

**TENANT
INTERIM LEASE
(TIL)**

**ARTICLES OF ASSOCIATION
AND
BY-LAWS**

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TABLE OF CONTENTS

<u>ARTICLE</u>	<u>TITLE AND SECTION NUMBER</u>	<u>PAGE</u>
Article I.	Name and Location	4
Article II.	Declaration of Purpose Section 1 Statement of Purpose Section 2 Terms of the Lease with the City of New York	4
Article III.	Membership	5
Article IV	Directors/Officers Section 1 Number and Eligibility Section 2 President Section 3 Vice President Section 4 Secretary Section 5 Treasurer Section 6 Election and Terms of Office Section 7 Resignation Section 8 Termination Section 9 Recall Section 10 Interim Elections	5
Article V	Duties and Powers Section 1 Management Section 2 Decision-making Section 3 Hiring Section 4 Compensation	7
Article VI.	Contracts and Other Compensation Section 1 Authorization and Execution Section 2 Contracts with Association members, Board members and employees Section 3 Other Compensation	8

Article VII.	Meetings Section 1 Annual Meeting Section 2 Association Meetings Section 3 Special Meetings Section 4 Regular and Special Meetings of the Board Section 5 Committee Meetings Section 6 Notification Section 7 Voting Eligibility and Privileges Section 8 Quorum Section 9 Voting Section 10 Proxies/Absentee Ballots	8
Article VIII.	Committees	10
Article IX.	Maintenance and Repair Section 1 Repair Priorities Section 2 Maintenance and Repair Committee Section 3 Soliciting Contractors Section 4 Authorization Section 5 Maintenance Contracts	10
Article X.	Selection of Tenants Section 1 Tenant Selection Committee Section 2 Solicitation of Applicants Section 3 Selection of New Tenants Section 4 Conflict of Interest Section 5 Income Eligibility	11
Article XI.	Rent Section 1 Collection Section 2 Form of Payment Section 3 Non-Payment Section 4 Dispossesses	12
Article XII.	Primary Residence Section 1 Primary Residence Section 2 Subleasing Prohibited	12
Article XIII.	House Rules	12
Article XIV.	Amendments	12

**ARTICLES OF ASSOCIATION
AND
BY-LAWS
FOR**

TENANT ASSOCIATION

**ARTICLE I
NAME AND LOCATION**

The name of this organization is _____ Tenant Association (hereinafter, referred to as the "Association"). The office of the Association is located at _____.

**ARTICLE II
DECLARATION OF PURPOSE**

Section 1. Statement of Purpose. This Association is organized in accordance with cooperative principles as an unincorporated tenant association for the purpose of maintaining and managing the building(s) located at _____. The object of the Association is to operate adequate, safe and sanitary housing accommodations at the above address(es).

Section 2. Terms of Lease with the City of New York. While under City ownership, the Association shall net lease the building from the Department of Housing Preservation and Development ("HPD") of the City of New York under HPD's Tenant Interim Lease Program ("TIL"). The Association's duties under this lease shall include, but are not limited to:

- a) Promoting tenant cooperation and participation in all aspects of building management; and
- b) Collecting rents; and
- c) Leasing vacant apartments to new tenants, subject to HPD approval and in compliance with the TIL Program's relocation policy; and
- d) Initiating legal action against non-rent paying and disruptive tenants; and
- e) Maintaining (i) certificates of deposit, checking and/or savings account(s) for the benefit of the City of New York and as further described in the Lease; (ii) a bank rider in the form required by HPD, (iii) a specimen signature form and (iv) the signatures of a minimum of three officers must be on file at the bank for all Association accounts; and
- f) Securing appropriate insurance to protect the Association and the City of New York against liability as required by HPD; and

- g) Keeping records in accordance with HPD policy; and
- h) Hiring and paying employees and/or securing contractors and voluntary participation for the repair and maintenance of the building.

ARTICLE III MEMBERSHIP

All residential tenant households are considered members of the Association. Each residential unit shall be considered one "household" without regard to the number of occupants, size of unit, or monthly rent. A superintendent or other employee who lives in a rent-free apartment in the building shall not be considered a member of the Association. Superintendents who are rent paying tenants are automatically members of the Association. Commercial tenants shall not be considered members of the Association.

There shall be no special consideration or accommodation extended to any one member or household that is not extended to all members or households. No rule may be placed on any one member or household that is not binding on all members and households.

ARTICLE IV DIRECTORS/OFFICERS

Section 1. Number and Eligibility. The affairs of the Association shall be governed by the Board of Directors of the Association. The Board of Directors shall number at least three (3). Buildings with twenty (20) tenants of record or more shall have at least five (5) Directors. Buildings with fifty (50) tenants of record or more may elect to have seven (7) Directors. The Board of Directors at its first monthly meeting will elect at least three (3) Officers including a President, Secretary and Treasurer. The Board of Directors may decide to have additional Officers as they see fit. No more than one family member may serve on the Board of Directors at a time. "Family members" are defined as children, siblings, parents, grandparents, nieces, nephews and cousins. All members of the Board shall be (i) at least 18 years of age, (ii) named on the rent roll/lease or tenant of record, (iii) and the household may not be more than two (2) months in rent arrears. Deletions and/or additions to "tenants of record" must be approved by the Board of Directors and HPD.

Section 2. President. The President shall preside at all Board of Directors and Association meetings. The President shall perform all duties of the office of President and such other duties as may be assigned by the Board of Directors from time to time. The President's duties include, but are not limited to: a) chairing Board of Directors and Association meetings; b) delegating responsibilities to the appropriate Officers and committees; c) coordinating activities to ensure that the Board of Directors and the Association adhere to cooperative principles and HPD policy; d) explaining the goals and objectives of the Association; e) executing all leases, contracts and other instruments on behalf of the Association which are authorized by the Board of Directors.

Section 3. The Vice President. In the absence of the President, the Vice President shall preside over Board of Directors and Association meetings. The Vice President's primary responsibility is to maintain and strengthen the lines of communication between the Board of Directors, the

members of the Association and the committees. In addition, the Vice President's duties include, but are not limited to: a) performing the duties of an absent officer; b) assisting the President and other Officers; c) acting as the liaison between the Board of Directors and the Association; d) coordinating activities to ensure that the Association and the Board of Directors adhere to cooperative principles and HPD policy; e) overseeing special projects; f) explaining the goals and objectives of the Association.

Section 4. Secretary. The Secretary shall have charge of and be responsible for the non-financial records and all correspondence of the Association. The Secretary's duties include, but are not limited to: a) recording attendance and minutes of all meetings of the Association and the Board of Directors and posting them within seven (7) days of the meeting; b) sending the minutes to HPD each month; c) posting the notice of the agenda for general meetings; d) reading minutes at meeting; e) explaining the goals and objectives of the Association; f) providing Directors and members notices of meetings; g) maintaining a record book containing name of all the tenants named on the rent roll/lease and tenants of record, date of initial tenancy and any rent arrears.

Section 5. Treasurer. The Treasurer, as the chief financial officer of the Association, shall oversee books and financial records, have the care and custody of all the funds and securities of the Association and shall deposit the same in the name of the Association in such bank or banks as the Board of Directors may designate (unless there is a non resident manager in which case it may be the manager's responsibility to make deposits). The Treasurer's responsibilities include, but are not limited to: a) maintaining the financial records of the Association in a secure location for inspection by HPD, the IRS and other agencies authorized to conduct such inspection or audit; b) making and distributing of financial reports at the monthly meeting; c) assisting the Board of Directors in the preparation of the annual report, d) accounting for all monies received and spent; e) answering any and all questions regarding finances from members of the Association, the Board of Directors, inspectors or auditors of HPD, or the IRS; f) providing for the issuance of rent receipts to all tenants upon receipt of rent payments; g) holding the check book and ensuring that all checks are signed by two (2) officers of the Board of Directors; h) submitting, by the 15th of each month, an accounting report for the previous month, along with supporting documentation, to HPD's Financial Management and Review Unit; i) explaining the goals and objectives of the Association (**NOTE:** No officer may sign a check without knowing what expense the check is to cover. No officer may co-sign a check designated for a relative, household member or himself).

Section 6. Election and Term of Office. An election for a Board of Directors shall be held once per year at the Annual Meeting of the Association. The Board of Directors shall serve a term of one (1) year. The election shall be held at least thirty (30) days prior to the expiration of the year. Two (2) weeks prior to the annual election, a nomination meeting shall be held; except that nominations and elections for a Board of Directors can be held at the Annual Meeting providing all members receive written notice that nominations and elections will be held at the same time at the Annual Meeting and a quorum is present. The Board of Directors of the Association shall submit written minutes of the election meeting to HPD including the names of the new Directors and Officers within three (3) days. HPD or an HPD designee shall be present at all meetings for nominations, elections and recalls.

Section 7. Resignation. Board members may resign at any time by delivering a written resignation, which shall be signed and dated to the other Board members and HPD.

Section 8. Termination. The Board of Directors must remove from office any Board member who (i) is more than two (2) months in arrears, and (ii) has not entered into or complied with an HPD approved payment agreement.

Section 9. Recall. At any regular or special meeting of the Association duly called, any Board member may be removed with or without cause by the affirmative vote of the majority of eligible members. Any Director whose removal has been proposed by the tenants shall be given an opportunity to be heard at the meeting.

Section 10. Interim Elections. A special meeting of members shall be called within thirty (30) days of the date of resignation, termination or recall of a Board member to hold an interim election to fill the vacated position. Any eligible member shall be permitted to vote and to run for election. The vote shall be by secret ballot.

ARTICLE V DUTIES AND POWERS

Section 1. Management. The Association, through its Board of Directors or its designee, shall be in full charge of the day to day operations of the property, including the interests, business, and transactions of the Association, consistent with the Lease signed with HPD. The Association may adopt such rules and regulations for the conduct of its meetings and management of the building as it deems proper, provided these do not violate local, state or federal laws. In adopting these By-Laws, the members of the Association delegate to the Board of Directors such power, authority and duties as are necessary and appropriate to the effective conduct of Association business. Any amendments to these By-Laws are subject to HPD approval.

Section 2. Decision-making. All matters concerning the management and use of the property and land thereof shall be decided by the Board of Directors. Such decisions shall be made at official meetings at which a quorum is present.

Section 3. Hiring. The Association, through its Board of Directors and subject to HPD's prior written approval, may hire an employee or employees such as a bookkeeper, a superintendent and sub manager(s). The duties and obligations of these employees shall be outlined in a contract and job description developed by the Board of Directors prior to their hiring.

Section 4. Management Fee. A maximum of eight percent (8%) of the rent collected each month may be paid as a management fee ("Management Fee") to the person(s) designated by the Board of Directors to manage the building. The apportionment of any Management Fee shall be determined by the Board of Directors. No Management Fee shall be paid without first announcing the decision at the next general meeting. The Management Fee may be paid only for work done on behalf of the Association as manager. No Management Fee shall be paid to Directors or Officers for their services as Directors and Officers. No remuneration may be paid to a Director or Officer for services performed by them in any other capacity, unless a resolution authorizing such payment is approved by the Board of Directors before the services are undertaken. This Management Fee may not be paid retroactively. Eight percent (8%) of the rent collected each month for the Management Fee shall also be used to reimburse the following

management related expenses: office supplies such as rent receipt books, bookkeeping materials, envelopes, stationery, stamps, photocopying, transportation and any other documented building management related expenses. Under no circumstances shall the total of the above outlined expenses exceed eight percent (8%) of collected rent. Any manager in rental arrears shall forfeit his position and such Management Fee.

ARTICLE VI CONTRACTS AND OTHER COMPENSATION

Section 1. Authorization and Execution. No contract or other instrument, such as a lease or an agreement, may be entered into, executed or delivered, except as authorized by the Board of Directors (see Article IX, Section 4 below). Contracts shall be signed by the President, or other designated Officer and witnessed by another Officer. No two members from the same Family (as defined in Article IV, Section 1) shall sign the same document.

Section 2. Contracts with Association members, Board members and employees. Association members, Board members, and employees are required to disclose any interest they may have in any contract, lease, agreement, or other contractual transaction. If an Association member, Board member or employee has an interest in any Association contract or transaction such contract must be approved at a lawfully constituted meeting of the Association by two-thirds (2/3) of the eligible members present, excluding the vote of the member to be benefited, and provided that this is not otherwise prohibited by law.

Section 3. Other Compensation. No Association member or Board member, shall receive any salary or other Compensation for services (except as provided in Article V, Sections 3 and 4).

ARTICLE VII MEETINGS

Section 1. Annual Meeting. The Annual Meeting of the Association for the election of Board of Directors, the acceptance of the Annual Report and the transaction of any other business shall be held during the same month of each year.

Section 2. Association Meetings. General meetings of the Association are open to all members and shall be held at least once a month to ensure communication between the Board of Directors and Association members. Such meetings shall be held monthly on a date to be determined by the Board of Directors.

Section 3. Special Meetings. As the need arises, additional general meetings of the Association may be called by the Board of Directors, by ten percent (10%) or more of the members or by HPD.

Section 4. Regular and Special Meetings of the Board. Board of Director meetings shall be held at least once a month. Special meetings of the Board of Directors may be called by the President, by the request of ten percent (10%) of the Board of Directors or by HPD upon one (1) days notice.

Section 5. Committee Meetings. The Repair and Maintenance Committee (as defined in Article VIII below) shall meet at least once a month. Other committees will meet as necessary.

Section 6. Notification. Written notice of the Annual Meeting or any special meetings will state the place, date and hour, and will be given personally or by first class mail to each member entitled to a vote at such meeting not less than ten (10) nor more than fifty (50) days before the date of the meeting. Written notice of special meetings must also state the purpose of the meeting.

Notice of any Board of Directors meetings shall be given to each Director, personally or by mail, telephone or e-mail, or in such other manner as may be provided by resolution of the Board of Directors at least three (3) days prior to the day named for the meeting. Written notice of special meetings of the Board of Directors must state the purpose of the meeting and given to each Director at least one (1) day prior to the meeting.

Notice of committee meetings shall be given in the same manner as the notice for Board meetings.

Section 7. Voting Eligibility and Privileges. Each household member shall have one (1) vote at all Association meetings and all households shall have equal rights. No member may have more than one vote even if he or she occupies more than one unit. Voting privileges and the right to run for or hold office shall be revoked upon the termination of tenancy or when the household is more than two (2) full months in rent arrears and has not entered into or adhered to an HPD-approved payment agreement (see Article X Section 3). All disputes regarding eligibility shall be resolved at least ten (10) days prior to the meeting.

Section 8. Quorum. At all meetings of the Association, the presence, in person of a majority of all tenants eligible to vote shall be necessary to constitute a quorum for the transaction of Association business (except as outlined in Section 9 below). A quorum is necessary at any Association meeting to vote on all business. If a quorum is not present, a majority of those present may adjourn the meeting to another date without further notice. At all meetings of the Board of Directors, a majority of the Directors shall be necessary to constitute a quorum.

Section 9. Voting. If a quorum is present at a meeting, the act of a majority of either the Board of Directors or the Association (whichever is required by these By-Laws) shall be the act of the Association, unless the act of a greater number is required by these By-Laws or by federal, state or city law. Voting shall be by voice vote, except at elections or referenda, when voting shall be by secret ballot.

Section 10. Proxies/Absentee Ballots. Proxies shall be prohibited in any form. Absentee ballots shall be used only for elections and referenda in which nominations or motions had been made and which had been publicized in accordance with notification procedures (see Section 6 above). An absentee ballot shall be used when a member is unable to attend the election or referendum. Such members shall be allowed to place a written ballot in a sealed blank envelope. This sealed envelope shall then be placed in another envelope which shall also be sealed and then signed by the member. This envelope shall be given to the Secretary or his/her designee to be counted at the time of the official tally of votes. On all other matters raised at general or special meetings, the majority vote of those present (assuming a quorum is met) shall be binding.

ARTICLE VIII COMMITTEES

The Board of Directors shall establish at least three (3) committees including a Maintenance and Repair Committee and a Tenant Selection Committee. Examples of such other committees include a By-Laws Committee or a Finance Committee. Each committee shall select a Chairperson. At least one Board member must be a member of each committee. However, at least two (2) Board members must be members of the Repair and Maintenance Committee. All eligible members of the Association may volunteer to serve on committees. Committee guidelines shall be established by each committee, approved by HPD and then presented to the Association for approval. Once approved, committee guidelines become amendments to the By-Laws.

ARTICLE IX MAINTENANCE AND REPAIR

Section 1. Repair Priorities. Repairs shall be done according to the following priority system: i) repairs needed to protect life, health and safety; ii) repairs directed by HPD or by court stipulation; iii) repairs needed to prevent building deterioration; and iv) cosmetic repairs.

Section 2. Maintenance and Repair Committee. A Maintenance and Repair Committee shall be established including at least two (2) members of the Board of Directors and any other interested members of the Association. This committee shall be responsible for conducting periodic building condition surveys, prioritizing repairs (as indicated by Tenant Repair Reports), and scheduling all maintenance and repairs, (see Section 4 below). This committee shall negotiate a job description, contract, and schedule with the superintendent and will designate a Board member who will monitor the superintendent's job performance.

Section 3. Soliciting Contractors. The Maintenance and Repair Committee shall be responsible for soliciting all contractors. For repairs costing up to \$1000, references shall be checked. The Board of Directors shall authorize contractors for repairs costing over \$1000. For repairs costing over \$1000 and up to \$2,000, a minimum of two (2) written estimates shall be obtained and at least two (2) references shall be called for each contractor. For repairs costing over \$2,000, three (3) written bids, including a detailed scope of work shall be obtained, and two (2) references shall be called for each contractor (see summary chart in Section 4 below).

Section 4. Authorization. The Maintenance and Repair Committee may authorize repairs costing up to \$1000 and select a contractor to do the work. The Board of Directors must authorize all repairs costing more than \$1000

FOR REPAIRS OVER \$3,000, THE BIDS AND SCOPES OF WORK MUST BE REVIEWED AND APPROVED BY HPD PRIOR TO ANY AUTHORIZATION OF REPAIRS.

Dollar Amount	Number of References	Number of Bids	Authorization
\$0 - \$1000	2 References	None	Maintenance and Repair Committee
\$1000 - \$2000	2 References	2 Written Bids	Board of Directors
\$2000 - \$3000	2 References	3 Written Bids	Board of Directors
over \$3000	2 References	3 Written Bids	Board of Directors and HPD

Section 5. Maintenance Contracts. The Maintenance and Repair Committee shall solicit at least two (2) bids for any maintenance contract (e.g. extermination, elevator or boiler maintenance) and check two (2) references for each. The Board of Directors shall make the final selection. No HPD approval is needed.

ARTICLE X SELECTION OF TENANTS

Section 1. HPD Relocation Policy. All of the below referenced sections of this Article X are subject and subordinate to: i) HPD's written approval; ii) compliance with HPD's Relocation Policy; and iii) HPD program needs.

Section 2. Tenant Selection Committee. The Board of Directors shall solicit tenant volunteers to serve on a Tenant Selection Committee. At least one member of the Board of Directors shall be a member of this committee. The committee shall be responsible for recommending new tenants to the Association, recommending and reviewing moves by current tenants, and soliciting, receiving and reviewing applications of prospective tenants (see Article VIII). The Board of Directors shall make the final selection of new tenants based on the recommendations of the Tenant Selection Committee.

Section 3. Solicitation of Applicants. When an apartment or commercial unit becomes vacant, the Tenant Selection Committee shall solicit prospective tenants through public outlets including local newspapers, community bulletin boards, religious institutions, local organizations, and in the building. The Tenant Selection Committee shall distribute a Association application to all interested applicants at the time of the vacancy and shall maintain a waiting list of qualified applicants. Each application shall be numbered and dated.

Section 4. Conflict of Interest. If a member of the Tenant Selection Committee or Board of Directors is related to an applicant, that member shall not vote on decisions regarding the applicant's selection.

Section 5. Income Eligibility. Only persons of low and moderate income shall be eligible to rent apartments. Low and moderate income is defined as 120% of area median income as determined by HUD.

**ARTICLE XI
RENT**

Section 1. Collection. Rent shall be due on the 1st of the month and received no later than the 7th of the month. For tenants on public assistance, rent shall be due semi-monthly within three (3) days of receipt of public assistance check.

Section 2. Form of Payment. Rent shall be paid by check or money order made out to _____ Tenant Association and received by persons designated by the Board of Directors only. A rent receipt shall be issued upon payment of rent. Under no circumstances shall cash be an acceptable form of payment for rent.

Section 3. Non-Payment. The Board of Directors should request a meeting with any tenant who fails to pay as outlined above. At this meeting, an effort shall be made to establish a payment agreement. All payment agreements shall be in writing and must be approved by HPD.

Section 4. Dispossesses. A dispossess notice must be issued to all tenants who fall more than two (2) full months in arrears, unless a payment schedule is agreed upon and signed by tenant, President and HPD. Failure to comply with a payment agreement shall result in immediate legal action by the Association.

**ARTICLE XII
PRIMARY RESIDENCE**

Section 1. Primary Residence. All Association members shall maintain their apartments as their primary residence. For the purposes of these By-Laws, "Primary Residence" is defined as the address used by the person for voting registration and income tax filing, and where that person resides for at least 183 days per year. The Board of Directors shall issue an apartment lease to each tenant of record.

Section 2 Subleasing Prohibited. ALL SUBLEASES ARE STRICTLY PROHIBITED

**ARTICLE XIII
HOUSE RULES**

House rules are to be developed by the Board of Directors of the Association and submitted to HPD for approval. Once approved, the House Rules may be incorporated into these By-Laws by vote of a majority of eligible tenants at a duly called general meeting of the Association.

**ARTICLE XIV
AMENDMENTS**

These By-Laws may be amended by vote of a majority of Association members eligible to vote at any Annual or general meeting of the Association, as long as they do not conflict with the terms of the Lease with HPD or with federal, state or city law. All amendments to these By-Laws are subject to HPD's prior written approval.