

From Pritchett

**BY-LAWS
OF
MONT CENIS APARTMENTS, INC.**

**Friedman, Krauss & Zlotolow
888 Seventh Avenue
New York, New York 10106**

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ARTICLE I

Meetings of Shareholders

Section 1. Annual Meeting: Annual meetings shall be held during October of year. Such meetings shall be held in the City and County of New York at the office of the corporation or at such other suitable place convenient to the shareholders as may be designated in the notice of the meeting.

Section 2. Special Meetings: Special meetings of shareholders, other than those the calling of which is regulated by statute, may be called at any time by the President or 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 so to do by shareholders of record owning at least twenty-five (25%) percent of the outstanding shares of the corporation. No business other than that stated in such notice shall be transacted at such special meeting unless the holders of all the outstanding shares of the corporation be present thereat in person or by proxy.

Section 3. Notice of Meetings: Notices of all meetings shall be in writing and signed by the President, Vice President or the Secretary and shall be written or electronic. Such notice shall state the time, place and purpose of the meeting. The Secretary shall cause a copy thereof to be delivered to each shareholder of record of the corporation entitled to vote at such meeting not less than ten (10) nor more than sixty (60) days before the meeting. If mailed, it shall be directed to each such

shareholder at his or her address as it appears on the record of shareholders, which shall be the address of the apartment covered by the proprietary lease to which his shares are appurtenant, unless a written request shall have been filed by him or her with the Secretary that notice be mailed or delivered electronically to some other address, in which case it shall be mailed or delivered electronically to the address designated in such request.

Section 4. Waiver of Notices: The notice provided for in the foregoing section is not indispensable, and any shareholders' meeting shall be deemed validly called for all purposes if all of the outstanding shares of the corporation are represented thereat in person or by proxy, or if a quorum is present as provided in the next succeeding section, and waivers of notice of the time, place and purpose of such meeting may be duly executed in writing either before or after said meeting by such shareholders as are not so represented and were not given such notice. Attendance of any shareholder at a meeting, in person or by proxy, shall constitute a waiver of notice by him of the time and place thereof.

Section 5. Quorum: At all meetings of shareholders, except where otherwise provided by law, the Certificate of Incorporation or by these By-Laws, a majority of the shareholders entitled to vote thereat shall constitute a quorum, provided the shareholders comprising the quorum hold, in the aggregate, not less than one-third of the outstanding shares. In case a quorum shall not be

present at any meeting, a majority of shareholders present 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 6. Voting: Except where otherwise provided by law or elsewhere in these By-Laws or in the Certificate of Incorporation of the corporation, the affirmative vote of a majority of the shareholders represented at a meeting where a quorum is present shall constitute the act of the shareholders. At each meeting of shareholders, each shareholder present in person or by proxy shall be entitled to one vote regardless of the number of shares held for the election or removal of Directors on the record date, which shall be not more than thirty (30) days nor less than ten (10) days before such meeting, and which shall be the date fixed by the Board of Directors as the date for determining which shareholders of record are entitled to notice of and to vote at such 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. Proxies shall be filed with the Secretary at or prior to the time of the meeting. 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 in addition, the name of the proxy of such ballot if cast by a proxy.

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 shareholders entitled to vote thereon.

Section 8. Inspectors of Election: Inspectors of election shall not be required to be appointed at any meeting of shareholders unless requested by a shareholder present in person or by proxy and entitled to vote at such meeting. On the making of such request, two (2) inspectors shall be appointed by the President. No Director or candidate for Director shall be eligible to appointment as inspector. Before entering upon the discharge of their duties, the inspectors appointed to act at any meeting of the shareholders shall be sworn faithfully to execute the duties of inspectors at such meeting with strict impartiality, and according to the best of their ability, and the oath so taken shall be subscribed by them and immediately filed with the Secretary of the corporation with a certificate of the result of the vote taken at such meeting. If there are not two (2) inspectors present, ready and willing to act, the required number of temporary inspectors to make up such number shall be appointed by the Chairman of the meeting.

Section 9. 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 consistent with the purpose of the meeting, the order of business shall be as follows:

1. Call to order.
2. Presentation or proof 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. Appointment or election of inspectors of election, if requested.
7. If the annual meeting or a special meeting called for that purpose, the election of Directors.
8. Unfinished business.
9. New business.
10. Adjournment.

ARTICLE II

Directors

Section 1. Number and Term: The number of the Directors of the Corporation shall be seven (7) divided into two classes of four Directors in the first class and three Directors in the second class, all of which shall be elected at the first annual meeting at or immediately following the adoption of this By-Law.

provision. The term of office of the first class shall expire at the next annual meeting of shareholders, and the term of office of the second class shall expire at the second succeeding annual meeting. At each annual meeting after the initial classification, Directors to replace those whose terms expire at such annual meeting shall hold office until the second succeeding annual meeting, so that the term of each Director shall be two years.

Section 2. Election and Qualification: The Directors shall be elected at the annual meeting of shareholders, or at a special meeting called for that purpose, as provided by law, by a plurality of votes cast at such meeting. In voting for the election of Directors, each shareholder shall be entitled to cast one vote for each of the number of openings in the Board to be filled at the meeting. Cumulative voting shall not be permitted. Voting based upon the number of shares held shall not be permitted unless the certificate of incorporation provides otherwise.

The term of office of Directors shall be until the next annual meeting, or until their respective successors are elected and qualify. It shall not be necessary for a Director of this corporation to be a shareholder, provided that not less than a majority of the Board shall be shareholders, the spouses of shareholders, domestic partners of shareholders or principals of shareholders which are not natural persons, except as otherwise provided in the Proprietary Lease.

Section 3. Quorum: A majority of the Directors authorized by the By-Laws shall constitute a quorum. In case a quorum shall not be present at any meeting, the Directors present 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 Directors who, if present at the original meeting would have been entitled to vote thereat, shall be entitled to vote at such adjourned meeting.

Section 4. Vacancies: Vacancies in the Board of Directors resulting from death, resignation or increases in the size of the Board may be filled for the remainder of the term without notice to the shareholders by a vote of a majority of the remaining Directors present at any regular meeting of the Board of Directors or any special meeting thereof called for such purpose. In the event of the failure to hold any election of Directors at the time designated for the annual election of Directors or in the event that the Board of Directors shall not have filled any such vacancy, a special meeting of shareholders to elect a new Board of Directors or to fill such vacancy or vacancies may be called in the manner generally provided for the calling of special meetings of shareholders. Vacancies in the Board of Directors resulting from an increase of the Board of Directors by amendment of these by-Laws shall be filled in the manner provided in the resolution adopting such amendment.

Section 5. Management of the Corporation: The business affairs of the corporation 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: The Board of Directors shall meet immediately after the annual meeting of shareholders without notice, and also whenever called together by any Officer or by the written request of any two (2) Directors then holding office, upon notice given to each Director, by delivering personally, mailing or telegraphing the same to him at least two days prior to such meeting at the last address furnished by him to the corporation. Regular meetings may be held with or without notice at such times and places as the Board of Directors may determine. Any meeting of the Board at which all the members shall be present, or of which notice shall be duly waived by all absentees, either before or after the holding of such meeting, shall be valid for all purposes provided a quorum be present. Meetings of Directors may be held either at the principal office of the corporation or elsewhere within the State of New York as provided in the notice calling the meeting, unless the Board of Directors by resolution adopts some further limitation in regard thereto. At all meetings of the Board of Directors, each Director shall be entitled to one vote. Except where otherwise provided by law or elsewhere in these By-Laws or in the Certificate of Incorporation of the corporation, the affirmative vote of a majority of the Board of Directors present at the time

of a vote of a duly constituted meeting where a quorum is present shall constitute the act of the Board of Directors.

Section 7. Consent of Directors: Whenever the Directors are required or permitted to take any action by vote, such action may be taken without a meeting on written consent to the adoption of a resolution authorizing the action. The resolution and the written consents thereto by the Directors shall be filed with the minutes of the proceedings of the Board of Directors.

Section 8. Resignation and Removal: Any Director may resign at any time by written notice delivered in person or sent by certified or 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.

Except as set forth to the contrary in the form of Proprietary Lease used by the corporation for the leasing of apartments, any Director may be removed from office at any time with or without cause, by the shareholders, upon affirmative vote, taken at a shareholders' meeting duly called for the purpose, by a majority of the shareholders present by person or by proxy and entitled to vote.

Section 9. Annual Cash Requirements: The Board of Directors shall, except as may be otherwise restricted by the Proprietary Lease of the corporation, from time to time, determine the cash requirements as defined in the corporation's Proprietary Lease for each particular year of the term of such Proprietary Lease by

resolution or resolutions adopted during the particular year in question or the preceding year, and fix the terms and manner of payment of rent (maintenance charges) under the corporation's Proprietary Leases. Immediately after the adoption of any such resolution as above provided, an Officer shall mail or cause to be mailed, or deliver or cause to be delivered to each shareholder who is such a Proprietary 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 Building, and any other premises acquired by the corporation by purchase or otherwise, to establish any needed reserves for capital purposes, including (without limitation) reserves for capital improvements, capital repairs or alterations or modifications to building structure and components, and including a reserve for mortgage amortization, payments to which reserves shall be treated on the corporate books as capital contributions and not as income, and to determine the cash requirements of the corporation to be paid as aforesaid by the shareholders under their respective Proprietary Leases.

Every such determination by the Board of Directors shall be final and conclusive as to all shareholders who are lessees under Proprietary Leases, and any expenditures made for any corporate purpose 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 shareholders, be deemed necessarily and properly made for such purpose.

Section 10. House Rules: The Board of Directors may, from time to time, adopt and amend such reasonable house rules with respect to the premises owned or leased by the corporation as it may deem necessary for the health, safety and convenience of the shareholders. Copies thereof and changes therein shall be furnished to each shareholder. All house rules shall be binding upon all tenants and occupants.

Section 11. Executive Committee and Other Committees: The Board of Directors may by resolution appoint an Executive Committee, and such other committees as it may deem appropriate. The Executive Committee, if one is appointed, shall consist of three or more Directors of the corporation. Members of other committees need not be Directors or shareholders resident in the building. Vacancies in such committees shall be filled by the Board of Directors at a regular or special meeting. Such committees shall have and may exercise such of the powers of the Board in the management of the business and affairs of the corporation during the intervals between the meetings of the Board as may be determined by the authorizing resolution of the Board of Directors and so far as may be permitted by law, except that no committee shall have power to determine the cash requirements defined in the Proprietary Leases, to fix the rent to be paid under the Proprietary Leases, to vary the terms of payment thereof as fixed by the Board, to consent to the assignment of

leases or subletting of apartments covered by Proprietary Leases, to amend the By-Laws, or to take any action which is denied to such committee by Section 712 of the Business Corporation Law.

Section 12. Compensation: No salary or other compensation for services shall be paid to any Director of the corporation for services rendered as such Director unless and until the same shall have been authorized in writing or by affirmative vote, taken at a duly held meeting of shareholders called for that purpose, by shareholders of record of at least two-thirds of the then outstanding shares of the corporation. This shall not preclude a Director of the corporation from performing any other service for the corporation and receiving compensation therefor.

Section 13. Contracts and Transactions of the Corporation: No contract or other transaction between the corporation and any one or more of its Directors or any other corporation, firm, association or other entity in which one or more of its Directors are Directors or Officers, or are financially interested shall be void or voidable for this reason alone or by reason alone that such Director or Directors are present at the meeting of the Board or of a Committee thereof, which approves such contract or transaction, or that he or their votes are counted for such purpose, provided that the provisions of Section 713 of the Business Corporation Law are complied with.

ARTICLE III

Officers

Section 1. Election and Removal: 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 Board meeting in each year following the annual meeting of shareholders, and shall serve until removed or until their successors shall have been elected and shall qualify. 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 discretion of the Board and may accord to such Officers such power as the Board deems proper.

Section 2. Qualifications: The President shall be a member of the Board of Directors, but none of the other Officers need be a member of the Board of Directors. One person may hold not more than two offices at the same time, except that the President and the Secretary may not be the same person. Officers may be shareholders, spouses of shareholders, domestic partners of shareholders or principals who are natural persons of shareholders which are not natural persons.

Section 3. Resignation, Removal and Vacancies: Any Officer may be removed at any time, with or without cause, by the affirmative vote of a majority of the then authorized total number of Directors. Any Officer may resign at any time by giving written

notice to the Board, the President or Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. Vacancies occurring in the office of any Officer may be filled by the Board of Directors at any time, in the manner prescribed for regular election. The Officer elected to fill such vacancy shall serve for the remainder of the term of the Officer he replaces.

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 shall make and sign in the name of the corporation 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, or prescribed for him by these By-Laws or by the Board of Directors. In his absence or if the President is unable to act, any Vice President shall have the powers and perform the duties of the President. A Vice President shall at all times have power to make and sign proprietary leases and stock certificates in the name of the corporation.

Section 5. Duties of Treasurer: The Treasurer shall, subject to the control of the Board, have the care and custody of and be

responsible for, all funds and securities of the corporation, shall deposit such funds in the name of the corporation in such bank or trust companies as the Directors may determine, and shall perform all other duties incidental to his office or prescribed for him by these By-Laws or by the Board of Directors. If so required by the Board of Directors, he shall, before receiving any such funds, furnish to the corporation a bond of a surety company, in such form and amount as said Board from time to time shall determine. The premium upon such bond shall be paid by the corporation.

As soon as possible after the close of each fiscal year, the Treasurer shall furnish or cause to be furnished to each 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 rental paid by shareholders under their Proprietary Leases during such year which has been used by the corporation for the payment of taxes on real property owned by the corporation, interest on mortgages or other 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 in respect thereof.

In the absence or disability of the Treasurer, the Assistant Treasurer, if any, shall have all the powers and perform the duties of the Treasurer.

Section 6. Duties of Secretary: The Secretary shall keep and record in proper books provided for the purpose, the minutes of the meetings of the Board of Directors and of the meetings of shareholders; he shall record all transfers of shares and cancel and preserve certificates of shares transferred, and he shall keep such other records as the Board shall require. He shall attend to the giving and service of all notices of the corporation, have custody of the corporate seal and shall be empowered to affix the corporate seal to certificates for shares and to all written instruments authorized by the Board of Directors or by these By-Laws, and to sign certificates for shares as Secretary. He shall cause to be kept a shareholders' record containing the names, alphabetically arranged, of all persons who are shareholders of the corporation, showing their places of residence, the number of shares held by them, the time when they respectively became the owners thereof, the amount paid thereon, and the denomination and the amount of all stock transfer stamps affixed thereto, and such book shall be open for inspection as provided by law. In the absence or inability of the Secretary, an Assistant Secretary, if any, shall have all the powers and perform all the duties of the Secretary.

Section 7. Compensation: No salary or other compensation for service shall be paid to any Officer of the corporation for services rendered as such Officer unless and until the same shall have been authorized in writing or by affirmative vote, taken at a duly held meeting of shareholders called for that purpose, by a

majority of the shareholders of record of the corporation. This shall not preclude an Officer of the corporation from performing any other service for the corporation and receiving compensation therefor.

ARTICLE IV

Indemnity; Elimination of Personal Liability

Section 1. Indemnification of Directors and Officers: To the fullest extent allowed by applicable law as the same exists or may hereafter be in effect, any person who is or was made or threatened to be made a party to or is involved in any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, other than one by or in the right of the corporation to procure a judgment in its favor, including an action by or in the right of any other corporation, domestic or foreign, or any partnership, joint venture, trust or other enterprise which such person is serving, has served or has agreed to serve in any capacity at the request of the corporation, brought to impose a liability or penalty upon such person by reason of the fact that he or she is or was or has agreed to become a Director or Officer of the corporation, or was serving or has agreed to serve such other corporation, partnership, joint venture, trust or other enterprise in any capacity, shall be indemnified by this corporation against judgments, fines, amounts paid or to be paid in settlement, taxes or penalties and costs, charges and expenses, including attorneys' fees, actually and necessarily

incurred by him or her as a result of such action or proceedings, or any appeal therein, if such Director or Officer acted in good faith for a purpose which he reasonably believed to be in, or, in the case of service for any other entity, not opposed to 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, provided, however, that no indemnification shall be provided to any such person if a judgment or other final adjudication adverse to the director or Officer establishes that (I) his or her acts were committed in bad faith or were the result of active and deliberate dishonesty and, in either case, were material to the cause of action so adjudicated, or (ii) he or she personally gained in fact a financial profit or other advantage to which he or she was not legally entitled. The benefits of this section shall extend to the heirs and legal representatives of any person entitled to indemnification hereunder.

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.

The right to be indemnified and to the reimbursement or advancement of expenses incurred in defending a proceeding in

advance of its final disposition authorized by this section shall not be exclusive nor limit any other right which any person may have or hereafter acquire under any statute, provision of the Certificate of Incorporation, By-Laws, or when authorized by such Certificate of Incorporation or the By-Laws, by agreement, vote of shareholders or disinterested Directors, or otherwise.

Section 2. Payments: Any payments by the corporation pursuant to this Article IV, shall be made in accordance with the provisions of Sections 722 through 726 of the New York Business Corporation Law.

Section 3. Elimination of Directors' Personal Liability: A Director of the corporation shall not be personally liable to the corporation or its shareholders for damages for any breach of duty as a Director, except for liability pursuant to a judgment or other final adjudication adverse to such Director which establishes (i) that his or her acts or omissions were in bad faith or involved intentional misconduct or a knowing violation of law or (ii) that he or she personally gained in fact a financial profit or other advantage to which he or she was not legally entitled or (iii) that his or her acts violated Section 719 of the New York Business Corporation Law. Neither the amendment nor repeal of this section, nor the adoption of any provision inconsistent with this section, shall eliminate or reduce the effect of this section in respect of any matter occurring, or any cause of action, suit or claim that, but for this section, would accrue or

arise, prior to such amendment, repeal, or adoption of an inconsistent provision.

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 and other space in the Building to be leased to shareholders under Proprietary Leases. 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 of the premises demised thereby and the sale and/or transfer of the shares of stock of the corporation appurtenant thereto, 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 in the same form (except with respect to the statement as to the number of shares owned by the lessee and the date of the commencement of the lease term), and shall not be changed in form or substance unless any change or alteration is approved at a meeting of shareholders called for that purpose or by written consent at least seventy-five (75%) percent of the shareholders under proprietary leases then in effect.

Section 2. Allocation of Shares: The Board of Directors shall allocate to each apartment to be leased to shareholders under Proprietary Leases, the number of shares of the corporation which must be owned by the Proprietary Lessee of such apartment.

Section 3. Assignment of Lease and Transfer of Shares: Proprietary Leases shall be assigned or transferred only in compliance with, and never 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 Corporation's Managing Agent.

No assignment of any Lease or transfer of the shares of the corporation shall take effect as against the corporation for any purpose until (a) a proper assignment has been delivered to the corporation; (b) the assignee has assumed and agreed to perform and comply with all the covenants and conditions of the assigned Lease or has entered into a new Lease for the remainder of the term; (c) all shares of the corporation appurtenant to the Lease have been transferred to the assignee; (d) all sums due have been paid to the corporation; and (e) the corporate waiver of the right of first refusal has been properly obtained.

No person to whom the interest of a lessee or shareholder shall pass by law shall be entitled to assign any lease, transfer any shares, or sublet or occupy any apartment, except upon compliance with the requirements of the Lease and these By-Laws.

Following the transfer of shares allocated to an apartment occupied by a non-purchasing tenant, said tenant will be promptly notified of the change in ownership by written notice from the Apartment Corporation.

Section 4. Fees on Assignment or Sublet: The Board of Directors shall have authority before an assignment or sublet of a Proprietary Lease or reallocation of shares takes effect as against the corporation as lessor, to fix a reasonable fee to cover actual expenses and attorneys' fees together with any other fee of the corporation pursuant to the Proprietary Lease in connection with each such proposed assignment or sublet, and to make provision that such fees be payable in advance as a condition to such assignment or sublet.

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, to indemnify the corporation.

Section 6. No Regrouping of Space: The Board of Directors shall not permit any owner or owners: (1) to subdivide any apartment into any desired number of apartments, (2) to combine all or any portions of any such apartments into one or any desired number of apartments; or (3) to reallocate the shares issued to accompany the Proprietary Lease or Leases.

Section 7. Actions by Board: No action or proceedings at law which may result in a forfeiture of a Proprietary Lease or a determination that a forfeiture has occurred, whether for nonpayment of maintenance charges or otherwise, shall be maintained unless authorized or ratified by resolution of the Board of Directors.

ARTICLE VI

Capital Shares

Section 1. Owners of Shares Entitled to Proprietary Leases: The shares of the corporation issued and outstanding on the date of adoption of these By-Laws having all been allocated among the apartments, no such 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 in the Building. 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. Unissued but authorized shares may hereafter be issued by the corporation but only in

conjunction with a Proprietary Lease or Leases and in connection with the leasing of space in the Building not now covered by Proprietary Leases.

Section 2. Form and Share Register: Certificates of the 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 the Secretary or an Assistant Secretary or the Treasurer or an Assistant Treasurer, and sealed with the seal of the corporation, and shall be numbered in the order in which issued. Such signatures and seal may be facsimiles when and to the extent permitted by applicable statutory provisions. Certificates shall be bound in a book and issued in consecutive order therefrom, and in the margin or stub shall recorded the name of the person holding the shares, the number of shares and the date of issue. Each certificate exchanged or returned to the corporation shall be cancelled, and the date of cancellation shall be indicated thereon by the Secretary and such certificate shall be retained in the certificate book opposite the memorandum of its issue.

Section 3. Issuance of Certificates: Shares appurtenant to 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.

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, witnessed and filed with the Secretary of the corporation, and on the surrender of the certificate for such shares properly endorsed, 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 stock book as required by Section 624 of the Business Corporation Law or any then existing applicable provision of law by an entry from whom and to who transferred. The shares may be transferred only after the proposed transferor has complied with the procedure for the approval of the transfer by the Board of Directors pursuant to Paragraph 13 of the Proprietary Lease, and the Board of Directors has approved said transfer. Any shareholder may surrender all of his shares and the appurtenant Proprietary Lease to the Corporation in accordance with the terms of said lease, and may thereafter be released from all future obligations of said lease.

The Board of Directors shall have authority to fix by resolution and to collect, before the transfer of any shares, reasonable fees to cover the corporation's actual expenses and attorneys' fees in connection with such proposed transfer.

Section 5. Units of Issuance: Except as otherwise provided in Article V, Section 5, 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 with 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 to secure the payment by such shareholder of all rent (maintenance charges) to become payable by such shareholder under his Proprietary Lease, and for any other indebtedness and obligations owing and to be owing by such shareholder to the corporation, and to secure the performance by the shareholder of all the covenants and conditions of said Proprietary Lease to be performed or complied with by the Shareholder. Unless and until such shareholder as lessee shall default in the payment of any of the rent or other indebtedness or obligation or in the performance of any of the covenants or conditions of such Proprietary Lease, 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 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 shall surrender same 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. The corporation may refuse to consent to the transfer of shares of any shareholder indebted to the corporation unless and until such indebtedness is paid.

Section 7. Lost Certificates: In the event that any share certificate 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, to indemnify the corporation and its transfer agent.

Section 8. Legend on Share Certificates: From and after the date of the adoption of the amendment to the By-Laws containing this provision, newly issued certificates representing shares of the corporation shall bear a legend reading as follows:

"The shares represented by this Certificate are appurtenant to a Proprietary Lease of the apartment described on the face hereof between the corporation named on the face hereof, as Lessor, and the record holder of the shares represented by this Certificate, as Lessee, and the rights of the holder of this Certificate are subject to the provisions of said Proprietary Lease which limits and restricts the title and rights of any transferee of this Certificate, and of the Certificate of Incorporation and the By-Laws of said Corporation. Copies of the Proprietary Lease, Certificate of Incorporation and By-Laws are available for examination at the office of said Corporation.

Without limitation to the foregoing, the shares represented by this Certificate are transferable only as an entirety and only to an assignee of the aforementioned Proprietary Lease, after complying with and satisfying the requirements of said Proprietary Lease with respect to the assignment thereof. The Corporation has a lien upon said shares for all sums due and to become due under said Proprietary Lease, and the Directors of said Corporation may refuse to consent to the transfer of said shares and to an assignment of said Proprietary Lease unless and until any indebtedness of the shareholder to the corporation is paid. Said shares may be pledged by the record holder thereof under the provisions and conditions set forth in said Proprietary Lease and in said By-Laws pertaining to a pledge of said Corporation's shares.

Pursuant to Section 616 of the Business Corporation Law of the State of New York, the Certificate of Incorporation provides that certain actions by the shareholders of the Corporation require a proportion of votes greater than a majority."

Section 9. No Preemptive Right. Ownership of shares of the corporation shall not entitle the holders thereof to any Preemptive Right under Section 622 of the Business Corporation Law, or otherwise, it being the purpose and intent hereof that the Board of Directors, as in its discretion it may deem advisable, shall have the full right, power and authority to offer for subscription or sale, or to make any other disposition

of any or all unissued shares of the corporation, or of any or all shares issued and thereafter acquired by the corporation.

Section 10. Distributions: The shareholders shall not be entitled, either conditionally or unconditionally, except upon a complete or partial liquidation of the corporation, to receive any distribution not out of earnings and profits of the corporation.

ARTICLE VII

Negotiable Instruments

Section 1. Signatures: Checks shall be signed by one or two Officers who, from time to time, shall be designated by the Board of Directors by standing resolution or special order for that purpose. The Board may, from time to time, authorize the managing agent to sign checks on the Board's behalf for such purposes and in such amounts as duly authorized by resolution. Promissory notes and bonds of the corporation shall be signed by any Officer who, from time to time, shall be designated by the Board of Directors for that purpose. Endorsements or transfers of stocks, bonds or other securities shall be signed by the President or any Vice President and by the Treasurer or an Assistant Treasurer or the Secretary or an Assistant Secretary unless the Board of Directors by special resolution prescribes otherwise.

Section 2. 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 deposit box of the corporation in the vault of any safe deposit company.

Section 3. 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 bonds or other securities or property of the corporation deposited in the custody of any trust company, bank or other custodian.

ARTICLE VIII

Miscellaneous

Section 1. Seal: The seal of the corporation shall be circular in form and have inscribed thereon the name of the corporation, the year of its organization and the words "Corporate Seal" and "New York".

Section 2. Fiscal Year: The fiscal year of the corporation shall be the calendar year unless otherwise determined by resolution of the Board of Directors.

Section 3. 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 4. Sale of Real Property Belonging to the Corporation: The real estate or real property of the Corporation shall not be sold except upon the affirmative vote of the holders of record of four-fifths or more of the capital stock of the Corporation accompanying proprietary leases then in force, and being four-

fifths in number of such leases, at a regular or special stockholders' meeting duly called for that purpose.

ARTICLE IX

Amendments

Section 1. By the Shareholders: These By-Laws may be amended at any shareholders' meeting by vote of two-thirds of shareholders represented in person or by proxy, provided that the proposed amendment or the substance thereof shall have been contained in the notice of meeting or that all of the shareholders be present in person or by proxy.

Section 2. By the Directors: The Board of Directors may, by a two-thirds vote of the entire Board, amend these By-Laws, other than those provisions relating to compensation of Directors and Officers of the corporation, at any regular or special meeting, provided, however, that the proposed amendment or the substance thereof shall have been contained in the notice of the meeting or that all Directors be present in person, and further provided that the Directors may not repeal a By-Law amendment adopted by the shareholders as provided in Section 1 of this Article IX.

Section 3. Special Provision: Notwithstanding the previous provisions of this Article IX, the provisions of Article VIII, Section 4, insofar as they relate to the sale by the Corporation of real estate or real property, may be amended, repealed or altered only upon the affirmative vote of the holders of record of four-fifths or more of the capital stock of the Corporation accompanying proprietary leases then in force, and being four-

fifths in number of such lessees, at a regular meeting or at a special stockholders' meeting duly called for that purpose.