

RESTATED BY-LAWS OF LUNA PARK HOUSING CORPORATION

Organized pursuant to the Limited-Profit Housing Companies Law

ARTICLE I

DECLARATION OF PURPOSES

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 supervising agency, as provided by law. The object of the corporation is to construct and operate adequate, safe and sanitary housing accommodations for wage earners and other persons of low or moderate 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 for the ensuing year and for the transaction of other business of the corporation shall be held each year during the month of October, on a date and at a location in Kings County determined by the Board of Directors, provided the location is within two blocks of the corporations development. Written notice of the annual meeting 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 60 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, notice as above specified shall not be required.

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 forty (40%) percent of the stockholder 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 60 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, notice as above specified shall not be required. In the event a special meeting of the stockholders is called pursuant to Article III, Section 2, the procedures set forth in Section 9 of this Article shall apply.

SECTION 3. Additional Notice. The assistant Commissioner of the Division of Housing Supervision of the Department of Housing Preservation and Development of the City of New York, or his or her 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 forty (40%) percent 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 be present.

SECTION 5. Voting. At all meetings of the stockholders, all questions the manner of deciding which is not specifically regulated by statute shall be determined by a vote of the majority of the stockholders present at the meeting. Each stockholder shall be entitled to one for any and all purposes regardless of the number of shares held by such holder. All voting shall be viva vice except as otherwise prescribed by statute and except in voting for Directors, who shall be elected by secret ballot at the annual meeting of the stockholders. The list of those stockholders who attended and voted by proxy shall be posted on conspicuous locations through the development within ten (10) days of the election.

SECTION 6. Order of Business. At all meetings of the stockholders the following order of business shall be observed so far as consistent with purposes of the meeting:

1. Calling the roll of persons entitled to vote,
2. Proof of notice meeting
3. Reports, respectively, of President, Treasurer and secretary,
4. Reports of committees, if any,
5. Election of Directors,
6. Transaction of such other business as may properly come before the meeting.

SECTION 7. Record Date. The record date for all purposes shall be the day sixty (60) days prior to the day of the meeting unless another date is designated by the Board of Directors.

SECTION 8. Qualifications. No stockholder shall be eligible to vote if on (or at any time after) the record date, or at any time between the record date and the date on which the vote would have ordinarily been cast, he/she is shown on the corporation's books or management accounts to be delinquent in the payment of at least three (3) month's maintenance and the corporation has been granted a judgment against the stockholder.

SECTION 9. Nominations.

A. Notices requesting nominations to the Board of Directors shall be delivered to each apartment unit and shall be posted in conspicuous places throughout the development, including but not limited to the laundry rooms, near the mailboxes and in the enclosed bulletin boards near the elevators. Such notices shall be posted not less than thirty (30) nor more than forty-five (45) prior to the date of the Annual Meeting and shall be posted for ten (10) consecutive calendar days.

B. Nominations must be made on forms available in the management office, and such nominations must be seconded by ten (10) other stockholders (excluding stockholders who are living within the same household), and accepted by the nominee. Such nomination forms must be returned to the management office and deposited in the box provided for these purposes no later than ten (10) days after the notices were first posted. The box is to be opened by a disinterested party, to be determined at a later date.

C. Within fifteen (15) days of the final date on which the nominations may be submitted to the management office, a "Meet the Candidates" meeting will be scheduled on an evening (and at a location within two blocks of the corporation's development) determined by the Board of Directors. Notices of such meeting will be posted in similar location to those set forth in subparagraph "A" above.

D. The "Meet the Candidates" meeting shall be chaired by the President of the corporation, unless he/she is a candidate, in which case the Vice President shall chair the meeting (or the Secretary, if the Vice President is likewise ineligible to preside). Each candidate may make a short statement (no more than 3 minutes) and then shall answer questions posed by those in attendance (but for no longer than 5 minutes).

ARTICLE III

DIRECTORS

SECTION 1. Number and Term of Office and Qualifications.

A. The number of Directors shall be nine (9) and each shall serve for a term of three years. The election and terms of the directors shall be so arranged that one-third of the Board of Directors is elected each year at the annual meeting of stockholders. Once elected, the directors shall serve until their successors shall be elected and qualify. Notwithstanding the foregoing, at the annual stockholders meeting at which these restated By-Laws are amended, the number of Board positions available shall be reduced by one, and at the following year's annual stockholders meeting the number of board positions available shall again be reduced by one. After those two annual meetings, which thereby reduce the number of directors to nine (9), directors shall be elected in a manner, and for the term, set forth above.

B. Notwithstanding the foregoing, at the first annual stockholders meeting after the adoption of these restated By-Laws (and only at that meeting), the four candidates receiving the highest votes shall serve for three (3) years, the four candidates receiving the next highest votes shall serve for two (2) years, and the three candidates receiving the next highest votes shall serve for one (1) year. After that first meeting, directors shall be elected in a manner, and for the term, set forth in paragraph A, above.

C. Directors must be either (i) a stockholder who has resided in the development for a period of at least two (2) years, or (ii) a person who has resided in the development for at least seven (7) years and who has succession rights to the apartment in which they live (as set forth in the Rules and Regulations of the Department of Housing Preservation and Development). No Director may be nominated, elected or sit on the Board who: (x) is on the corporation's books or management accounts to be delinquent in the payment of at least three (3) month's maintenance; or (y) has been convicted in any court of a felony. In addition, at the first annual stockholders meeting after the adoption of those restated By-Laws (and only at that meeting), no stockholder may be elected as a Director unless the candidate has attended each training session approved and recommended by the Department of Housing Preservation and Development.

D. For the purposes of this Article, any Board member who resigns during his/her term as a Director, or who has been removed for cause, may not serve until three (3) years have passed since the resignation or removal.

E. Any Board member who has twice been removed for cause may not again serve as a Director.

SECTION 2. Vacancies. Any vacancy occurring in the Board of Directors by reason of death, resignation, or otherwise, or by reason of any increase in the number of members constituting the full Board of Directors, shall not be filled until the next annual stockholder's meeting, provided, however, in the event such

vacancy results in a Board membership consisting of less than eight (8) members, a special meeting of the stockholders shall be called within sixty (60) days, and such number of directors shall be elected as may be necessary to constitute the full membership of the board.

SECTION 3. Meetings. Meetings of the Board of Directors shall be held at least once a month (excluding July and August) at 8:00 p.m. in the Community Center located on the Corporation's property. Additional meetings may be held at any time upon call of the President, The Vice President, or any two members of the Board. Such meetings shall be held in the County of Kings, except as otherwise determined and fixed from time to time by the Board of Directors. Stockholders shall be invited to at least two meetings each year, and may ask questions and make comments during the first half of the meetings. The second half of such meeting shall be open to Directors only.

SECTION 4. Notice of Meetings and Waiver of Notice. Notice of each meeting other than the regularly scheduled meetings, stating the time, place and objects thereof shall be given by mailing at least forty-eight hours before such meeting or by hand or fax delivery at least twenty-four 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 may be validly held without notice, at which every director shall be present, or if those directors who are absent shall waive notice.

The Assistant Commissioner of the Division of Housing Supervision of the Department of Housing Preservation and Development of the City of New York or his/her duly authorized deputy shall be notified in writing of and shall have the right to attend all meetings of the Board of Directors.

SECTION 5. 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 6. Committees. The Board of Directors may, from time to time, appoint from among its members chairperson for committees with such powers and duties as it shall determine. Other members of the committees may be stockholders or residents with succession rights.

SECTION 7. 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 regulation for the conduct of its meetings and management of the corporation as it may deem proper, not inconsistent with law or these By-Laws.

SECTION 8. Removal.

A. At any regular or special stockholders meeting duly called for that purpose, any director may be removed for cause by a vote of the majority of the stockholders in attendance, and a successor may then and there be elected to fill the vacancy thus created. In this event, and only in this event, nominations shall be taken from the floor. Any director whose removal has been proposed shall be given at least thirty (30) days notice of the meeting and the allegations against him/her, and such director shall be given a reasonable opportunity to address the stockholders at the stockholders meeting at which his removal is to be discussed.

B. At any regular or special meeting called for that purpose, the Board of Directors may remove a director for cause. Any director whose removal is to be discussed shall be given thirty (30) days notice of the fact that his/her removal from the Board is to be discussed at such meeting, notwithstanding the notice requirements for Board meeting otherwise set forth herein. At such meeting, the director shall have a reasonable opportunity to address the Board.

C. For the purpose of this article, "cause" shall include, but not be limited to, (i) absence from three (3) consecutive Board meetings, (ii) absence from four (4) Board meetings in any twelve (12) month period, or (iii) if he/she is shown on the corporation's books or management accounts to be delinquent in the payment of at least three (3) month's maintenance.

SECTION 9. Commercial and Public Area Rental. The Board of Directors may enter into agreements with third parties for the rental, use or occupancy of commercial and/or public areas owned by the corporation provided that in each instance: (i) such agreements (regardless of how characterized) shall be in writing approved by the Board of Directors; and (ii) the user and/or occupant of such premises shall pay the corporation rent or use and occupancy charges at prevailing market rates. Notwithstanding the foregoing, the Board of Directors may, without charge, grant permission for the infrequent limited hourly use ("Limited Use") of community facilities by not for profit organizations providing services to stockholders. Limited Use shall not: (x) entail any physical alteration to the premises; (y) last more than 2 hours; or (z) prevent the premises from being used for other purposes immediately prior to or following such Limited Use.

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, a Treasurer, and an Assistant Treasurer. It may elect an Assistant Secretary and such other officers as in its discretion the needs of the corporation may from time to time require.

SECTION 2. Terms 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 and the Executive Committee, the President shall have the general management of the affairs of the corporation and perform all the duties incidental to that 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 that office 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 of officers; shall have charge of the stock certificate book and of such other books and papers that the Board of Directors may from time to time designate. Minutes of each monthly Board meeting shall be posted on the bulletin board located in the lobby of each of the corporation's buildings.

SECTION 6. Treasurer. The treasurer shall be the chief financial officer to 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 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. Compensation. No officer (or director), nor any member of the household of an officer or director, shall be entitled to compensation from the corporation, or from any company with which the corporation does business (unless such company is a publicly held corporation).

ARTICLE V

OPERATION OF THE PROJECT AS A COOPERATIVE

Subject to the provisions of applicable laws, the corporation will operate the housing development in the Luna Park area in the Borough of Brooklyn, City of New York, as a cooperative and, in accordance therewith may, upon approval of the Department of Housing Preservation and Development of the City of New York, 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 therefore, a rebate or rebates of carrying charges and/or rent to each tenant cooperator in proportion to the carrying charges or rental payments made by him during the period in respect of which such carrying charges or 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 carrying charges or rental obligation, which shall be finally determined by the Board of Directors in light of each year's operating experience, subject, however, in all respects, to the approval of the Department of Housing Preservation and Development of the City of New York.

ARTICLE VI

SIGNATURE OF INSTRUMENTS, ETC.

SECTION 1. Checks, Notes, Etc. Checks, notes, drafts, orders for the payment of money, mortgages, deeds, and other instruments, except as otherwise in these By-Laws provided, shall be signed by the Treasurer or Assistant Treasurer AND any one other officer, if such check, note, etc. is not in excess of \$10,000.00; in the event the check, note, etc. is in excess of \$10,000.00, signatures of the President or the Vice President AND either the Treasurer, Assistant Treasurer or Secretary shall be required. Notwithstanding the foregoing, payroll

checks need only be signed by one of the following officers: the President, the Treasurer or the Assistant Treasurer.

SECTION 2. Contracts. Contracts for services, supplies, or equipment, or other obligations of the corporation, shall be signed by any two officers of the corporation if the amount for which the corporation is liable is \$10,000.00 or less. In the event the obligation of the corporation under a contract is in excess of \$10,000.00, or is of an undeterminable sum, such contract must be signed by any two of the following: President, Vice President, Treasurer, Assistant Treasurer, or Secretary.

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 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 stockholder shall have the right or power to pledge, sell, alienate or otherwise dispose of any share or shares or the capital stock of the corporation without first offering said share or shares of stock for sale to the corporation for a sum not exceeding the par value of said shares or the cost to such stockholder without the prior written consent of the Department of Housing Preservation and Development of the City of New York, or such other board or agency which may succeed to its functions as supervising agency under the Limited-Profit Housing Companies Law. Said Limitation on the sale price shall also apply to a pledge, sale, alienation or other disposition by the stockholder to a person or persons other than the corporation, which sale is likewise prohibited without the prior consent of the corporation and said Department of Housing Preservation and Development.

B. 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.

C. If the corporation, or person designated by it, within the said ninety-day period, shall indicate that it, or the person designated by it, desires to purchase said shares of stock and shall give notice thereof in writing to the retiring stockholder, the latter shall be bound, within thirty days thereafter to

transfer such shares to the corporation or the person designated by the corporation, upon payment and receipt of the price herein provided.

D. In the event that the corporation or the person designated by the corporation shall not purchase said share or shares of capital stocks 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 and/or occupancy agreement with the corporation for the premises formerly occupied by retiring stockholder for a term and upon the same terms and conditions contained in the lease and/or occupancy agreement between the stockholder and the corporation, except that the specified annual rental to be paid by such person shall be an amount equal to the stockholder's proportionate share of the cash requirement of the corporation under the lease and/or occupancy agreement; the corporation will not, however, unreasonably withhold its acceptance of any person to whom the stockholder proposes to sell such shares as aforesaid. The corporation agrees to enter into a new lease and/or occupancy agreement with any such person upon the terms and conditions aforesaid and to cause to transfer to the name of such person on the books of the corporation the shares of capital stock of the corporation owned by the stockholder and so sold to such person, for a sum not exceeding the par value of the share or cost to the stockholder desiring to sell (except as provided in subsection A hereof), provided the said transfer satisfies all legal requirements for occupancy and the said transfer is approved by the Department of Housing Preservation and Development of the City of New York.

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 Paragraphs A, B, C and D of this Section 3 of Article VII.

E. 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 the corporation) shall subject, however, in all respects to the approval of the Department of Housing Preservation and Development 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 the 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 persons and the corporation (or such other person or corporation as may be designated by this corporation) shall be deemed and taken to be the owner of such shares.

F. In the event that the stockholder shall have defaulted in the payment of any obligation arising under his lease and/or occupancy agreement with the corporation or shall, apart from said lease and/or occupancy agreement, become indebted to the corporation, or in the event of the termination of the lease and/or occupancy agreement, or the recovery of possession of the apartment by the lessor under any provisions of the lease and/or occupancy agreement, 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 be automatically cancelled and tendered 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 towards all

indebtedness of the stockholder, and the corporation shall remit any balance after payment of the expense of sale, to the stockholder.

G. No stockholder shall have the right or power to pledge or otherwise encumber any share or shares or the corporation which may have been issued by the corporation at the time of the issuance of its stock, without the prior written consent of the corporation and said Department of Housing Preservation and Development of the City of New York. In the event of such pledging or other encumbrance of said stock, without the written consent of the corporation and said Department of Housing Preservation and Development of the City of New York, the corporation shall, in the discretion of its Board of Directors, have all of the rights described in Paragraph F of Section 3 of this Article VII.

H. The provisions of this Article VII shall be binding upon any executor, administrator, or other legal representative of every stockholder, in case of the sale or pledging of any share or shares of stock by such executor, administrators, or other legal representatives of any stockholder. Any person acquiring through will, or descent, or by conveyance to take effect at death, any share or shares of the capital stock of the corporation shall be bound to offer the same for sale and transfer to the corporation upon the terms hereinabove set forth in this Section 3 of Article VII of the By-Laws.

I. The certificates of stock shall bear a legend to the effect that the certificate shall not be transferable or assignable and that no rights shall be obtained in or to the shares represented thereby unless the terms, covenants, conditions and provisions of sections 2 and 3 of this Article VII have been fulfilled.

SECTION 4. The corporation shall be entitled to treat the holder of record of any share or shares of the corporation of capital stock 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 New York.

SECTION 5. The corporation shall have a first lien upon the shares of stock of any stockholder and upon all moneys due and owing by the corporation to any stockholders 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 "stockholder" shall include the owner or holder of any such interest.

ARTICLE VIII

CONFLICTS OF INTEREST

No contract or other transaction may be entered into by the corporation with any company if any director of the corporation (or any member of the director's family) is a director, officer, owner, shareholder, consultant or employee of such other company. The foregoing restriction shall not apply if a Director's relationship with such other company is that of a stockholder of a publicly traded corporation.

ARTICLE IX

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 in attendance in person or by proxy at any duly called annual or special meeting of the stockholders.

ARTICLE X

SEAL

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

ARTICLE XI

INDEMNIFICATION

The corporation shall provide indemnification to any and all persons whom it shall have power to indemnify under Article 7 of the Business Corporation Law of the State of New York to the extent provided in the Certificate of Incorporation.

ARTICLE XII

FINANCIAL REPORTS

The corporation shall make available to each stockholder an unaudited financial statement for the first six months of every fiscal year at a reasonable time after the end of such six month period. The corporation shall deliver to each stockholder an audited financial statement at a reasonable time after the end of each fiscal year