

**AMENDED AND RESTATED
BY-LAWS OF PEEKSKILL HOUSING AUTHORITY**

January 16, 2014

Article I

NAME AND PLACE OF BUSINESS

Section 1. Name of the Authority

The Authority shall be known as "Peekskill Housing Authority" (the "Authority").

Section 2. Office of the Authority

The principle office of the Authority shall be at 807 Main Street, in the City of Peekskill, New York, 10566. All books and records of the Authority shall be kept at the office hereinabove designated.

Article II

BOARD OF COMMISSIONERS

Section 1. Members of the Authority's Board of Commissioners

The Board of Commissioners of the Authority shall consist of not less than three (3) and not more than seven (7) members (each a "Member" and collectively the "Board"). Except in cases of death, removal, or resignation, a Member shall continue to hold office until his or her successor is appointed or elected and has qualified.

Section 2. Appointed Members

The City Manager of the City of Peekskill shall appoint five (5) Members of the Board (the "Appointed Members"), each for a staggered five (5) year term. A vacancy on the Board that exists due to the death, resignation, or removal of any Appointed Member shall be filled by appointment of a new Member for the remainder of such Appointed Member's unexpired term.

Section 3. Tenant Members

The Authority shall include as Members, two tenants elected by the residents of the Authority's housing (the "Tenant Members") for terms of two years each. One Tenant Member shall be elected each year with the terms overlapping. Both Tenant Members shall be elected by all the eligible voters, as set forth in these By-Laws. A Tenant Member shall cease to serve as such upon termination of his or her tenancy for any reason. Any vacancy in the position of Tenant Member shall be filled for the remainder of the former Tenant Member's unexpired term, if any.

Section 4. Qualifications of Members

- (a) All Members must be residents of the City of Peekskill and be over the age of 18.
- (b) No Member shall be a party to any pending litigation brought by the Authority or against the Authority.
- (c) Not more than one of the Members may hold office as a Peekskill city employee or officer, as provided under NY Public Housing Code, Article 3 §30(4). The term of office of a Member of the Authority who is an official of the city of Peekskill shall terminate at the expiration of the term of his or her municipal office.

- (d) A Tenant Member must be a resident in an Authority housing unit, who is directly assisted by a public housing agency, and whose name appears on the lease for such unit.

Section 5 - Election Procedures for Tenant Members

- (a) The procedures for holding elections for the Tenant Members of the Board are included in Appendix A to these By-Laws. The nomination and election of Tenant Members shall commence in the month of June each year.
- (b) Any vacant Tenant Member position may remain vacant until the next annual nomination period, provided that: (i) the Authority has fewer than 300 public housing units, and (ii) has provided annual notice to the residents of the opportunity to serve as Tenant Members, and (iii) has not been notified during the nominating period (of 30 days or more) of the intention of any resident to seek a position as Tenant Member.

Section 6 - Resignation of Members

A Member may resign at any time by giving written notice of his or her resignation to the Board or the Executive Director. Any such resignation shall take effect immediately upon its receipt, unless otherwise specified therein, and the acceptance of such resignation shall not be necessary to make it effective.

Section 7 - Removal or Suspension of Members

A Member may be removed by the City Manager for inefficiency, neglect of duty, or misconduct in office, but only after the member shall have been given a copy of the charges against him or her and an opportunity to be heard in person or by counsel in his or her own defense at a public hearing before the City Manager. Pending the determination of charges, the Member may be suspended from office.

A Member who fails to attend three consecutive Meetings, or four Meetings within a year, without just reason as determined by the Board shall be removed as a Member. In determining whether there is just reason for an absence, the Board may consider, among other things, the prior services of the Member, the reasons given for such absence, and other circumstances deemed relevant. The decision of the Board shall be final.

Section 8 - Duties of the Board

Subject to the provisions of law of the State of New York and these By-Laws, the activities and affairs of the Authority shall be conducted and all incorporated powers shall be exercised by or under the direction of the Board. It shall be the duty of the Board to:

- (a) Perform any and all duties imposed on them collectively or individually by law, by the Articles of Incorporation or by these By-Laws.
- (b) Make policy decisions to determine how programs are administered, how to obtain funds from various sources and how to protect funds needed to keep the Authority operating.
- (c) Meet at such times and places as required by these By-Laws.
- (d) Approve By-Laws, resolutions, policies and procedures, and any amendments thereto, including, but not limited to: Personnel, Grievance, Maintenance, Procurement, Asset Disposition, Admissions and Continued Occupancy, the Authority's Five Year/Annual Plans and internal and external monitoring controls to detect and prevent program fraud, waste, mismanagement and abuse.
- (e) Select a qualified Executive Director to be responsible for the day-to-day operations of the Authority and a qualified attorney to assist and advise the Authority.
- (f) Review and monitor budgets and other financial documents to determine that expenditures are in compliance with Federal and local laws and other requirements.

- (g) Determine that the Authority is acting legally and with integrity in its operations.
- (h) Provide clear and concise policy and guidelines to the Executive Director and avoid situations that would give the appearance that they are managers instead of policymakers.
- (i) If speaking in public and/or at public activities, a Member can speak only for himself or herself and not for the Board unless otherwise authorized by the Board. It shall be a Member's duty to make clear the capacity in which he or she is speaking.
- (j) Unless and until approved by the Board, none of the following transactions shall bind the Authority: (1) any Authority purchase of goods and/or services exceeding \$2,000.00 in a single transaction, except for emergency situations which situations shall be presented to the Board for subsequent resolution; (2) the adoption of any policy governing Authority employees and/or tenants; and (3) the discharge, the acceptance of the resignation, or the suspension from duty of the Executive Director.

Section 9 - Committees

The Board may from time to time designate one or more committees of the Board (a "Committee"). Each such Committee may consist of one or more Members and may have such powers and duties as the Board, by resolution, shall prescribe. Nothing herein shall be deemed to prevent the Board from appointing one or more committees consisting in whole or in part of persons who are not Members, provided, however, that no such committee shall have or may exercise any authority or power reserved to the Board. Any recommendation by a Committee shall be considered at a meeting of the Committee. Any recommendation from a Committee shall be considered for adoption at a Meeting of the Board.

Section 10 - Delegation of Duties

The Board may delegate to one or more of its Officers, Committees, agents, or employees such operational or ministerial duties as it may deem proper.

Section 11 - Compensation

Members may not receive any compensation for services to the Authority in their capacities as Members. However, Members may be reimbursed for valid expenses incurred in the performance of their duties.

Section 12 - Property Rights

No Member shall have any rights or interests in or to the property of the Authority.

Section 13 - Non-Liability of Members

The Members of the Board shall not be personally liable for the debts, liabilities, or other obligations of the Authority.

Section 14 - Indemnification of Members

General Indemnification. Each Member shall be indemnified by the Authority to the full extent permitted under applicable law, except that such indemnity shall not protect any such person against any liability to the Authority to which such person would otherwise be subject by reason of willful misfeasance, malfeasance, bad faith, gross negligence or reckless disregard of the duties involved in the conduct of his or her office. Absent a court determination that an Member seeking indemnification was not liable on the merits or guilty of willful misfeasance, malfeasance, bad faith, gross negligence or reckless disregard of the duties involved in the conduct of his or her office, the decision by the Authority to indemnify such person shall be based upon either the reasonable determination of independent legal counsel or the vote of a majority of the Members who are not the subject of such a determination, after review of the facts, that such person is not guilty of willful misfeasance, malfeasance, bad faith, gross negligence or reckless disregard of the duties involved in the conduct of his or her office.

Advances for Expenses. Each Member claiming indemnification shall be entitled to advances from the Authority for payment of the reasonable expenses incurred by him or her in connection with proceedings to which he or she is a party in the manner and to the full extent permitted under applicable law provided that the person seeking indemnification shall provide to the Authority a written affirmation of his or her good faith belief that the standard of conduct necessary for indemnification by the Authority has been met and a written undertaking to repay any such advance, if it should ultimately be determined that the standard of conduct has not been met, and provided further that a majority of all non-party Members or independent legal counsel in a written opinion, shall determine, based on a review of facts readily available to the Authority at the time the advance is proposed to be made, that there is reason to believe that the person seeking indemnification will ultimately be found to be entitled to indemnification.

Other Rights. The indemnification provided herein shall not be deemed exclusive of any other right, in respect of indemnification or otherwise, to which those seeking such indemnification may be entitled under any insurance or other agreement, vote of disinterested Members or otherwise, both as to action by a Member or Officer of the Authority in his or her official capacity and as to action by such person in another capacity while holding such office or position, and shall continue as to a person who has ceased to be a Member or Officer and shall inure to the benefit of his or her heirs.

Section 15 - Insurance

The Authority shall purchase insurance protecting Members and Officers from liability arising from their activities as a Member or Officer. The Authority, however, may not purchase insurance on behalf of any Member or Officer that protects or purports to protect such person from liability to the Authority to which such Member or Officer would otherwise be subject by reason of willful misfeasance, malfeasance, bad faith, gross negligence or reckless disregard of the duties involved in the conduct of his or her office.

Article III OFFICERS

Section 1. Designation of Officers

The Board shall have a Chairperson, Vice Chairperson, and such other officers as the Board may determine (the "Officers"). The Officers shall have duties as prescribed by these By-Laws and the Board. The Executive Director shall be the Secretary of the Authority. Additional Officers may be designated as the Board may, from time to time, determine. Such positions may include (but are not limited to) Assistant Vice-President, Treasurer, or Assistant Secretary. Such additional Officers shall have the authority and shall perform the duties that the Board shall specify.

Section 2. Election and Term of Officers

The Officers shall be elected by the Board from among the Members at its Annual Meeting. Officers shall serve for the term of two (2) years or until their successors are elected, or appointed and qualified. Officers shall be eligible to serve an unlimited number of consecutive terms.

Section 3. Duties of Officers

Chairperson: The Chairperson shall convene and preside at all Meetings of the Authority. At each Meeting, the Chairperson shall submit such recommendations and proposals as he or she may consider proper concerning the business affairs and policies of the Authority. He or she shall perform all duties incident to his or her office and such other duties as may be required by law, or by these By-Laws, or which may be instituted from time to time by the Board. He or she shall have general supervision over the business and affairs of the Authority subject to the direction of the Board. The Chairperson shall, with proper notification and explanation to the Board, sign all official orders, execute contracts, agreements, bonds, certificates of indebtedness, deeds, mortgages and leases, countersign checks, notes, other instrument for the payment of funds, or other instruments that may from time to time be

authorized by the Board, in the name of the Authority. The Chairperson shall notify the Board beforehand of all official orders and other instrument signed or executed as noted above. He or she shall perform such other duties that may from time to time be authorized by the Board, except as otherwise expressly provided by law or by these By-Laws.

Vice-Chairperson: The Vice-Chairperson shall perform the duties of the Chairperson in the event that the Chairperson is unable to perform such duties by reason of incapacity, illness, disability, absence, removal or resignation. The Vice-Chairperson shall be authorized to sign and execute instruments made by the Authority in the absence or incapacity of the Chairperson. The Vice-Chairperson shall have such other powers and perform such other duties as may be prescribed by law or by these By-Laws, or as may be prescribed by the Board.

Secretary: The Secretary shall certify and keep at the principal office of the Authority: (a) the original and copies of these By-Laws as amended or otherwise altered to date (b) a book of Minutes of all Board Meetings and, if applicable, meetings of Committees (the "Minutes"), recording therein the time and place of holding, a record of how called (whether Regular or Special), the names of those present or represented at the Meeting, a record of all votes, and the proceedings thereof (c) all other official records and of the seal of the Authority. He or she shall see that all notices are duly given in accordance with the provisions of these By-Laws or as required by law. The Secretary shall affix the seal, as authorized by law or the provisions of these By-Laws, to duly executed documents of the Authority and shall have the authority to have copies made of all Minutes and other records and documents of the Authority and to give certificates under the seal of the Authority to the effect such copies are true copies. He or she shall perform all duties incident to the office of Secretary and such other duties as may be required by law, by these By-Laws, or which may be assigned to him or her from time to time by the Board.

Section 5. Resignation of Officers

Any Officer may resign at any time by giving written notice to the Board, the Chairperson or the Secretary. Any such resignation shall take effect at the time specified therein, or if no time is specified, then on delivery of such notice. Acceptance of a resignation shall not be necessary to make it effective.

Section 6. Removal from Office

Any Officer designated in Section 1 of this Article III may be removed from such office by a majority vote of all current Members of the entire Board at any Regular Meeting of the Board, provided however, that notice of any proposed removal must be given at least seven (7) days prior to such Meeting.

Section 7. Officer Vacancies

If any vacancy should occur among the Officers, the Board, at its next Regular Meeting, shall entertain nominations for such office and shall elect a Member to fill the vacancy for the unexpired term for such office. However, any vacancy due to the removal of an Officer shall be filled by the Board during the same meeting at which the removal occurred.

Article IV EMPLOYEES

Section 1. Hiring of Employees

In hiring employees, the Authority shall comply with the New York Civil Service Law.

Section 2. Executive Director

The Board shall appoint an Executive Director of the Authority who shall report to the Board. Subject to the policies of the Board, the Executive Director shall have general day-to-day management and direction

over the facilities and business affairs of the Authority and shall be charged with the management of the property and projects of the Authority and shall see that all orders and resolutions of the Board are carried into effect.

The Executive Director shall have the care and custody of all funds of the Authority, and shall deposit the same in the name of the Authority in such bank or banks as the Board may designate. The Executive Director shall countersign all checks and financial commitments of the Authority as directed by the Board.

The Executive Director shall be responsible to:

- (a) Hire, train, supervise and terminate Authority employees as necessary;
- (b) Prepare Authority operating budgets, contracts, procurement documents, and applications for GCP and other HUD funds;
- (c) Collect rents and enforce the terms of the tenants' leases;
- (d) Supervise cash management, bank reconciliation, resident selection, and property maintenance and repair;
- (e) Supervise the maintaining of residential units in decent, safe and sanitary condition;
- (f) Monitor operations for fraud and abuse;
- (g) Maintain overall compliance with Federal, State and local laws, as well as Authority policy and procedures; and
- (h) Keep the Board informed of any problems such as audit concerns, major resident issues, financial status and changes to applicable laws.

The Executive Director shall be either: (i) an exempt class of Civil Service employee (subject to approval of the exempt class by the Personnel Department, Westchester County or state civil service) or (ii) a private consultant contracted to perform the duties and responsibilities of the Executive Director.

The Executive Director's performance will be evaluated by the Board in April or May of each year. The Board is authorized to terminate or to place the Executive Director on probation, with or without cause.

Section 3. Salaried Employees

Hiring of all salaried employees shall be by the Executive Director. All employees shall perform such tasks, as the Executive Director shall from time to time assign them.

Section 4. Additional Positions

Additional positions may be designated, and their duties specified, by the Board. Personnel for such positions shall be hired pursuant to the terms of the Section 1 of this Article IV and shall serve at the pleasure of the Executive Director. Such personnel may be an exempt class of Civil Service if the Board and the State Civil Service Commissioner approve.

Section 5. Office Hours

The offices of the Authority shall be open each week on Monday through Friday inclusive, from 7:30am to 3:00pm, except for designated Federal holidays or as provided by Board resolution and the collective bargaining agreement between the Authority and the local chapter of the CSEA.

Article V

CONFLICTS OF INTEREST. AND UNETHICAL BEHAVIOR

No Member, Officer or Employee of the Authority shall acquire any interest, direct or indirect, in a project or in any property then or thereafter included or planned to be included in a project of the Authority, nor retain any interest, direct or indirect, in any property acquired subsequently to his or her appointment or employment which is later included or to his or her knowledge planned to be included in such a project, nor shall he or she have any interest, direct or indirect, in any contract or proposed contract for materials or services to be furnished or used in connection with any such project. If any Member, Officer or Employee of the Authority owns or controls an interest, direct or indirect, in any property included in any project of the Authority, which was acquired prior to his or her appointment or employment, he or she shall disclose such interest and the date of acquisition thereof in writing to the Authority prior to such appointment and such disclosure shall be entered upon the Minutes of the Authority. No Member or Officer with any interest in the above listed types of property, projects or contracts shall participate in any vote with respect thereto.

The Board may adopt additional policies defining other conflicts of interest, and/or unethical behavior which shall apply to all Members, Officers and Employees, designated as "Additional Conflicts of Interest and Unethical Behavior Protocol."

Article VI

MEETINGS

Section 1 - Regular Board Meetings

Board meetings ("Meetings") shall be held monthly ("Regular Meetings") at the principal office of the Authority, or at such other convenient location may be determined by the Board.

Section 2 - Annual Board Meetings

The Board shall hold an "Annual Meeting" of the Authority in the month of April. At the Annual Meeting, the Board shall elect Officers for positions where the term of one or more Officers has expired.

Section 3 - Special Board Meetings

"Special Meetings" may be called by the Chairperson, or in the absence of the Chairperson because of absence or illness by the Vice-Chairperson, or, upon the request of a majority of the members of the Board, by the Secretary. Such request shall state the purpose or purposes for the proposed Special Meeting. Business transacted at a special Meeting shall be confined to the purpose(s) stated in the notice of such Meeting.

Section 4 - Notices of Board Meetings

Notice of each Board Meeting shall state the purpose or purposes for which the Meeting is called and the place, date and time of the Meeting. Such notice shall be given either personally, electronically or by mail to each Member not less than seven (7) days or more than thirty days before the date of the Meeting.

Members shall provide their addresses with the Secretary of the Authority, and notices of Meetings mailed or telegraphed to them at such addresses or, if he or she or shall have filed with the Secretary a written request that notices be mailed to some other address, then notices directed to such other address, shall be valid notices. If mailed, the notice is deemed given when deposited in the United States mail, with postage thereon prepaid, directed to a member at his or her address as it appears on the record of Members' addresses maintained by the Secretary or to such other address as he or she or shall have filed with the Secretary for the receipt of written notices. An electronic notice shall be deemed given when transmitted to an electronic address provided by a Member for such purpose.

Section 5 - Waiver of Notice

Formal notice of a Meeting need not be given to a Member if he or she executes a waiver of notice, either before or after the Meeting. The attendance of a Member at a Meeting, without protesting the lack of notice of the Meeting prior to the commencement of such Meeting, shall constitute a waiver of notice.

Section 6 - Quorum at Board Meetings

The presence of at least a majority of the current Members shall constitute a quorum for the transaction of business at any Meeting. The Members present at a Meeting, when a quorum is not present, may adjourn any Meeting to another time and place. An absent member shall be given notice of the date and place of the adjourned Meeting. Except as otherwise provided by these By-Laws, or provisions of laws, no business shall be considered by the Board at any Meeting at which the required quorum is not present, and the only motion which the Chairperson shall entertain at such Meeting is a motion to adjourn.

Members of the Board may participate in a Meeting by means of a conference telephone or similar communications equipment if all persons participating in the Meeting can hear and be heard by each other at the same time. Any member so attending shall be considered "present" for the purpose of establishing a quorum.

Section 7 - Public Attendance and Public Record

All notices of Meetings shall be a matter of public record. The place, date and time of Meetings shall be publicized as required by law.

All Meetings of the Board shall be open to the public unless the Board, upon motion made in open Meeting, identifying the general area of the subject or subjects to be considered, shall by majority vote agree to enter into "Executive Session" from which the public will be excluded.

Section 8 - Executive Sessions

No Executive Session of the Board shall be held except:

- (a) To discuss the information relating to current or future investigation or prosecution of a criminal offense which would imperil effective law enforcement if disclosed;
- (b) To conduct discussions regarding proposed, pending or current litigation;
- (c) To deal with medical, financial, credit or employment history of a particular person, employee, corporation, or matters leading to the appointment, employment, promotion, demotion, discipline, suspension, dismissal or removal of a particular person, employee or corporation;
- (d) To discuss the proposed acquisition, sale, or lease of real property, but only when publicity would substantially affect the value thereof.
- (e) Such other topics authorized under the Public Officers Law.

Section 9 - Unanimous Written Consent

Subject to the provisions of law, any action required or permitted to be taken during any Executive Session of the Board may be taken without a Meeting if all Members consent thereto in writing, and the writing or writings are filed with the Minutes of the Board.

Section 10. Conduct of Meetings

Meetings shall be presided over by the Chairperson or, if no such person has been so designated or in his or her absence, by the Vice-Chairperson or, in the absence of each of these persons, by a Chairperson chosen by a majority of the Members present at the Meeting. The Executive Director, or in his or her absence, designated administrative personnel, shall act as Secretary of all Meetings of the Board.

Meetings of the Board and its Committees shall be governed by the Robert's Rules of Order, except in cases otherwise provided by these By-Laws or by provisions of law.

Section 11. Agenda

The Secretary shall prepare an agenda for each Meeting, which shall be in detailed form so as to provide all Members with information concerning the business to be transacted at the Meeting. A Member who desires to place any resolution on the agenda, shall submit copies of the resolutions to the Secretary and the Chairperson at least seven (7) days prior to the date of the scheduled Meeting. Any proposed resolutions not complying with these requirements will not be included in the agenda, but may be added to the agenda for the Meeting at the time of said Meeting, in accordance with Robert's Rule of Order.

Section 12. Order of Business

At Regular Meetings, the following shall be the order of business:

- 1) Roll call (the Secretary shall record attendance at each Meeting)
- 2) Approval of previous Meeting(s) Minutes
- 3) Correspondence
- 4) Executive Director's Report
- 5) Counsel's Report
- 6) Unfinished Business
- 7) New Business
- 8) Tenants' Comments and Concerns
- 9) Executive Session, if required
- 10) Regular Session
- 11) Adjournment

Section 13. Majority Action as Board Action

Every act, or decision done or made by a majority of the Members present at a Meeting duly held at which a quorum is present is the act of the Authority, unless the By-Laws or provisions of law require a greater percentage or different voting rules for approval of a matter. Voting on resolutions shall be by roll call and the vote of each Member shall be recorded in the Minutes of the Meeting. No Member may vote by way of a proxy.

Section 14. Comments and Concerns from Tenants and the Public

- (a) Tenants may address their issues and concerns and other related matters to the Board at the time designated in the Meeting agenda.
- (b) Any other member of the public who notifies the Chairperson and the Secretary in writing of his or her desire to speak at a Meeting at least three (3) days prior to the Meeting date may address the Board at the beginning of said Meeting for a maximum of three (3) minutes, unless the Chairperson permits that maximum to be exceeded or waives the three days notice requirement.
- (c) Members of the general public shall not address the Board during Meetings except as provided in subsection (b) or if a majority of the Members present request information from a person attending the Meeting.

Section 15 - Working Sessions

Working sessions of the Board or of any Committee may be held to discuss Authority matters. Notice of working sessions shall be given to all Members of the Board or Committee, as applicable, in accordance with the provisions of Section 4 of this Article VI. Working sessions shall be open to the public and notices shall be publicized as required by law. No quorum shall be required and no resolutions or other binding action shall be adopted at any working session. Matters discussed at a working session shall be referred to the full Board for any action thereon.

Section 16. Minutes of the Meetings

A copy of the Minutes of each Board Meeting shall be available to every Member within twenty-one (21) days after the Meeting.

Article VII

CORPORATE RECORDS AND REPORTS

Section 1. Maintenance of Corporate Records

There shall be kept by the Authority:

- (a) Complete correct books and records of accounts of Authority: property, business transactions, contracts and other material agreements, assets, liabilities, receipts, disbursements, gains, and losses, all in accordance with generally recognized accounting principles;
- (b) Minutes of the proceedings of the Board and any committees;
- (c) Statements of written action by the Board;
- (d) A current list of Members and Officers of the Authority and their residence addresses; and
- (e) A copy of these By-Laws and other organizational documents of the Authority; and
- (f) A copy of all reports, forms or similar documents filed with or provided to any Federal, State or local government or government agency.

Article VIII

EXECUTION OF INSTRUMENTS, DEPOSITS AND FUNDS

Section 1. Execution of Instruments

Except as otherwise provided in these By-Laws, the Board may by resolution authorize any Officer or agent of the Authority to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Authority, and such authority may be general or confined to specific instances. Unless so authorized, no Officer, Member, agent, or employee shall have any power or authority to bind the Authority by any contract or engagement or to pledge its credit or to render it liable monetarily for any purpose or in any amount.

Section 2. Corporate Seal

The Authority may adopt, use, and at will alter, a corporate seal. Such seal shall be kept at the principal office of the Authority. The seal may be used by causing it or facsimile thereof to be impressed or affixed or otherwise reproduced. Failure to affix the seal to corporate instruments, however, shall not affect the validity of any such instrument.

Section 3. Checks and Drafts

Except as determined by the Board or as otherwise required by law, all checks, drafts, promissory notes, orders for the payment of money, and other evidence of indebtedness of the Authority must be signed by the Executive Director and countersigned by the Chairperson, Vice Chairperson or other officer designated by the Board.

Section 4. Deposits

All funds of the Authority not otherwise employed shall be deposited in a timely manner to the credit of the Authority in such banks, trust companies, or other eligible depositories as the Board approves, providing however that all such deposits are fully guaranteed.

Section 5. Gifts

The Authority may accept any contribution, gift, bequest, or devise for the nonprofit purposes of the Authority.

Section 6. Loans

No loans shall be contracted on behalf of the Authority unless specifically authorized by the Board in compliance with applicable law.

Section 7. Investments

The Board may authorize the Authority to contract with an investment advisor and custodian to manage its investments in accordance with an investment policy established by the Board in accordance with HUD regulations.

Article IX

SUBORDINATION TO FEDERAL LAWS AND ANNUAL CONTRIBUTION CONTRACT

These By-Laws are subject to any provisions of Federal laws and the Annual Contribution Contract (the "ACC") of the Department of Housing and Urban Development and any conflict in terms or provisions shall be governed by the Federal Law and the ACC.

Article X

AMENDMENT OF BY-LAWS

The Board may amend, alter, restate or repeal these By-Laws only by approval of a majority of the full Board at a Regular or Special Meeting. However, no such amendment shall be adopted unless at least ten (10) days written notice has been given to all of the Members, along with copies of the proposed amendments or restatement, in conformance with the notice provisions of Article VI, Section 4.