

C. BY-LAWS
OF
HARTSDALE GARDENS OWNERS CORP.

ARTICLE I

Place of Business

Section 1. *Location of Office:* The principal office and place of business of the corporation shall be in the County of Westchester, State of New York, or at such other place as may be designated by the Board of Directors.

ARTICLE II

Meetings of Shareholders

Section 1. *Annual Meeting:* The first annual meeting of the shareholders of this corporation, for the election of directors and such other business as may properly come before such meeting, shall be held within thirty (30) days after the closing under the Offering Statement-A Plan to Convert to Cooperative Ownership premises 27 North Central Avenue, Hartsdale, New York, dated March 15, 1982 (the "Plan"), promulgated by Dale Estates, the Sponsor ("Sponsor"), and subsequent annual meetings shall be held in April of each year, commencing with the year following the year in which the first annual meeting is held. Such meetings shall be at a place in the County of Westchester, State of New York, and at a date and time, as shall be determined by the Board of Directors. Written notice of each meeting shall be given to all shareholders entitled to vote thereat at the time such notice is given or on the record date designated by the Board of Directors in accordance with Section 5 of this Article II. Such notice shall state the date and time when, and the place where the meeting is to be held, and shall set forth any proposed action, notice of which is specifically required elsewhere in these by-laws; and the secretary shall cause a copy thereof to be delivered, personally or mailed to each such shareholder, not less than ten (10) nor more than fifty (50) days before the meeting.

Section 2. *Special Meetings:* Special meetings of shareholders may be called at any time and may be held at any place where an annual meeting could be held, by the president and secretary or by a majority of the Board of Directors. It shall also be the duty of the secretary to call such meetings whenever requested in writing to do so by shareholders owning at least twenty-five (25%) per cent of the outstanding shares of the corporation. The secretary shall cause a notice of such special meeting stating the date and time when, the place where, the purpose or purposes thereof, and the officer or other person or persons by whom the meeting is called, to be delivered personally or mailed to each shareholder entitled to vote at such meeting not less than ten (10) nor

more than fifty (50) days before such meeting. No business other than that stated in such notice shall be transacted at such special meeting. A pledgee or mortgagee of shares, or a transferee of either, shall not be deemed a shareholder of record except upon compliance with the provisions of Article 16 of the corporation's proprietary lease.

Section 3. *Notice and Waiver of Notices:* Any notice given by mail shall be directed to each such shareholder at his address as it appears on the shareholders' record book, unless he shall theretofore have filed with the secretary of the corporation a written request that notices intended for him be mailed to some other address, in which case it shall be mailed to the address designated in such request. The notice provided for in the two foregoing sections is not indispensable and any shareholders' meeting shall be deemed validly called for all purposes if all the outstanding shares of the corporation are represented thereat in person or by proxy, or if a quorum is present and waivers of notice of the time, place and objects of such meeting shall be duly executed in writing either before or after said meeting by those shareholders not so represented and not given such notice. The attendance of any shareholder at a meeting, in person or by proxy, without protesting prior to the conclusion of the meeting the lack of notice of such meeting, shall constitute a waiver of notice by him.

Section 4. *Quorum:* At each meeting of shareholders, except where otherwise provided by law or by the certificate of incorporation, shareholders representing, in person or by proxy, a majority of the shares then issued and outstanding shall constitute a quorum. In case a quorum shall not be present at any meeting, however, the holders of a majority of the shares represented may adjourn the meeting to some future time and place. No notice of the time and place of the adjourned meeting need be given other than by announcement at the meeting. Only those shareholders who, if present at the original meeting, would have been entitled to vote thereat, shall be entitled to vote at any such adjourned meeting.

Section 5. *Voting:* If a quorum is present the affirmative vote of a majority of the shares represented at the meeting shall be the act of the shareholders, unless the act of a greater number is required by law, the Certificate of Incorporation or elsewhere in these by-laws, except as provided in Section 3 of Article III of these by-laws. At each meeting of shareholders each shareholder present in person or by proxy shall be entitled to one (1) vote for each share registered in his name at the time notice of such meeting was given to him, or at such time, not more than fifty (50) days before such meeting, as may be designated by the Board of Directors the record date for such meeting, which designation may also direct the closing of the corporate share transfer books from such time to time of the meeting. Proxies shall be in writing duly signed by the shareholder but need not be acknowledged or witnessed, and the person named as proxy by any shareholder need not himself be a shareholder of the corporation. Voting by shareholders shall be *viva voce* unless any shareholder present at the meeting, in person or by proxy, demands a vote by written ballot, in which case the voting shall be by ballot, and each ballot shall state the name of the shareholder voting

and the number of shares owned by him, and in addition, the name of the proxy of such ballot if cast by a proxy.

Section 6. *Inspectors of Election:* The Board of Directors in advance of any meeting of shareholders may appoint one or more inspectors of election to act at the meeting or any adjournment thereof. If inspectors are not so appointed, the person presiding at a shareholders' meeting may, and on the request of any shareholder entitled to vote thereat shall, appoint one or more inspectors. In case any person appointed as inspector fails to appear or act, the vacancy may be filled by the Board in advance of the meeting or at the meeting by the person presiding thereat. Each inspector, before entering upon the discharge of his duties, shall take and sign an oath faithfully to execute the duties of inspector at such meeting with strict impartiality and according to the best of his ability, and the oath so taken shall be signed by the inspector before the person presiding at the meeting and shall be filed with the secretary. No director, or candidate for director at a meeting one of the purposes of which is to elect directors, shall act as inspector.

Section 7. *Consent of Shareholders:* Whenever the shareholders are required or permitted to take any action by vote, such action may be taken without a meeting on written consent, setting forth the action so taken and signed by the holders of all outstanding shares entitled to vote thereon.

Section 8. *Order of Business:* At each meeting of shareholders, the president, or in his absence a vice president, shall act as chairman of the meeting. The secretary, or in his absence such person as may be appointed by the chairman, shall act as secretary of the meeting. So far as is consistent with the purposes of the meeting, the order of business of each meeting of shareholders shall be as follows:

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

ARTICLE III**Directors**

Section 1. *Number:* The number of the directors of the corporation is hereby fixed at three (3). The number of directors may be changed only upon the affirmative vote of two-thirds of the total number of directors who are members of the Board of Directors at the time such change is voted upon, and upon the approval by the holders of a majority of the shares then issued and outstanding, at any annual or special meeting, provided that the notice of such meeting shall state that a resolution will be considered to change the number of directors and shall set forth the number to be proposed in such resolution. Any such resolution shall specify the manner in which the selection of directors necessitated by an increase in the number of directors shall be accomplished, or shall state that a decrease in the number of directors shall not shorten the term of any incumbent director, as the case may be. The number of directors so determined shall be the number of directors of the corporation until changed by further action of the shareholders in accordance with the foregoing.

Section 2. *Qualification and Election:* Directors shall be at least twenty-one years of age but need not be residents of the State of New York or shareholders of the corporation. The directors constituting the first Board of Directors shall be elected by the incorporator at the organization meeting of the incorporator. The directors, other than those constituting the first Board of Directors, shall be elected at each annual meeting of shareholders by a plurality of votes cast at such meeting. The term of office of the directors elected by the incorporator shall be until the date herein fixed for the first annual meeting of the shareholders, and thereafter until their respective successors are elected and qualify. The term of office of directors elected at the first annual meeting of shareholders and at meetings subsequent thereto shall be until the date herein fixed for the next succeeding annual meeting of the shareholders, and thereafter until their respective successors are elected and qualify.

Section 3. [intentionally omitted]

Section 4. *Vacancies:* Vacancies in the Board of Directors resulting from death, resignation or removal may be filled without notice to any of the shareholders by a vote of a majority of the remaining directors present at the meeting at which such election is held even though a quorum is not present, which election may be held at any regular meeting of the Board of Directors or any special meeting thereof called for such purpose. Vacancies in the Board of Directors resulting from an increase of the number of directors by resolution as set forth in Section 1 of this Article III shall be filled in the manner provided in said resolution. A director elected to fill a newly created directorship shall serve until the next succeeding annual meeting of the shareholders and until his successor shall have been elected and qualifies.

Section 5. *Management of the Corporation:* The business affairs of the corporation and the operation of its apartment building shall be managed by the Board of Directors which

may exercise all such powers of the corporation and do all such lawful acts and things as are not by statute or by the certificate of incorporation or by these by-laws directed or required to be exercised or done by the shareholders.

Section 6. *Meetings*: Meetings of the Board of Directors, regular or special, may be held either within or without the State of New York. The first meeting of each newly elected Board of Directors shall be held immediately after the annual meeting of the shareholders and no notice of such meeting shall be necessary to the newly elected directors in order legally to constitute the meeting, provided a quorum shall be present, or it may convene at such place and time as shall be fixed by the consent in writing of all the directors. Regular meetings of the Board of Directors shall be held not less often than once every six (6) weeks and may be held upon notice, or without notice, and at such time and at such place as shall from time to time be determined by the Board. Special meetings of the Board of Directors may be called by the president on two (2) days' notice to each director, either personally or by mail or by telegram; special meetings shall be called by the president or secretary in like manner and on like notice on the written request of a majority of the number of directors fixed by Section 1 of this Article III, except in the case of a special meeting called to fill vacancies in the Board of Directors, in which case a majority of the then acting directors shall suffice. Notice of a meeting need not be given to any director who submits a signed waiver of notice whether before or after the meeting, or who attends the meeting without protesting prior thereto or at its commencement, the lack of notice. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need be specified in the notice or waiver of notice of such meeting, except where otherwise required by law or by these by-laws. A majority of the number of directors fixed by Section 1 of this Article III shall constitute a quorum for the transaction of business unless a greater or lesser number is required by law or by the certificate of incorporation or elsewhere in these by-laws. The act of a majority of the directors present at any meeting at which a quorum is present shall be the act of the Board of Directors, unless the act of a greater number is required by law or by the certificate of incorporation or elsewhere in these by-laws. If a quorum shall not be present at any meeting of directors, the directors present may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present. At all meetings of the Board of Directors, each director shall be entitled to one (1) vote.

Section 7. *Resignation and Removal*: Any director may resign at any time by written notice delivered or sent by registered mail to the president or secretary of the corporation. Such resignation shall take effect at the time specified therein, and unless specifically requested acceptance of such resignation shall not be necessary to make it effective.

Any director may be removed from office with or without cause by the shareholders of the corporation at a meeting duly called for that purpose.

If any director who was a shareholder at the time of his selection as a director ceases to be a shareholder, he shall be deemed to have resigned as a director.

Section 8. *Compensation*: No salary or other compensation for services shall be paid to any director of the corporation for services rendered as such director, but this shall not preclude any director from performing any other service for the corporation and receiving compensation therefor.

Section 9. *Annual Cash Requirements*: In furtherance of the definitions, purposes and provisions of the proprietary leases entered into or to be entered into by the corporation with its shareholders, the Board of Directors shall, from time to time, by resolution, determine the cash requirements as defined in the corporation's proprietary leases, and fix the terms and manner of payment of maintenance charges (rent) under the corporation's proprietary leases. In the event such determination differs from the last preceding determination, the Board of Directors shall cause notice of such determination to be mailed immediately to each tenant-shareholder. The Board of Directors shall have discretionary power to prescribe the manner of maintaining and operating the premises owned or leased by the corporation and to determine the cash requirements of the corporation to be paid as aforesaid by the tenant-shareholders under their respective proprietary leases. Every such determination by the Board of Directors shall be final and conclusive as to all tenant-shareholders and any expenditures made by the corporation's officers or its agents under the direction or with the approval of the Board of Directors of the corporation shall, as against the tenant-shareholders, be deemed necessarily and properly made for such purposes.

Section 10. *House Rules*: The Board of Directors may, from time to time, adopt and amend such reasonable house rules as it may reasonably deem necessary or desirable in respect to the premises owned or leased by the corporation for the health, safety and convenience of the tenant-shareholders, in addition to, or in substitution for those house rules set forth in the form of proprietary lease used by the corporation. Copies thereof and of changes therein shall be furnished to each tenant-shareholder. Such rules shall be binding upon all tenant-shareholders.

Section 11. *Executive Committee*: The Board of Directors may, by resolution approved by a majority of the number of directors fixed by Section 1 of this Article III, appoint an Executive Committee consisting of three (3) or more directors of the corporation. The Executive Committee, to the extent provided in the resolution that creates it, shall have and may exercise all of the powers of the Board of Directors in the management of the business affairs of the corporation during the intervals between meetings of the Board of Directors, so far as may be permitted by law, except that the Executive Committee shall not have the power to determine the cash requirements defined in the proprietary leases made by the corporation, or to fix the amount of maintenance to be paid under the proprietary leases, or to vary the terms of payment thereof as fixed by the Board of Directors. Vacancies in the membership of the Executive Committee shall be filled by the Board of Directors at a regular or special

meeting. The Executive Committee shall keep regular minutes of its proceedings and shall report same to the Board of Directors when required.

ARTICLE IV

Officers

Section 1. *Number and Election:* The officers of the corporation shall be a president, one or more vice presidents, a secretary and a treasurer. Such officers shall be elected at the first meeting of the Board of Directors after these by-laws become effective, and thereafter at the regular meeting of the Board of Directors following each annual meeting of shareholders, and shall serve until the meeting of the Board of Directors following the next annual meeting of shareholders and until their successors shall have been elected and qualify.

Section 2. *Assistants:* The Board of Directors may at any time or from time to time appoint one or more assistant secretaries and one or more assistant treasurers to hold office at the pleasure of the Board. Such assistants, if any, in order of their seniority or in any other order determined by the Board of Directors shall, in the absence or disability of the secretary or treasurer, as the case may be, perform the duties and exercise the powers of the secretary or treasurer, as the case may be, and shall perform such other duties as the Board of Directors or the secretary or treasurer, as the case may be, shall prescribe.

Section 3. *Qualifications; Removal and Vacancies:* None of the officers need be a member of the Board of Directors. One person may hold two offices at the same time, except that the same person may not hold the offices of president and secretary. Any officer appointed by the Board of Directors pursuant to the provisions of Sections 1 and 2 of this Article IV may be removed by the Board of Directors at any time, with or without cause. Vacancies occurring in any office may be filled by the Board of Directors at any time. If any officer who was a shareholder at the time of his selection as an officer ceases to be a shareholder, he shall be deemed to have resigned as an officer.

Section 4. *Duties of President and Vice Presidents:* The president shall preside at all meetings of the shareholders and of the Board of Directors. The president or any vice president shall sign the name of the corporation on all certificates for shares of the corporation, proprietary and other leases and subleases, contracts and other instruments which are authorized from time to time by the Board of Directors. The

president, subject to the control of the Board of Directors, shall have general management of the affairs of the corporation and perform all the duties incidental to the office. If the president is absent from the County of Westchester or is unable to act, the vice president if there is only one, or if there is more than one the vice president senior in rank (or, if he is absent or unable to act, the vice president next senior in rank) shall have the powers and perform the duties of the president.

Section 5. *Duties of Treasurer:* The treasurer shall have the care and custody of all funds and securities of the corporation, and shall deposit such funds in the name of the corporation in such bank or trust companies as the directors may determine, and he shall perform all other duties incidental to his office. If so required by the Board of Directors, he shall, before receiving any such funds, furnish to the corporation a bond with a surety company as surety, in such form and amount as the Board of Directors from time to time shall determine. The premium upon such bond shall be paid by the corporation. As promptly as possible, after the close of each calendar year, the treasurer shall cause to be furnished to each tenant-shareholder whose proprietary lease is then in effect, a statement of the receipts, disbursements and paid-in surplus of the corporation during such year, on which statement shall be indicated the amount of maintenance paid by tenant-shareholders under their proprietary leases during such year which has been used by the corporation for the payment of taxes on the real property owned by the corporation, interest on any mortgage indebtedness, the principal of any mortgage, and any other capital expenditure and such other information as may be necessary to permit him to compute his income tax liability or income tax benefits that may accrue to him in respect thereof.

Section 6. *Duties of Secretary:* The secretary shall keep the minutes of the meetings of the Board of Directors and of the meetings of the shareholders; he shall attend to the giving and serving of all notices of the corporation, shall be empowered to affix the corporate seal to all written instruments authorized by the Board of Directors or these by-laws, shall attest every certificate of shares issued by the corporation and shall have the authority to sign in the name of the corporation all proprietary leases authorized from time to time by the Board of Directors. He shall also perform all other duties incidental to his office. He shall cause to be kept a shareholders' record book containing the names, alphabetically arranged, and addresses, of all shareholders, the number of shares held by each, the dates when they respectively become the owners of record thereof, and the denomination and the amount of all issuance or transfer stamps affixed thereto, and such book shall be open for inspection as provided by law.

Section 7. *Compensation:* No salary or other compensation for services shall be paid to any officer of the corporation for services rendered as such officer, but this shall not preclude an officer of the corporation from performing any other service for the corporation and receiving compensation therefor.

ARTICLE V**Proprietary Leases**

Section 1. *Form of Lease:* The Board of Directors shall adopt a form of proprietary lease to be used by the corporation for the leasing of all apartments in the apartment building of the corporation (to which shares of the corporation have been allocated) to tenant-shareholders. Such proprietary leases shall be for such terms, with or without provisions for renewals, and shall contain such restrictions, limitations and provisions in respect to the assignment thereof, the subletting and use of the premises demised thereby and the sale and/or transfer of the shares of the corporation allocated to the apartment covered thereby, and such other terms, provisions, conditions and covenants as the Board of Directors may determine. After a proprietary lease in the form so adopted by the Board of Directors shall have been executed and delivered by the corporation, all proprietary leases subsequently executed and delivered shall be the same (except with respect to the statement as to the number of shares owned by the lessee), unless varied in accordance with the terms thereof.

Section 2. *Assignment:* Proprietary leases shall be assigned or transferred only to an individual acquiring such shares for his own account (beneficial and of record) and only in compliance with, and shall never be assigned or transferred in violation of, the terms, conditions or provisions of such proprietary leases. A duplicate original of each proprietary lease shall always be kept on file in the principal office of the corporation or with the managing agent of the apartment building of the corporation.

Section 3. *Allocation of Shares:* The Board of Directors shall allocate to each apartment in the apartment building of the corporation to be leased to tenant-shareholders under proprietary leases the number of shares of the corporation that must be owned by the proprietary lessee of such apartment. The allocations of shares to an apartment shall bear a reasonable relationship to the portion of the value of the corporation's equity in the apartment building and the land which is attributable to the apartment.

Section 4. *Fees on Assignment, Subletting or Reallocation:* Subject to the provisions of the form of proprietary lease adopted by the Board of Directors, (a) the Board of Directors shall have authority before an assignment of a proprietary lease or a subletting thereunder, or a reallocation of shares takes effect as against the corporation as lessor, to fix a reasonable fee to cover actual expenses and attorneys' fees of the corporation in connection with each such proposed transaction, and may direct that such attorneys' fees be paid directly to the attorneys; and (b) in connection with any such transaction, the Board of Directors may, at its option, require a title search, at the expense of the tenant-shareholder(s) of the subject apartment(s), as the Board of Directors sees fit.

Section 5. *Lost Proprietary Leases:* In the event that any proprietary lease in full force and effect is lost, stolen, destroyed or mutilated, the Board of Directors may

authorize the issuance of a new proprietary lease in lieu thereof, in the same form and with the same terms, provisions, conditions and limitations. The Board may, in its discretion, before the issuance of any such new proprietary lease, require the owner thereof, or the legal representative of the owner, to make an affidavit or affirmation setting forth such facts as to the loss, destruction or mutilation as it deems necessary, and to give the corporation a bond in such reasonable sum as it directs, not exceeding double the value of the shares appurtenant to such lease, to indemnify the corporation.

Section 6. *Regrouping of Space*: The Board of Directors, upon the written request of the lessee or lessees of one or more proprietary leases covering one or more apartments in the apartment building and the owner or owners of the shares issued to accompany the same, may in its discretion, at any time, permit such lessee-owner or lessees-owners, at his or their own expense, as determined or approved by the Board of Directors,

(a) (i) to subdivide any apartment into any desired number of apartments, (ii) combine all or any portions of any such apartments into one or any desired number of apartments; and (iii) to reallocate the shares issued to accompany the proprietary lease or leases, but, subject to subsection (b) of this Section, the total number of the shares so reallocated shall not be more or less than the number of shares previously allocated to the apartment or apartments involved; or

(b) to incorporate space in the building not covered by any proprietary lease, into one or more apartments covered by a proprietary lease, whether in connection with any regrouping of space pursuant to subsection (a) of this Section or otherwise, and in allocating shares to any such resulting apartment or apartments, shall determine the number of theretofore unissued shares to be issued and allocated in connection with the appropriation of such additional space, in accordance with the principle set forth in Section 3 of this Article V.

Upon any regrouping pursuant to subsections (a) or (b) above, the proprietary leases so affected, and the accompanying certificates of shares, shall be surrendered and there shall be executed and delivered in place thereof, respectively, a new proprietary lease for each separate apartment involved, and a new certificate of shares for the number of shares so reallocated to each new proprietary lease.

Section 7. *Allocation of Shares to Additional Space*: The Board of Directors may, in its discretion, authorize the conversion of space in the building not covered by a proprietary lease into space suitable for the primary purposes of the corporation, as set forth in the certificate of incorporation, allocate theretofore unissued shares to such space, and authorize the execution of a proprietary lease or leases covering such space.

Section 8. *Rights of Existing Tenants*: In the event any apartment shall be occupied on the date of the closing under the Plan, the lessee under any proprietary lease shall not have the right to evict the tenant in occupancy of such apartment (other than in the event of the

occurrence of a default by such tenant in the performance of obligations under the terms of his lease or occupancy), and in accordance with applicable provisions of the State Rent Laws (as such capitalized term is defined in the Plan) and Section 352(eee) of the New York General Business Law.

ARTICLE VI

Capital Shares

Section 1. *Authorization and Rights*: No shares hereafter acquired by the corporation shall be reissued except in connection with the execution by the purchaser and delivery by the corporation of a proprietary lease of an apartment. The ownership of shares shall entitle the holder thereof to occupy the apartment for the purposes specified in the proprietary lease to which the shares are appurtenant, subject to the provisions, covenants and agreements contained in such proprietary lease.

Section 2. *Form and Record of Shares*: Certificates of shares of the corporation shall be in the form adopted by the Board of Directors, and shall be signed by the president or a vice president, and by the secretary or an assistant secretary and sealed with the seal of the corporation, and shall be numbered in the order in which issued. Certificates shall be bound and issued in consecutive order, and in the margin or stub thereof shall be entered the name of the person holding the shares therein represented, the number of shares, the date of issue, and the name of the transfer agent. Each certificate exchanged or returned to the corporation shall be cancelled, and the date of cancellation shall be indicated thereon by the transfer agent, and such certificate shall be immediately pasted in the certificate book opposite the memorandum of its issue.

Section 3. *Issuance of Certificates*: Shares allocated to the apartments covered by each proprietary lease shall be issued in the amount allocated by the Board of Directors to the apartment or other space described in such proprietary lease and shall be represented by a single certificate. Unless and until all proprietary leases which shall have been executed by the corporation shall have been terminated, no shares shall be issued, transferred or reissued except to tenants under proprietary leases.

Section 4. *Transfers*: Transfers of shares shall be made upon the books of the corporation only by the holder in person or by power of attorney, duly executed and filed with the secretary of the corporation and on the surrender of the certificate for such shares, except that shares sold by the corporation to satisfy any lien which it holds thereon may be transferred without the surrender of the certificate representing such shares. No transfer of shares shall be valid as against the corporation, its shareholders and creditors for any purpose except to render the transferee liable for the debts of the corporation to the extent provided for in the Business Corporation Law or any other applicable provision of law, until it shall have been entered in the shares ledger, or as required by any then existing applicable provision of law, by an entry stating from whom and to whom transferred. Subject to the provisions of the form of proprietary

lease adopted by the Board of Directors, the Board of Directors shall have authority before an assignment of shares takes effect as against the corporation, to fix a reasonable fee to cover actual expenses and attorneys' fees of the corporation in connection with each such proposed assignment, and may direct that such attorneys' fees be paid directly to the attorneys.

Section 5. *Units of Issuance:* Unless and until all proprietary leases which shall have been executed by the corporation shall have been terminated, the shares appurtenant to each proprietary lease shall not be sold or assigned except as an entirety to the corporation or an assignee of such proprietary lease, after complying with and satisfying the requirements of such proprietary lease in respect to the assignment thereof.

Section 6. *Corporation's Lien:* The corporation shall at all times have a lien upon the shares owned by each shareholder, which shall be superior to all other liens, for all indebtedness and obligations owing and to be owing by such shareholder to the corporation, arising under the provisions of any proprietary lease issued by the corporation and at any time held by such shareholder, or otherwise arising. Unless and until such shareholder as lessee shall make default in the payment of any of the maintenance, or in the performance of any of the covenants or conditions of such proprietary lease, and/or unless and until such shareholder shall make default in the payment of any indebtedness or obligation owing by such shareholder to the corporation otherwise arising, such shares shall continue to stand in the name of the shareholder upon the books of the corporation, and the shareholder shall be entitled to exercise the right to vote thereon as though said lien did not exist. The Board of Directors may refuse to consent to the transfer of such shares until any indebtedness of the shareholder to the corporation is paid. The corporation shall have the right to issue to any purchaser of such shares upon the enforcement by the corporation of such lien, or to the nominee of such purchaser, a certificate of the shares so purchased substantially of the tenor of the certificate issued to such defaulting shareholder, and thereupon the certificate for such shares theretofore issued to such defaulting shareholder shall become void and such defaulting shareholder agrees to surrender such last mentioned certificate to the corporation upon the latter's demand, but the failure of such defaulting shareholder so to surrender such certificate shall not affect the validity of the certificate issued in replacement thereof.

Section 7. *Lost Certificates:* In the event that any certificate of shares is lost, stolen, destroyed or mutilated, the Board of Directors may authorize the issuance of a new certificate of the same tenor and for the same number of shares in lieu thereof. The Board may, in its discretion, before the issuance of such new certificate, require the owner of the lost, stolen, destroyed or mutilated certificate, or the legal representative of the owner, to make an affidavit or affirmation setting forth such facts as to the loss, destruction or mutilation as it deems necessary and to give the corporation a bond in such reasonable sum as it directs, but not more than double the value of the shares, to indemnify the corporation.

Section 8. *Legend on Stock Certificates:*

(a) Unless and until all proprietary leases which shall have been executed by the corporation shall have been terminated, all certificates representing shares of stock of the corporation shall bear a legend reading as follows:

"The rights of any holder of the shares evidenced by this certificate are subject to the provisions of the certificate of incorporation and the by-laws of Hartsdale Gardens Owners Corp. and to all the terms, covenants, conditions, provisions and agreements with respect to the election of directors contained in a certain proprietary lease made between the corporation, as lessor, and the person in whose name this certificate is issued, as lessee, for an apartment in the premises known as 27, 37 and 47 North Central Avenue, Hartsdale, New York, which limit and restrict the title and rights of any transferee of such shares and this certificate. The shares represented by this certificate are transferable only as an entirety and only to an approved assignee of the aforementioned proprietary lease. Copies of the certificate of incorporation, by-laws and the proprietary lease are on file and available for inspection at the office of the corporation.

Pursuant to the certificate of incorporation and by-laws, certain actions of the Board of Directors and of the shareholders require a greater quorum and/or a greater vote than would otherwise be required by law.

Pursuant to the by-laws, the corporation has a lien on the shares represented by this certificate for all sums due and to become due under the aforesaid proprietary lease and the Board of Directors of Hartsdale Gardens Owners Corp. may refuse to consent to the transfer of the shares represented by this certificate until any indebtedness of the shareholder to the corporation is paid."

(b) Until the sale of all the shares offered under the Plan to Convert to Cooperative Ownership premises 27 North Central Avenue, Hartsdale, New York, and as long as counsel to the corporation may require, all the certificates representing shares of stock of the corporation shall bear an additional legend reading as follows:

"The shares represented by this certificate have been issued and sold pursuant to the Section 3(a)(11) exemption to the Securities Act of 1933 ("Act") relating to the intra-state sale of shares. These shares may not be sold or transferred to a non-resident of the State of New York unless and until the shares have been registered under the Act or unless such sale or transfer is otherwise exempt from the registration provisions of the Act."

Section 9. *Distributions:* The tenant-shareholders shall not be entitled (either conditionally or unconditionally) to receive any distribution not out of earnings and profits of the corporation, except upon a complete or partial liquidation of the corporation.

ARTICLE VII

Seal

Section 1. *Form*: The seal of the corporation shall contain, within a circle, the name of the corporation, the words "Corporate Seal New York", and the year 198 .

ARTICLE VIII

Negotiable Instruments

Section 1. *Checks, etc.*: All checks, drafts, orders for payment of money and negotiable instruments shall be signed by such officer or officers or employee or employees as the Board of Directors may from time to time, by standing resolution or special order, prescribe.

Section 2. *Transfer of Securities*: Endorsements on transfers of shares, bonds or other securities shall be signed by the president or any vice president and by the secretary or an assistant secretary unless the Board of Directors, by special resolution in one or more instances, prescribes otherwise.

Section 3. *Safe Deposit Boxes*: Such officer, or officers, as from time to time shall be designated by the Board of Directors, shall have access to any safe of the corporation in the vault of any safe deposit company.

Section 4. *Securities*: Such officer, or officers as from time to time shall be designated by the Board of Directors, shall have power to control and direct the disposition of any shares, bonds or other securities or property of the corporation deposited in the custody of any trust company, bank or other custodian.

ARTICLE IX

Fiscal Year

Section 1. *Calendar Year*: The fiscal year of the corporation shall be the calendar year.

ARTICLE X

**Indemnification of Directors,
Officers and Employees**

Section 1. *Right to Indemnification*: Any person made a party to any action, suit or proceeding by or in the right of the corporation to procure a judgment in its favor by

reason of the fact that he, his testator or intestate, is or was a director or officer of the corporation, shall be indemnified by this corporation, to the extent permitted and in the manner provided by law, against the reasonable expenses, including attorneys' fees, actually and necessarily incurred by him in connection with the defense of such action, suit or proceeding, or in connection with an appeal therein, except in relation to matters as to which such director or officer is adjudged to have breached his duty to the corporation under Section 717 of the Business Corporation Law of the State of New York, but such indemnification shall in no case include:

(1) Amounts paid in settling or otherwise disposing of a threatened action, suit or proceeding, or a pending action, suit or proceeding, with or without court approval, or

(2) Expenses incurred in defending a threatened action, suit or proceeding, or a pending action, suit or proceeding, which is settled or otherwise disposed of without court approval.

Any person, made, or threatened to be made, a party to an action, suit or proceeding other than one by or in the right of the corporation to procure a judgment in its favor, whether civil or criminal, including an action, suit or proceeding by or in the right of any other corporation of any type or kind, domestic or foreign, which any director or officer of the corporation served in any capacity at the request of the corporation, by reason of the fact that he, his testator or intestate, was a director or officer of the corporation, or served such other corporation in any capacity, shall be indemnified by this corporation against judgments, fines, amounts paid in settlement and reasonable expenses, including attorneys' fees actually and necessarily incurred as a result of such action, suit or proceeding, or any appeal therein, if such director or officer acted, in good faith, for a purpose which he reasonably believed to be in the best interests of the corporation, and, in criminal actions or proceedings, in addition, had no reasonable cause to believe that his conduct was unlawful. The termination of any such civil or criminal action, suit or proceeding by judgment, settlement, conviction or upon a plea of nolo contendere, or its equivalent, shall not in itself create a presumption that any such director or officer did not act in good faith, for a purpose which he reasonably believed to be in the best interests of the corporation, or that he had reasonable cause to believe that his conduct was unlawful.

Section 2. *Other Rights and Payment:* Any such right of indemnification as set forth in Section 1 of Article X of these by-laws shall not be deemed exclusive of any other rights to which any such director or officer may be lawfully entitled either (a) apart from the provisions of Sections 722 and 723 of the Business Corporation Law of the State of New York or (b) under and by virtue of Section 725 of the Business Corporation Law. Any amount payable by way of indemnity shall be determined and paid in accordance with Sections 724 and/or 725 of the Business Corporation Law of the State of New York or in any other lawful manner.

ARTICLE XI**Sale, Lease, Demolition or Disposition of Property**

Section 1. No decision to demolish or reconstruct any building standing on the land owned or leased by the corporation, or to sell or exchange the corporation's fee simple interest therein, or to lease any such building in its entirety or substantially in its entirety, shall be made except upon the affirmative vote of two-thirds of the total number of directors of the corporation who are members of the Board of Directors at the time such termination is voted upon and upon the approval of the holders of two-thirds of the shares of the corporation then issued and outstanding.

ARTICLE XII**Amendments**

Section 1. With the exception of changing the number of directors as provided in Section 1 of Article III of these by-laws, these by-laws may be amended, enlarged or diminished only by the affirmative vote of the holders of a majority of the shares of the corporation represented at any meeting of shareholders, or by the affirmative vote of two-thirds of the number of directors fixed by Section 1 of Article III of these by-laws, and then only in conformity with the certificate of incorporation of the corporation. The notice of any meeting of shareholders or of the Board of Directors at which such an amendment shall be considered shall set forth the text or substance of the proposed amendment.

D. Section 352(eee) of the New York
General Business Law

§ 352-eee. Conversions to cooperative or condominium ownership

1. As used in this section, the following words and terms shall have the following meanings:

(a) "Plan". Every plan submitted to the department of law for the conversion of a building or group of buildings or development from rental status to cooperative or condominium ownership, other than a plan for such conversion pursuant to article two, eight or eleven of the private housing finance law.

(b) "Non-eviction plan". A plan which may not be declared effective until at least fifteen percent of those tenants in occupancy of all dwelling units in the building or group of buildings or development shall have consented to purchase under the plan pursuant to an offering made in good faith without fraud and with no discriminatory repurchase agreement or other discriminatory inducement.

(c) "Eviction plan". A plan which may not be declared effective until at least thirty-five percent of those tenants in occupancy of all dwelling units in the building or group of buildings or development shall have consented to purchase under the plan pursuant to an offering made in good faith without fraud and with no discriminatory repurchase agreement or other discriminatory inducement.

(d) "Purchaser under the plan". A person who owns the shares allocated to only one dwelling unit or who owns such dwelling unit itself.

(e) "Non-purchasing tenant". A person who has not purchased under the plan and who is a tenant entitled to possession at the time the plan is declared effective or a person to whom a dwelling unit is rented subsequent to the effective date and the spouse of any such person. A person who sublets a dwelling unit from a purchaser under the plan shall not be deemed a non-purchasing tenant.

(f) "Eligible handicapped persons". Nonpurchasing tenants who have an impairment which results from anatomical, physiological or psychological abnormalities, other than addiction to alcohol, gambling, or any controlled substance, which are demonstrable by medically acceptable clinical and laboratory diagnostic techniques, and which are expected to be permanent and which prevent the tenant from engaging in any employment or other gainful activity on the date the attorney general has accepted the plan for filing, and who have elected, within sixty days of the date the attorney general has accepted the plan for filing, on forms promulgated by the attorney general and presented to such tenants by the offeror, to become nonpurchasing tenants under the provisions of this section; provided that such election shall not preclude any such tenant from subsequently becoming a purchaser.

2. The attorney general shall refuse to issue a letter stating that the offering statement or prospectus required in subdivision one of section three hundred fifty-two-e of this chapter has been filed whenever it appears that the offering statement or prospectus offers for sale residential cooperative apartments or condominium units pursuant to a plan unless:

(a) The plan provides that it will be deemed abandoned, void and of no effect if it does not become effective within twelve months from the date of issue of the letter of the attorney general stating that the offering statement or prospectus has been filed and, in the event of such abandonment, no new plan for the conversion of such building or group of buildings or development shall be submitted to the attorney general for at least eighteen months after such abandonment.

(b) The plan provides either that it is an eviction plan or that it is a non-eviction plan.

(c) The plan provides, if it is a non-eviction plan, as follows:

(i) no eviction proceedings will be commenced at any time against non-purchasing tenants for failure to purchase or any other reason applicable to expiration of tenancy; provided that such proceedings may be commenced for non-payment of rent, illegal use or occupancy of the premises, refusal of access to the owner or a similar breach by the non-purchasing tenant of his obligations to the landlord;

(ii) the rentals of non-purchasing tenants who reside in dwelling units not subject to government regulations as to rentals and continued occupancy and non-purchasing tenants who reside in dwelling units with respect to which government regulation as to rentals and continued occupancy is eliminated or becomes inapplicable after the plan has become effective shall not be subject to unconscionable increases beyond ordinary rentals for comparable apartments during the period of their occupancy. In determining comparability, consideration shall be given to such factors as building services, level of maintenance and operating expenses;

(iii) the plan may not be amended at any time to provide that it shall be an eviction plan.

(d) The plan provides, if it is an eviction plan, as follows:

(i) no eviction proceedings will be commenced against non-purchasing tenants for a period of two years after the plan is declared effective; provided that no eviction proceedings will be commenced at any time against non-purchasing tenants who are sixty-two years of age or older or who are eligible handicapped persons on the date the plan is declared effective and that the rentals of any such non-purchasing tenants who reside in dwelling units not subject to government regulation as to rentals and continued occupancy and any such non-purchasing tenants who reside in dwelling units with respect to which government regulation as to rentals and continued occupancy is eliminated or becomes inapplicable after the plan has become effective shall not be subject to unconscionable increases beyond ordinary rentals for comparable apartments during the period of their occupancy; provided further that such proceedings may be commenced for non-payment of rent, illegal use or occupancy of the premises, refusal of access to the owner or a similar breach by the non-purchasing tenant of his obligations to the landlord;

(ii) at any time that the plan is amended to provide that it shall be a non-eviction plan, any person who has agreed to purchase under the plan prior to such amendment shall have a period of thirty days after receiving written notice of such amendment to revoke his agreement to purchase under the plan.

(e) The plan provides that non-purchasing tenants who reside in dwelling units subject to government regulation as to rentals and continued occupancy shall continue to be subject thereto.

(f) The plan provides that the rights granted under the plan to purchasers under the plan and to non-purchasing tenants may not be abrogated or reduced regardless of any expiration of or amendment to this section.

(g) The plan provides that, after the issuance of the letter from the attorney general stating that the offering statement or prospectus required in subdivision one of section three hundred fifty-two-e of this article has been filed, the offeror shall, at least every thirty days until the plan is declared effective or is abandoned, as the case may be, (i) file with the attorney general a written statement, under oath, setting forth the percentage of tenants in occupancy on the date such letter was issued who have agreed in writing to purchase under the plan as of the date of such statement and, (ii) before noon on the day such statement is filed post a copy of such statement in a prominent place accessible to all tenants in each building covered by the plan.

(h) The attorney general finds that an excessive number of long-term vacancies did not exist on the date that the offering statement or prospectus was first submitted to the department of law. "Long-term vacancies" shall mean dwelling units not leased or occupied by bona fide tenants for more than five months prior to the date of such submission. "Excessive" shall mean a vacancy rate in excess of ten percent provided that such vacancy rate is double the normal average vacancy rate for the building or group of buildings or development for two years prior to the January preceding the date of such submission.

(i) The attorney general finds that each tenant in the building or group of buildings or development was provided following the submission of the proposed offering statement or prospectus to the department of law with a written notice stating that such proposed offering statement or prospectus has been submitted to the department of law. Such notice shall be accompanied by a copy of the proposed offering statement or prospectus or shall include a detailed summary thereof and a statement that the proposed offering statement or prospectus is available, and the statements submitted pursuant to paragraph (g) of this subdivision will be available, for inspection and copying at the office of the department of law where the submission was made and at the office of the offeror or a selling agent of the offeror. Such notice shall be sent on the date the plan is first submitted to the department of law to each tenant then in occupancy. The attorney general shall not issue a letter stating that the offering has been filed for at least fifteen days thereafter.

3. All dwelling units occupied by non-purchasing tenants shall be managed by the same managing agent who manages all other dwelling units in the building or group of buildings or development. Such managing agent shall provide to non-purchasing tenants all services and facilities required by law on a non-discriminatory basis. The offeror shall guarantee the obligation of the managing agent to provide all such services and facilities until such time as the offeror surrenders control of the board of directors or board of managers.

4. Any offeror who disputes the election by a person to be an eligible handicapped person must apply to the attorney general within thirty days of the receipt of the election forms for a determination by the attorney general of such person's eligibility. The attorney general shall, within thirty days thereafter and upon reasonable notice to the offeror and the person making the election and an opportunity to be heard, issue his determination of eligibility. The foregoing shall be the sole method for determining a dispute as to whether a person is an eligible handicapped person. The determination of the attorney general shall be reviewable only through a proceeding under article seventy-eight of the civil practice law and rules, which must be commenced within thirty days after such determination becomes final.

5. Any tenant who has vacated his dwelling unit or is about to vacate his dwelling unit because any person is engaged in any course of conduct (including, but not limited to, interruption or discontinuance of essential services) which substantially interferes with or disturbs the comfort, repose, peace or quiet of such tenant in his use or occupancy of his dwelling unit or the facilities related thereto may apply to the attorney general for a determination that such conduct does exist or has taken place and in such case the attorney general may apply to a court of competent jurisdiction for an order restraining such conduct and, if he deems it appropriate, an order restraining the owner from selling the shares allocated to the dwelling unit or the dwelling unit itself.

6. Nothing herein shall be construed to limit the jurisdiction of any local governing body to adopt local laws or of any agency, officer or public body to prescribe rules and regulations with respect to the continued occupancy by tenants of dwelling accommodations which are subject to regulation as to rentals and continued occupancy pursuant to the emergency tenant protection act of nineteen seventy-four¹ or the emergency housing rent control law.²

7. Any provision of a lease or other rental agreement which purports to waive a tenant's rights under this section or rules and regulations promulgated pursuant hereto shall be void as contrary to public policy.

8. The provisions of this section shall only be applicable in the cities, towns and villages located in the counties of Nassau, Westchester and Rockland which by resolution adopted by the respective local legislative body of such city, town or village, elect that the provisions hereof shall be applicable therein. A certified copy of such resolution shall be filed in the office of the attorney general at Albany and shall become effective on the date of such filing.

Formerly § 352-ee, added L.1978, c. 544, § 3, renumbered § 352-eee and amended L.1979, c. 135, § 1; L.1980, c. 754, § 1; L.1980, c. 755, § 1.

E. Excerpts from the Tenant Protection Regulations of the New York State Division of Housing and Community Renewal

§ 35. Lease agreements

1. Vacancy lease. Upon the renting of a vacant housing accommodation after the local effective date of the Act, the landlord shall provide to the tenant and execute a valid written lease for a one, two, or three year period at the landlord's option at a rent which may not exceed the legal regulated rent then in effect, provided further that for a housing accommodation subject to the Emergency Housing Rent Control Law which becomes vacant after the local effective date of the Act, the lease shall not provide for any increase in said rent for a period of one year.

2. Renewal lease. Upon the expiration of a prior lease or rental agreement, the tenant shall have the right of selecting at his option a renewal lease for a term of one, two or three years, except that where a mortgage or a mortgage commitment existing as of the local effective date of the Act prohibits the granting of one year lease terms, the tenant's option shall be limited to a lease for two or three years.

3. Limitations. No provision may be made in any lease for the payment of a rent in excess of the legal regulated rent except on the following conditions:

* * *

h. leases for housing accommodations in cooperative or condominium-owned buildings or in a building for which the Attorney General has accepted for filing an offering plan to convert the building to cooperative or condominium ownership. New or renewal leases for one-, two- or three-year terms may contain a clause permitting termination prior to the expiration of the term by a subsequent owner who has purchased the shares allocated to the rented apartment or purchased the rented apartment, if such clause provides:

(i) that the termination clause shall only be effective for the purpose of permitting the rented apartment, following surrender of possession by the tenant, to be occupied immediately by such owner under the cooperative or condominium building ownership, or by a member of that owner's immediate family as defined in the tenant protection regulations;

(ii) that such owner must serve on the tenant a notice in writing by certified mail no less than 90 days prior to the date of termination of the lease, reciting the date of termination and the full name and address of the owner or the member of the owner's immediate family who is to take occupancy of the rented apartment, and his or her relationship to the owner; an exact copy of such notice must also be filed with affidavit of service with the Division within 48 hours after such service;

(iii) that such increase, if any, in the legal regulated rent collected under the lease pursuant to the applicable County Rent Guidelines Board rate must be refunded by the owner to the tenant on or before the date of surrender of possession, to the following extent:

(a) where a one-year lease is so terminated prior to the expiration of the one-year term, the rent increase must be fully refunded;

(b) where a two-year lease is so terminated prior to the expiration of one year, the rent increase must be fully refunded; if one year or more has expired, such amount of the rent increase as exceeded the one-year lease guideline rate must be refunded;

(c) where a three-year lease is so terminated prior to the expiration of one year, the rent increase must be fully refunded; if one year but less than two years has expired, such amount of the rent increase as exceeded the one-year lease guideline rate must be refunded; if two years or more have expired, such amount of the rent increase as exceeded the two-year lease guideline rate must be refunded.

(iv) where the rented apartment is located in a city, town or village which has filed a resolution with the Attorney General electing to have section 352-ee of the General Business Law (Chapter 544, Laws of 1978) apply to cooperative and condominium conversion plans, and the plan has been accepted for filing by the Attorney General subject to the requirements of section 352-ee:

(a) that the plan for conversion to cooperative or condominium ownership is an "eviction plan" as defined in section 352-ee;

(b) that no eviction proceedings shall be commenced against the tenant for a period of two years after the plan is declared effective as an "eviction plan" as defined in section 352-ee (when at least 35 percent of the tenants in occupancy of all dwelling units have consented to purchase);

(c) that the termination clause shall become null and void if the plan is amended to provide that it shall be a "non-eviction plan" as defined in section 352-ee;

(d) that the termination clause shall become null and void if the plan is deemed abandoned, void and of no effect because it does not become effective within 12 months from the date of issue of the letter of the Attorney General accepting the filing of the plan as provided in section 352-ee;

(e) that the termination clause shall become null and void if the tenant is 62 years of age or older on the date the plan is declared effective under the requirements of section 352-ee (when at least 35 percent of the tenants in occupancy of all dwelling units have consented to purchase).

§ 54. Grounds for refusal to renew lease and proceed for eviction

The landlord shall not be required to offer a renewal lease to a tenant, and may maintain an action or proceeding to recover possession in a court of competent jurisdiction only upon one or more of the following grounds:

1. Occupancy by owner or immediate family. The owner seeks in good faith to recover possession of a housing accommodation for his own personal use and occupancy or for the use and occupancy of his immediate family; the term "immediate family" includes only a husband, wife, son, daughter, stepson, stepdaughter, father, mother, father-in-law or mother-in-law. No action or proceeding to recover possession shall be commenced in court unless and until the owner shall have given written notice to the tenant not less than 90 days prior to the date specified for the surrender of possession and prior to the commencement of any proceeding or action. Every notice shall state the ground under this section upon which the landlord is acting, the facts necessary to establish the existence of such ground, and the date when the tenant is called upon to surrender possession. Within seven days after the notice is served on the tenant an exact copy thereof with an affidavit of service shall be filed with the Division.

2. Withdrawal from the rental market. The owner has established, upon application on the prescribed form, to the satisfaction of the Division after a hearing and under such conditions and terms as the Division may set that he seeks in good faith to withdraw occupied dwelling units from both the housing and non-housing rental markets, without any intent to rent or sell all or any part of the land or structure.

3. Other grounds. The owner has established upon an application on the prescribed form, after a hearing and under such conditions and terms as the Division may determine to be warranted, that the requested removal or eviction of the tenant is not inconsistent with the purposes of the Act or these Regulations and would not be likely to result in the circumvention or evasion thereof.

No action or proceeding to recover possession shall be commenced in court by the owner where he is proceeding under paragraphs 2 or 3 of this section, until the owner has made application to the Division and the Division has issued an order permitting the owner to commence such action or proceeding in court and, in addition, where the order of the Division is subject to the owner complying with specified conditions and terms, that the said conditions and terms have been complied with.

As amended eff. May 17, 1979.

F. Excerpts from the Rent and Eviction Regulations
of the New York State Division of Housing and
Community Renewal

Section 55. Occupancy by landlord or immediate family

* * *

3(a). In the case of a housing accommodation in a structure or premises owned by a cooperative corporation or association, a certificate shall be issued by the Administrator to a purchaser of stock where (a) the tenant originally obtained possession of the housing accommodation by virtue of a rental agreement with the tenant-owner; or (b) the stock was acquired by the purchaser prior to July 1, 1955 and more than two years prior to the date of the filing of the application; or (c) the stock was acquired by the purchaser on or after July 1, 1955 and more than two years had expired since the date of filing the notice of sale with the Local Rent Office as hereafter provided in paragraph 3(c)(v) of this section; or (d) the stock was acquired less than two years prior to the date of filing of the application and on that date stock in the cooperative has been purchased by persons who are tenant-owners of at least 80 percent of the housing accommodations in the structure or premises and are entitled by reason of stock ownership to proprietary leases of housing accommodations in the structure or premises; or (e) the cooperative was organized and acquired its title or leasehold interest in the structure or premises before February 17, 1945 and on that date stock in the cooperative allocated to 50 percent or more of the housing accommodations in the structure or premises was held by individual tenant-owners, who are or whose assignees or subtenants are in occupancy of such housing accommodations in the structure or premises at the date of the filing of the application.

3(b). No certificate of eviction shall be issued under paragraph 3(a) unless the applicant shall establish that he has complied with the requirements of paragraphs 1 and 4 of this section; provided, however, that where the applicant seeks to recover possession for his own personal use, he need not establish an immediate and compelling necessity.

3(c). No certificate of eviction shall be issued under paragraph 3(a) of this section, except as provided in paragraph 3(d), unless the applicant shall also establish that the cooperative corporation or association has complied with the following requirements:

(i) On the date the cooperative plan was first presented to the tenants, each tenant in occupancy of a controlled housing accommodation in the premises was furnished with a copy of the plan and notified in writing that he had the exclusive right for a period of 60 days to purchase the stock allocated to his housing accommodation at the specified price, and that the plan would not be declared effective, unless on or before December 31, 1955 or within 6 months from the time the cooperative plan was presented to such tenants, whichever date is later, stock in the cooperative had been sold in good faith without fraud or duress, and with no discriminatory repurchase agreement or other discriminatory inducement, to at least 35 percent of the tenants in occupancy of controlled housing accommodations at the time of the presentation of the plan. Housing accommodations vacant on the date the plan is presented or subsequently vacated, shall not be included in the computation of the 35 percent requirement except when the vacant housing accommodation is purchased for personal occupancy by a tenant of a controlled housing accommodation.

(ii) Subsequent to the date the cooperative plan had been declared effective, the tenants of controlled housing accommodations had been served with a written notice that the plan had been declared effective, setting forth the terms of sale and the names of the tenants of the controlled housing accommodations who had purchased the stock allocated to their own housing accommodations or to vacant housing accommodations and the names and addresses of other purchasers of vacant housing accommodations; and that the tenants of controlled housing accommodations who had not as yet purchased still had the exclusive right, for a period of 30 days from the date of service of the notice, to purchase the stock allocated to their housing accommodations on the terms previously offered to the tenants; except where (a) the cooperative plan had been declared effective prior to July 1, 1955, and (b) prior to that date the tenant of a controlled housing accommodation in the premises had received written notice or notices that for a period of not less than 30 days he had the right to purchase the stock allocated to his housing accommodation at the price and terms specified in said plan, and (c) on July 1, 1955 such stock was held or was thereafter reacquired by the cooperative or by a sponsor, nominee of the cooperative or by any other person associated with the formulation of the plan, and (d) such stock was offered after July 1, 1955 for sale for personal occupancy at the same or different terms than previously offered to the tenant of such controlled housing accommodation, the latter was given a written notice of the offer to sell and the right for a period of 30 days to purchase the stock on the terms specified in such offer.

(iii) Within 10 days from the date of service of the notice provided by subparagraph (ii) the cooperative had filed with the Local Rent Office having jurisdiction a copy of the cooperative plan; a copy of the first notice served upon all tenants of controlled housing accommodations; a copy of the notice required by subparagraph (ii), and a statement, duly verified by an officer of the cooperative and where the sale was made on or after July 1, 1955, a statement duly verified by each purchaser, that the sales had been made in good faith pursuant to the terms set forth in the cooperative plan without fraud or duress and with no discriminatory repurchase agreement or other discriminatory inducement and whether for personal occupancy by the purchaser. A duplicate set of the above specified papers shall also be kept available in the building for inspection by a tenant of controlled housing accommodations or his authorized representative.

(iv) In the event that the stock allocated to a controlled housing accommodation shall be offered for sale by the cooperative, its sponsor, nominees or other persons associated with the formulation of the plan to a purchaser in good faith for his personal occupancy at terms more favorable than those previously offered to the tenant of such controlled housing accommodation, the latter must first be given a written notice of the new terms and 15 days within which to elect to purchase stock at such new terms.

(v) Within 10 days after any sale or resale of stock subsequent to the effective date of the plan, all tenants who had not yet purchased had been served with written notices by the cooperative setting forth the names and addresses of each of the purchasers, the designation of the housing accommodations, and in those cases where the stock had been sold for personal occupancy of the purchaser, the terms of the sales. Copies of these notices, together with proof of service upon each such tenant, must be filed with the Local Rent Office within 5 days of the date of service. Copies of these notices shall also be kept available in the building for inspection.

* * *