

RIVEREDGE COOPERATIVE BYLAWS

Article II

Section 6. Annual Budget. In furtherance of the definitions and provisions of the proprietary leases entered into or to be entered into by the Corporation with its shareholders, **the Board of Directors shall determine the cash requirements** as defined therein, for each particular year of the term of such proprietary lease, by resolution or resolutions adopted during the particular year in question of the proceeding year, and shall likewise fix the terms and times of payment of the rent due from shareholders who are lessees under such proprietary leases to meet such cash requirements.

Immediately after the adoption of any such resolution as above provided, the secretary shall mail or cause to be mailed, or **deliver or cause to be delivered, to each shareholder** who is such a lessee **a statement** of the amount of the cash requirements so determined or a copy of the resolution of the Board concerning the same. The Board of Directors shall have discretionary power to prescribe the manner of maintaining and operating the apartment building of the Corporation, and any other premises acquired by the Corporation by purchase or otherwise, and to determine the aforesaid cash requirements. Every such determination by the Board shall be final and conclusive as to all shareholders who are lessees under proprietary leases and any expenditures made by the Corporation's officers or agent under the direction or with the approval of the Board shall, against such shareholders, be deemed necessarily and properly made for such purposes. The operating year of the Corporation shall be the calendar year.

Anything herein contained to the contrary notwithstanding, so long as the Unsold shares) as defined in Paragraph 38 of the Proprietary Lease) constitute 25% or more of the outstanding shares

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-179-

Of the Corporation, the Board of Directors shall not take any of the following actions unless the lessees owning at least 75% of all issued and outstanding shares of the Lessor approve same in writing or by vote, in person or by proxy, at a duly constituted meeting called for such purpose:

- (i) Increase in the number or change in the type of employees from that covered in the Budget for the first year of cooperative operation:
- (ii) Provide for new or additional services from those covered in the Budget for the first year of cooperative operation of the property unless the actual cost of such new or additional services do not increase the over-all budget:
- (iii) Undertake any capital or major improvement, or addition, or increase or set up additional reserve accounts unless required by law.

SECTION 7.