shareholder may not serve again as a director of the corporation unless and until one full year has elapsed since such shareholder last served as a director of the corporation.

This provision shall not apply, and terms served shall not be taken into account in cases where such terms result from (i) an insufficient number of candidates for the number of available positions of director of the corporation to be elected at any annual or special meeting of shareholders or (ii) from a vacancy to be

filled by the remaining directors. Except in cases where one of the exceptions set forth in the immediately preceding sentence applies, successful candidates for election to the board of directors at the annual meeting to be held in 1996 who have already served one full term expiring at such 1996 annual meeting shall not be permitted to serve any additional consecutive terms until at least one full year has elapsed.

- E. The nomination of any shareholder who is in arrears for a period of thirty (30) days or more as of the date of the election of directors, in the payment of carrying charges or other monies due and owing to the corporation shall not be accepted for inclusion in the roster of candidates for election to the corporation's board of directors nor, in the event of a vacancy on the board of directors, for appointment to the board of directors by the remaining directors.

SECTION 2. Removal. Any director may be removed from the Board of Directors for cause by the affirmative vote of two-thirds of the entire Board of Directors.

In addition to, and without in any way limiting the foregoing, any director who is absent or arrives more than one hour late without a valid excuse from three consecutive meetings of the Board, or who is absent or arrives more than one hour late without a valid excuse from a total of six meetings of the Board within a consecutive twelve month period, or who commits any acts of fraudulent or illegal behavior detrimental to the corporation which are proven, may be removed from the Board of the affirmative vote of a majority of the entire Board of Directors.

Notice of a vote on the removal of a director shall be included in the notice of the Board meeting at which such vote is to be taken. Any director with respect to whom a removal vote is to be taken shall be afforded the opportunity to be heard at the meeting of the Board at which such vote is to be taken.

This section shall not apply to any director designated by a governmental agency having supervisory authority over the corporation.

SECTION 3. Vacancies. Any vacancy occurring in the Board of Directors by reason of death, resignation, removal or otherwise or any director, or by reason of any increase in the number of members constituting the full Board of Directors, may be filled by a majority vote of the remaining directors and shall serve until the next meeting of shareholders at which the election of directors is in the regular order of business, and until his or her successor has been elected and qualified. Notwithstanding the foregoing, in the event the directors then in office are not sufficient to constitute a quorum, a special meeting of stockholders shall be called and such number of directors shall be elected as may be necessary to constitute the full membership of the Board. In the event such vacancies are filled by a vote of the shareholders, the directors so elected shall serve until the expiration of the respective terms of the vacating directors and until his or her successor has been elected and qualified.

Any director who shall have:

- (a) missed and/or arrived more than one hour late for three (3) or more consecutive meetings of the Board of Directors duly held in accordance with these By-Laws; or
- (b) missed and/or arrived more than one hour late for six (6) or more meetings of the Board of Directors within any twelve month period duly held in accordance with these By-Laws

shall be deemed to have displayed conduct constituting cause for such director's removal from the Board of Directors and may be so removed by a vote of the Board of Directors in accordance with the provisions of the Business Corporation Law. If such director is removed in accordance with this section, and such director is also an officer, such director shall be deemed to have simultaneously resigned such officer position. The resulting director vacancy (and officer vacancy, if any) shall be filled in accordance with these By-Laws.

SECTION 4. Meetings. Meetings of the Board of Directors may be held at any time upon call of the President or any two members of the Board. Such meetings shall be held at the office of the corporation except as otherwise determined and fixed from time to time by the Board of Directors. This section is not to be construed as a limitation on the applicable provisions of the Business Corporation Law.

SECTION 5. Notice of Meetings and Waiver of Notice. Notice of each meeting, stating the time and place thereof, shall be given by mailing at least forty-eight hours before such meeting, a copy of such notice addressed to each director at his last known post office address. Notice may be waived in writing by any director. Any meeting at which every director is present, or of which those directors who are absent have waived notice, may be validly held without notice. Notice shall also be deemed given if, at least twenty-four hours before such meeting, a copy of such notice is hand delivered or telecopied to the director's last known residence address or, provided such notice is given on a business day prior to 5:00 p.m., such notice may also be telecopied to the director's business address. Notwithstanding the foregoing, regular meetings may be held without notice if the time and place of such meetings are fixed by the by-laws or by the Board.

The Comptroller of the City of New York or his duly authorized deputy, or the applicable supervisory City agency, shall be notified in writing of and shall have the right to designate a representative to attend all meetings of the Board of Directors.

SECTION 6. Quorum. A majority of the Board of Directors shall constitute a quorum, and a majority of the members in attendance at any meeting of the Board shall, in the presence of a quorum, decide its action; a minority of the Board present at any meeting may, in the absence of a quorum, adjourn to a later date but may not transact any other business.

SECTION 7. Committees. The Board of Directors may, from time to time, appoint from among its members committees with such powers and duties as it shall determine.

SECTION 8. Duties and Powers. The Board of Directors shall have entire charge of the property, interests, business and transactions of the corporation, and may adopt such rules and regulations for the conduct of its meetings and management of the corporation as it may deem proper, not inconsistent with law or these By-Laws. The Board of Directors may delegate to the officers of the corporation such powers and authority and assign to them such duties as the Board may deem necessary, proper or appropriate to the effective prosecution of the corporation's business. Supplementing, but not limiting the provisions of Article XIII, Section 9 of the Rules and Regulations Governing City Aided Limited Profit Housing Companies, no director and/or officer of the corporation shall participate in deliberations of the Board of Directors and/or corporation management concerning any financial or business transaction of the corporation with any vendor, supplier or business entity in which said director and/or officer (or a member of said director's and/or officer's immediate family) has an interest, financial or otherwise. Directors and officers shall have an affirmative obligation to disclose to the corporation the existence of any such interest. For the purposes of this section, "immediate family" shall mean, spouse, significant other, children, siblings, parents, grandparents, uncles, aunts, nieces, nephews and first cousins.

ARTICLE IV

OFFICERS

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

SECTION 2. Term of Office. All officers of the corporation shall be appointed to hold their respective offices during the pleasure of the Board of Directors, and any vacancy occurring in the office of the President, Vice-President, Treasurer or Secretary or any other office shall be filled by the Board of Directors.

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

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

SECTION 5. Secretary. The Secretary shall keep the minutes of the meetings of the directors and stockholders; shall attend to the serving of notices of the meetings of the directors and stockholders; shall affix the seal of the corporation to such certificates, documents and papers as may require it, except that from time to time the Board of Directors may direct such seal to be affixed by any other officer or officers; shall have charge of the stock certificate book and of such other books and papers as the Board of Directors may direct; shall attend to such correspondence as may be assigned to him, and shall perform all the other duties incidental to his office and those which the Board of Directors may from time to time designate.

SECTION 6. Treasurer. The Treasurer shall be the chief financial officer of the corporation and shall have the care and custody of all the funds and securities of the corporation and shall deposit the same in the name of the corporation in such bank or banks as the directors may designate. He

may be required by the Board of Directors to give such bonds as it shall determine for the faithful performance of his duties.

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

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

SECTION 9. The Treasurer may at the same time hold the office of Secretary or Assistant Secretary but no other office in the corporation.

ARTICLE V

OPERATION OF THE PROJECT AS A COOPERATIVE

Subject to the provisions of statute, the corporation will operate the project which it will develop in the Borough of Queens, City and State of New York, as a cooperative and, in accordance therewith, shall pay, or allow, as and when determined by the Board of Directors, after the payment of obligations, expenses, taxes and assessments, or after making suitable provision therefor, a rebate or rebates of rent to each tenant cooperator in proportion to the rental payments made by him during the period in respect of which such rent rebate or rebates are allowed or paid. The monthly rentals paid by the tenant cooperators shall be deemed to be payment on account of their annual rental obligation, which shall be finally determined by the Board of

Directors in the light of each year's operating experience, subject, however, in all respects, to the approval of the Comptroller of The City of New York.

ARTICLE VI

SIGNATURE OF INSTRUMENTS

Checks, notes, drafts and orders for the payment of money and obligations of the corporation, and all contracts, mortgages, deeds and other instruments, except as otherwise in these By-Laws provided, shall be signed by such officer, officers, individual or individuals as the Board of Directors may from time to time designate.

ARTICLE VII

CAPITAL STOCK

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

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

SECTION 3. Restrictions on Transfers.

A. No share or shares of the capital stock shall be pledged or otherwise encumbered.

B. (1) No share or shares of the capital stock shall be sold, alienated or otherwise disposed of unless such share or shares are first offered for sale to the corporation for the aggregate sum which the stockholder paid for such share or shares plus the proportionate share of the actual aggregate amortization of the first mortgage on the project from the date of purchase of the share or shares to the date of resale plus:

(a) any capital assessment and voluntary capital contributions approved by the commissioner or supervising agency and paid by the selling stockholder to the corporation, to the extent not already included in the consideration paid for such shares; and

(b) a proportionate share of the actual aggregate amortization paid on all existing and prior mortgages on the project in reduction of total outstanding principal indebtedness from the date of such mortgage or mortgages, to the extent not already included in the consideration paid for such shares; and

(c) reasonable administrative charges, not to exceed \$150.00.

The aggregate amount to be paid to the selling stockholder with respect to the sale of the selling stockholder's shares shall be equal to the above, but not including the reasonable administrative charges. To the extent that a selling stockholder may be entitled to an amount less than the resale price of his shares, the difference shall be retained by the corporation. A selling shareholder who had occupied more than one dwelling unit shall be entitled to receive the proportionate share of the actual aggregate amortization paid on all existing and prior mortgages on the project for the period of occupancy in each dwelling unit. To the extent that a selling stockholder may be entitled to an amount greater than the resale price of his shares, the

difference shall be paid by the corporation.

The "proportionate share of the actual aggregate amortization paid on all existing and prior mortgages on the project", as referred to herein, shall be in the same ratio to such actual aggregate amortization as the number of shares held by the selling stockholder at the time of the sale bears to the total number of shares of issued and outstanding capital stock of the corporation during such period.

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

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

(4) In the event that the corporation or the person designated by the corporation shall not purchase said share or shares of capital stock of the corporation within said ninety-day period, then, and in such event only, the stockholder shall have the right or power to pledge, sell or otherwise dispose of said share or shares of the capital stock of the corporation to any person acceptable to the corporation, provided such person shall, upon the transfer of said shares, enter into a lease with the corporation for the premises formerly occupied by the retiring stockholder

for a term and upon the same terms and conditions contained in the lease between the stockholder and the corporation, the corporation will not, however, unreasonably withhold its acceptance of any person to whom the stockholder proposes to sell such shares as aforesaid.

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

(5) If in any case the retiring stockholder, after becoming bound to sell, convey or transfer his share to the corporation (or such other person as may be designated by this corporation), defaults in transferring said shares, the corporation (or such other person as may be designated by the corporation) shall, after notice to and approval by the Comptroller of The City of New York hold the purchase money in trust for the retiring stockholder, or his executors, administrators or assigns and shall substitute the name of the purchaser upon the books of the corporation in place of the name of the retiring stockholder. After the name of the purchaser has been entered on the books of the corporation in the exercise of the aforesaid powers, the validity of the proceedings shall not be questioned by any person and the corporation (or such other person or corporation as may be designated by this corporation) shall be deemed and taken to be the owner of such share.

(6) In the event that the stockholder shall have defaulted in the payment of any obligation arising under his lease with the corporation or shall, apart from said lease, become indebted to the corporation, or in the event of the termination of the lease or the recovery of possession of the apartment by the lessor under any of the provisions of the lease, or in the event of the violation by the stockholder of any provisions of Section 3 of Article VII of these By-

Laws, the stockholder shall forthwith surrender to the corporation the certificate representing the shares of capital stock of the corporation owned by the stockholder and upon the failure or refusal of the stockholder so to surrender said shares of stock, the same shall, after notice to an approval by the Comptroller of the City of New York, be automatically cancelled and rendered null and void and the corporation may issue a new certificate or certificates in their place and stead and such new certificate or certificates shall represent the same shares as were represented by the original certificate or certificates. The stock represented by the certificate or certificates so surrendered or by such new certificate or certificates may be sold by the corporation at public or private sale without notice, and the proceeds applied toward all indebtedness of the stockholder, and the corporation shall remit any balance, after payment of the expenses of sale, to the stockholder.

(7). The provisions of this Article VII shall be binding upon the executor, administrator or other legal representatives and successors and assigns of any stockholder. Any person acquiring by will, descent or by conveyance to take effect at death, any share or shares of the corporation shall be bound to offer the same for sale and transfer to the corporation upon the terms hereinabove set forth in this Section 3 of Article VII of the By-Laws.

(8). The certificates of stock shall bear a legend to the effect that the right to pledge, encumber, sell, alienate or otherwise dispose of the share or shares represented by such certificate is restricted as provided in Section 2 and 3 of this Article VII.

SECTION 4. The corporation shall be entitled to treat the holder of record of any share or shares of the corporation as the holder in fact thereof, and shall not be bound to recognize any equitable or other claim to or interest in such share on the part of any other person whether or not

it shall have express or other notice thereof, except as expressly provided by the Laws of the State of New York.

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

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

ARTICLE VIII

AMENDMENTS

These By-Laws may be amended, repealed or altered, in whole or in part, by vote of a majority of the stockholders of the corporation at any duly called annual or special meeting of the stockholders. The Board of Directors shall not alter or repeal any By-Laws adopted by the stockholders of the corporation, but may adopt additional By-Laws, in harmony therewith, which may be amended or altered by the stockholders at any annual meeting or at a special meeting of the stockholders called for that purpose.

ARTICLE IX

SEAL

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

ARTICLE X

INDEMNIFICATION

SECTION 1. The corporation shall, to the fullest extent permitted by applicable law as the same exists or may hereafter be in effect, indemnify any person who is or was or has agreed to become a director or officer of the corporation and who is or was made or threatened to be made a party to or is involved in any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, including an action by or in the right of the corporation to procure a judgment in its favor and an action by or in the right of any other corporation of any type or kind, domestic or foreign, or any partnership, joint venture, trust, employee benefit plan or other enterprise, which such person is serving, has served or has agreed to serve in any capacity at the request of the corporation, by reason of the fact that he or she is or was or has agreed to become a director or officer of the corporation, or is or was serving or has agreed to serve such other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise in any capacity, against judgments, fines, amounts paid or to be paid in settlement, taxes or penalties, and costs, charges and expenses, including attorneys' fees, incurred in connection with such action or proceeding or any appeal therein; provided, however, that no indemnification shall be provided to any such person if a judgment or other final adjudication adverse to the director or officer establishes that (i) his or her acts were committed in bad faith or were the result of active and deliberate dishonesty and, in either case, where material to the cause of action so adjudicated, or (ii) he or she personally gained in fact a financial profit or other advantage to which he or she was not legally entitled. The benefits of this section 1 shall extend to the heirs and legal representatives of any person entitled to indemnification under this section.

SECTION 2. The corporation may, to the extent authorized from time to time by the Board of Directors, or by a committee comprised of members of the Board, provide indemnification to employees or agents of the corporation who are not officers or directors of the corporation with such scope and effect as determined by the Board, or such committee.

SECTION 3. The corporation may indemnify any person to whom the corporation is permitted by applicable law to provide indemnification or the advancement of expenses, whether pursuant to rights granted pursuant to, or provided by, the New York Business Corporation Law or other rights created by (i) a resolution of shareholders, (ii) a resolution of directors, or (iii) an agreement providing for such indemnification, it being expressly intended that these By-Laws authorize the creation of other rights in any such manner.

SECTION 4. The right to indemnification conferred by section 1 shall, and any indemnification extended under section 2 or section 3 may be retroactive to events occurring prior to the adoption of this Article X, to the fullest extent permitted by applicable law.

SECTION 5. The right to be indemnified and to the reimbursement or advancement of expenses incurred in defending a proceeding in advance of its final disposition authorized by this Article X shall not be exclusive of nor limit any other right which any person may have or hereafter acquire under any statute, provision of the Certificate of Incorporation, By-laws, agreement, vote of shareholders or disinterested directors or otherwise.

SECTION 6. This Article X may be amended, modified or repealed in accordance with the provisions of Article VIII of these By-Laws.