

AMENDED AND RESTATED
BYLAWS
OF
BOWER HILL AT MOUNT LEBANON CO.

AMENDED AND RESTATED BY-LAWS

ARTICLE I

Principal Office and Purpose of Business

BOWER HILL AT MT. LEBANON CO.

Section 1. Principal Office: The Bower Hill at Mount Lebanon Co. shall have a principal office located at 1150 Bower Hill Road, Pittsburgh, Pennsylvania 15243, or at such other place as may from time to time be designated by the Board of Directors. \. L.e'',J...,|lJ/

ARTICLE II

Definitions

The following terms have the following meanings whenever used throughout these By-laws:

Section 1. Articles of Incorporation: The document filed of record in and accepted by the Secretary of the Commonwealth of Pennsylvania on November 10, 1975, which organizes the Bower Hill at Mt. Lebanon Co. as a Pennsylvania non-profit corporation.

Section 2. Board of Directors or Board: The executive and administrative entity of the Corporation elected as provided in the Articles of Incorporation and in these By-laws to act for and direct the affairs of the Corporation in the interests of the Shareholders. At all times the Board shall have a duty to maintain this facility as a Class-A building/property.

Section 3. By-laws: These By-laws established for the purpose of managing and directing the affairs of the Corporation, and such amendments hereto as may be made from time to time in accordance with theses By-laws.

Section 4. Common Areas: All portions of the Property other than the Dwelling Units.

Section 5. Cooperative Fees or Carrying Charges: Liability for the common expense allocated to each cooperative interest pursuant to the annual budget adopted by the Board of Directors pursuant to these By-Laws.

Section 6. Common Expenses: Expenditures made by or financial liabilities of the Corporation, together with allocations to reserves.

Section 7. Cooperative Interest: An ownership interest in the Corporation coupled with a possessory interest in a Dwelling Unit under a Proprietary Lease.

Sections. Corporation: Bower Hill at Mount Lebanon Co., a Pennsylvania non-profit corporation.

Section 9. Dwelling Unit: An individual Dwelling Unit, as such Dwelling Unit is identified by a Certificate of Shares, and as described in a Proprietary Lease executed in connection with said Certificate of Shares. Such Dwelling Unit shall consist of the rooms in the Property as partitioned on the date the Proprietary Lease is executed and designated by a unit number specified in the Proprietary Lease, together with the storage locker and parking space(s), if any, assigned to such Dwelling Unit.

Section 10. House Rules: The published rules and regulations for the use and operation of the Property and of the Corporation as adopted from time to time by the Board of Directors of the Corporation pursuant to the provisions of these By-laws.

Section 11. Managing Agent: The person or entity engaged by the Corporation at the direction of the Board of Directors, pursuant to these By-laws, to perform such duties as a majority of the Board of Directors may authorize, and as directed by the Board President in compliance with the management contract.

Section 12. Shareholder: The owner of Shares of the Corporation, the ownership of which requires the Shareholder to execute a Proprietary Lease and entitles the Shareholder to occupancy of the Unit in accordance with the Proprietary Lease and these By-Laws.

Section 13. Proprietary Lease: An agreement between the Shareholder and the Corporation pursuant to which the lessee has a possessory interest in a Unit, in a form adopted by the Board of Directors.

Section 14. Occupant: Any legal person or persons occupying any Dwelling Unit in the Property under any Proprietary Lease or other lease of a Dwelling Unit pursuant to these By-Laws and the House Rules.

Section 15. Officers: The persons appointed amongst the Board of Directors, upon an agreement of a majority of the Board of Directors, pursuant to these By-laws to perform such duties as are specified in these By-laws.

Section 16. Property: All of the buildings and real property owned by and belonging to the Corporation, along with the improvements, fixtures and other property located thereon, and all of the personal property owned by and belonging to the Corporation.

Section 17. Proportionate Share: The common expense liability and the ownership interest and votes in the Corporation allocated to each Cooperative Interest, as set forth in the Proprietary Lease and as indicated on the Stock Certificate.

Section 18 Reserve Fund: The capital project reserve fund to be established and maintained by the Corporation accordance with the By-laws, to be used as a repair and replacement fund and

for other appropriate purposes as determined by the Board of Directors in accordance with these By-laws.

ARTICLE III

Meetings of Shareholders

Section 1. Annual Meeting: The annual meeting of the Shareholders of the Corporation, for the election of Directors and for such other business as may properly come before such meeting, shall be held in, or contiguous to, Mt. Lebanon, Pennsylvania, before October 30th of each year, on a date and at such time and place as may be designated by the Board of Directors.

Section 2. Notice. The notice of the annual meeting shall be in writing and shall include the proposed agenda for the meeting. Such notice shall state the time and the place where it is to be held, and the Secretary or other agent designated by the President of the Board of Directors, shall cause a copy thereof to be delivered personally, by mail, or by electronic mail to each Shareholder of record of the Corporation entitled to vote at such meeting not less than fifteen (15) nor more than forty-five (45) days before the meeting. If mailed, it shall be directed to each such Shareholder at the Shareholder's address as it appears on the record of the Corporation, unless the Shareholder shall have filed with the Secretary of the Corporation a written request that notices intended for the Shareholder be mailed to some other address, in which case it shall be mailed to the address designated in such request. If electronically mailed, it shall be directed to the email address of the Shareholder as it appears on the record of the Corporation. It is the duty of the Shareholders to update the Corporation's records as needed to reflect any changes to the Shareholder's contact, ownership or occupancy information.

Section 3. Special Meetings: Special meetings of the Shareholders may be called at any time by the President, or by majority vote of the Board of Directors, or upon a Petition signed by Shareholders owning at least twenty percent (20%) of all the votes entitled to be cast. At any time, upon written request of any person entitled to call a special meeting, it shall be the duty of the President to call a special meeting of Shareholders, to be held at such time as the President may fix, not less than ten (10) or more than sixty (60) days after receipt of the request. If the President shall neglect or refuse to issue such call within sixty (60) days of the written request for a meeting, the person or persons making the request may do so. A notice of each special meeting, stating the time, place and purpose thereof shall be served, either personally, by mail or by electronic mail, on each Shareholder of record, at least five (5) days but not more than thirty (30) days before such meeting. No business shall be transacted at any special meeting except as stated in the notice.

Section 4. Waiver of Notice: Each Shareholder who is entitled to notice of a meeting of Shareholders shall have waived notice if he duly executes in writing and files with the records of Shareholders' meetings a waiver of notice of the time, place, and purpose of such meeting either before or after said meeting, or is present at said meeting in person or by proxy.

Section 5. Quorum: Adjournments: At all meetings of the Shareholders, the presence in person or by proxy of Shareholders authorized to cast forty percent (40%) or more of the votes entitled

to be cast shall constitute a quorum. If a quorum is not be present at any meeting, the President, or Vice President in the absence of the President, may adjourn the meeting to some future time and place not more than fifteen (15) days after the date for which the original meeting was called. No notice of the time and place of the adjourned meeting need be given other than by announcement at the meeting. If a meeting is adjourned, the quorum at the second meeting will be deemed present if persons authorized to cast twenty percent (20%) of the votes entitled to be cast shall be present in person or by proxy. At such adjourned meeting any business may be transacted which might have been transacted at the meeting as originally notified. For purposes of establishing a quorum at any meeting, a quorum shall be deemed present throughout the entire meeting notwithstanding the fact that a number of Shareholders may leave the meeting during the meeting, thereby leaving less than a quorum.

Section 6. Voting. Each Shareholder shall be entitled to cast its allocated Cooperative Interest on each matter submitted to a vote. Voting by Shareholders shall be by voice vote, written ballot at a meeting, or by mail ballot, as determined by a majority of the Board of Directors. Each ballot shall state the name of the Shareholder voting, the number of Shares allocated to his or her Dwelling Unit, and the Unit number. Unless otherwise specified in these By-laws or the Articles of Incorporation, the affirmative vote of a majority of the votes represented at any meeting of Shareholders shall be necessary to decide any question brought before such meeting. If only one of the multiple Shareholders of a Unit is present or represented by proxy at a meeting, he or she is entitled to cast all the votes allocated to the Cooperative Interest of which that Unit is a part. If more than one of the multiple Shareholders are present, the votes all to that Cooperative Interest may be cast only in accordance with the agreement of a majority in interest of the multiple Shareholders. If a majority of the interest of the multiple Shareholders cannot reach an agreement, no vote shall be cast for that Cooperative Interest.

Section 7. Proxies. Votes allocated to a Cooperative Interest may be cast in person or pursuant to a proxy duly executed by a Shareholder. Proxies must be in writing duly signed by the Shareholder, and the person named as proxy by any Shareholder shall only be another Shareholder, or his duly authorized attorney-in-fact. If there is more than one Shareholder of a Unit, each Shareholder of the Unit may vote or register protest to the casting of votes by the other Shareholder(s) of the Unit through a duly executed proxy. Members of the Board of Directors may vote at any meeting of the Board of Directors through a duly executed proxy to another Member of the Board of Directors. Proxies cannot be revoked except in writing delivered to the person presiding over the meeting or its designated agent. A proxy of a Shareholder terminates one year after its date, unless it specifies a shorter term. A proxy of a Board Member shall only be valid for the meeting for which it was issued.

Section 8. Conduct at the Meetings. At all meetings of the Shareholders, the then-current edition of Robert's Rules of Order shall generally apply, with certain modifications permitting greater flexibility and informality such is common in small boards and committees, at the sole discretion of the Board President or other individual presiding over the meeting. The Board President or other individual presiding over the meeting shall have discretion to remove a Shareholder that he or she believes is out of order after a request to the Shareholder to cease and desist such activity.

ARTICLE IV

Directors

Section 1. Number and Qualification: At the Annual Meeting of the Shareholders, the election of the members of the Board of Directors will be held. The total number of the Directors of the Corporation shall be seven (7) natural individuals, all of whom shall be Shareholders or the Spouse of a Shareholder. All Directors shall hold office until the earlier to occur of the election and qualification of their respective successors, or their death, adjudication of incompetency, removal or resignation, whichever occurs first.

Section 2. Term of Office: All elected Directors shall be elected for a term of two (2) years, with a two (2)-term limit. After serving two consecutive two-year terms a Director must go off the Board for one year before being eligible to stand for reelection to the Board again.

Section 3. Election. Not less than sixty (60) days prior to the Annual Meeting of the Shareholders, the President, Secretary and Treasurer shall jointly appoint a Nominating Committee of five (5) Shareholders, including at least one (1) but not more than three (3) Directors, which shall review letters of intent and resumes received from interested parties, conduct interviews, and nominate qualified candidates for each Director to be elected at such Annual Meeting and shall report its nominees to the Secretary not less than thirty (30) days prior to the date of the Annual Meeting. No member of the Nominating committee shall be eligible for nomination. Upon Board approval of the nominees, a ballot shall be prepared by the Secretary or other agent designated by a majority of the Board of Directors containing the names of the candidates nominated by the Nominating Committee which will be distributed to all Shareholders in order to cast their votes via mail to the individual designated to count the ballots no less than one (1) week prior to the set Annual Meeting date. The duly elected directors name(s) will be announced at the Annual Meeting.

Section 4. Quorum: At all meetings of the Board of Directors, a majority of the Directors shall constitute a quorum for the transaction of business, and the votes of a majority of the members present at a meeting at which a quorum is present constitutes a decision of the Board of Directors. One or more Directors may participate in and be counted for quorum purposes at any meeting by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. Where these By-Laws reference a decision of the Board of Directors, it shall mean upon a vote of a majority of the Board of Directors. Under no circumstances shall unanimous consent of the Board of Directors be necessary.

Section 5. Voting. Each Director shall be entitled to cast one (1) vote. A vote of more than fifty (50%) of the Directors present at any meeting at which a quorum is present will bind the Board of Directors for all purposes.

Section 6. Meetings. The Board of Directors shall meet as soon as practicable after the Annual Meeting of the Shareholders and from time to time as the Board President shall determine, but such meetings shall be held at least once every three (3) months. Meetings shall be held at the Property at a time designated by the Board President. The President must call a meeting of the

Board of Directors within fifteen (15) days of receipt of a written request signed by three (3) of the Directors holding office. Notice of all meetings of the Board of Directors shall be given to all Directors by personal delivery, mail, facsimile, and/or electronic mail no less than two (2) days prior to such meeting. Presence in person or by proxy of any Director at a meeting of the Board of Directors shall be deemed a waiver of notice.

The Board President will preside over all meetings of the Board of Directors and the Secretary or other agent designated by a majority of the Directors shall keep Minutes of the meetings, recording therein all resolutions adopted by the Board of Directors and a record of all transactions and proceedings occurring at such meetings. The then-current edition of Robert's Rules of Order shall generally apply, with certain modifications permitting greater flexibility and informality such is common in small boards and committees, at the sole discretion of the Board President or other individual presiding over the meeting. One or more Directors may participate in any meeting by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other.

Section 7. Action without a Meeting. Any action by the Board of Directors required or permitted to be taken at any meeting may be taken without a meeting if a majority of the Board of Directors consent in writing to such action. Any such written consent must be filed with the Minutes of the proceedings of the Board of Directors. By way of example and not limitation, upon written consent of a majority of the Board, Board action may be taken by a vote by electronic mail.

Section 8. Vacancies: Vacancies in the Board of Directors shall be filled by a majority of the remaining Directors and each person so elected shall be a Director until his successor is elected by the Shareholders, who shall make such election at the next annual meeting of the Shareholders.

Section 9. 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. Anyone or more of the Directors elected by the Shareholders may be removed with or without cause at any time by the affirmative vote of at least a majority of the votes entitled to be cast by the Shareholders at a Shareholder's meeting duly called for that purpose.

Section 10. Committees: A majority of the Board of Directors may by resolution appoint advisory committees as it may deem appropriate. The President shall appoint a ten (10) member Finance/Budget Committee each year, including two (2) neutral non-Shareholders, one of which shall be a Certified Public Accountant. All final decisions shall be at the sole discretion of the Board of Directors.

Section 11. Salaries: No salary or other compensation for services shall be paid to any Director of the Corporation for services rendered.

Section 12. Powers and Duties: The Board of Directors shall have all of the powers and duties necessary for the administration of the affairs of the Corporation and may do all such acts and things as are provided for by the Articles of Incorporation of the Corporation and these By-laws

as are necessary and done by the Corporation. the Board of Directors shall have the power from time to time to adopt the House Rules, not inconsistent with these By-Laws, as deemed necessary for the efficient operation of the Property and for the safety, benefit, and enjoyment of the Shareholders and Occupants. In addition to the duties imposed by these By-laws or by any resolution of the Shareholders that may hereafter be adopted, the Board of Directors shall, on behalf of the Corporation:

- (a) Prepare and adopt an annual operating budget and capital budget in accordance with Article IX of these By-Laws;
- (b) Provide for the operation, care, upkeep, and maintenance of all the Property and services and operations of the Corporation;
- (c) Engage a credentialed and duly licensed Managing Agent who will manage the maintenance, operation, and repair of the Property and provide services for the Property under such terms as the Board of Directors may determine. However, the Board of Directors shall not be obligated to hire any Managing Agent. As such, the Board of Directors may choose not to hire and Managing Agent. Instead, the Board of Directors may choose to have the Association engage in Self-Management. The determination to utilize a Managing Agent or engage in Self-Management shall be made by a vote of a majority of the Executive Board and such determination may change from time to time depending on the circumstances that exist at that time. Self-Management may include, amongst other possibilities permissible by law, the right to distribute work amongst a number of different entities and professionals on a consulting basis. While engaging in Self-Management, the Association may utilize the services of professionals including, but not limited to, Building Engineers, Construction Managers, Human Resource Professionals, etc. Any determination to replace one of the professionals should consider the qualifications and experience of the replacement. A majority vote of the Board of Directors is required to change a professional.
- (d) Collect the Cooperative Fees, including the costs of collection together with reasonable attorneys' fees and costs necessary thereto, deposit the proceeds thereof in bank depositories designated by the Board of Directors, and use the proceeds to carry out the administration and operation of the Corporation.
- (e) Make, amend and enforce the House Rules not inconsistent herewith, copies of which shall be furnished to each Shareholder;
- (f) Open bank accounts on behalf of the Corporation and designate the signatures thereon, and invest the funds of the Corporation for the benefit of the Corporation.
- (g) Make, or contract for the making of, repairs, additions, restoration, and improvements to or alterations of the Property in accordance with these By-laws, after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings, or as may otherwise be necessary.

(h) Enforce by legal means the provisions of the Articles of Incorporation, these By-laws, all Proprietary Leases, and the House Rules; including the right to exercise any and all legal rights and remedies of the Corporation against defaulting Shareholders; and act on behalf of the Corporation with respect to all matters arising out of any eminent domain proceeding;

(i) Obtain and carry insurance against casualties and liabilities, as provided in these By laws, and pay the premiums therefore and adjust and settle any claims there under;

(j) Pay the cost of all authorized services rendered to the Corporation;

(k) Keep the books with detailed accounts in chronological order of the receipts and expenditures affecting the Property and the administration of the Corporation specifying the expense of maintenance and repair and any other expenses incurred. Such books and vouchers accrediting the entries thereupon shall be available for examination by the Shareholders and Share Lenders, their duly authorized agents or attorneys, during general business hours on working days at the times and in the manner set and announced by the Board of Directors for the general knowledge of the Shareholders. All books and records shall be kept in accordance with generally accepted accounting principles and standards consistently applied, and the same shall be audited and certified at least once each year by an independent accountant retained by the Board, who shall not be a resident of the Property or a Shareholder;

(k.1) Borrow money on behalf of the Corporation when required in connection with any instance relating to the operation, care, upkeep, and maintenance of the Property or other needs of the Corporation; provided, however, that the consent of sixty-seven percent (67%) of votes entitled to be cast by the Shareholders at a meeting duly called and held for such purpose in accordance with the provisions of these By-laws, shall be required to borrow any sum in excess of Fifty Thousand Dollars (\$50,000) in the aggregate during any one calendar year;

(m) Approve the transfers of certificates of Shares, which approval shall not be unreasonably withheld.

Section 13. Restrictions on Capital Improvements. The Board of Directors shall not authorize a capital improvement whose estimated total cost exceeds \$35,000.00, unless said capital improvement is authorized by no less than a majority of the Shareholders present in person or by proxy at a Special Meeting called for that purpose.

Section 14. Code of Ethics. By virtue of the acceptance of a position as Director on the Board of Directors, each Directors pledges and agrees to be bound by the following Code of Ethics. This policy is intended to provide guidance with ethical issues and to ensure cooperation and effectiveness of the Board of Directors.

A. BOARD RESPONSIBILITIES

The general duties for directors are to enforce these By-Laws, the Proprietary Leases and the House Rules, collect and preserve the Corporation's financial resources while maintaining the Property within the standards of the community, insure the Corporation's assets against loss, and keep the Common Areas in a state of good repair. To fulfill that responsibility, Directors must:

- regularly attend and participate at board meetings in a respectful and professional manner,
- review material provided in preparation for board meetings,
- make reasonable inquiry before making decisions
- treat other Directors with business-like respect.

B. PROFESSIONAL CONDUCT

In general, Directors must conduct all dealings with vendors and employees with honesty and fairness, and safeguard information that belongs to the Corporation.

1. Self-Dealing. Self-dealing occurs when Directors make decisions that materially benefit themselves or their relatives at the expense of the Corporation. Benefits include money, privileges, special benefits, gifts or other item of value. Accordingly, no Director member may:

- solicit or receive any compensation for serving on the board or any committee,
- make promises to vendors unless with prior approval from the board,
- solicit or receive, any gift, gratuity, favor, entertainment, loan, or any other thing of value for themselves or their relatives from a person or company who is seeking a business or financial relationship with the Corporation,
- seek preferential treatment for themselves or their relatives,
- use Corporation property, services, equipment or business for the gain or benefit of themselves or their relatives, except as is provided for all Shareholders.

2. Confidential Information. Directors are responsible for protecting confidential information. As such they may not use confidential information for the benefit of themselves or their relatives. Except when disclosure is duly authorized or legally mandated, no Director may disclose confidential information. Confidential information includes, without limitation:

- private personal information of fellow Directors and committee members,
- private personal information of the Shareholders, sub-lessees or occupants;
- private personnel information of the Corporation's employees,

- actions against individual Shareholders related violations, etc.,
- assessment collection information against individual Shareholders, and
- legal disputes in which the Corporation is or may be involved--Directors may not discuss such matters with persons not on the Board without the prior approval of the Corporation's legal counsel. Failure to follow these restrictions could constitute a breach of the attorney client privilege and loss of confidential information.

3. Misrepresentation. Directors may not knowingly misrepresent facts. All association data, records and reports must be accurate and truthful and prepared in a proper manner.

4. Interaction with Employees. To ensure efficient management operations, avoid conflicting instructions from the Board to management and avoid potential liability, Directors shall observe the following guidelines:

- The Board President shall serve as liaison between the Board and management and other employees to provide direction on day to day matters.
- Except for the Board President, Directors may not give direction to management, employees or vendors.
- If Directors are contacted by employees, vendors, or Shareholders with complaints, the employees shall be instructed to contact management.
- No director may threaten or retaliate against an employee, Shareholder or other who brings information to the Board regarding improper actions of a Director.
- Directors are prohibited from harassing or threatening employees, vendors, other Directors, committee members, and Shareholders, whether verbally, physically or otherwise.

5. Proper Decorum. Directors and committee members are obligated to act with proper decorum. Although they may disagree with the opinions of others on the Board or committee, they must act with respect and dignity and not make personal attacks on others. Accordingly, Directors and committee members must focus on issues, not personalities and conduct themselves with courtesy toward each other and toward employees, managing agents, vendors and Shareholders. Directors shall act in accordance with Board decisions and shall not act unilaterally or contrary to the Board's decisions.

ARTICLE V

Officers

Section 1. Election and Removal: The officers of the Corporation shall be a President, a Vice President, a Secretary, and a Treasurer. Such officers shall be elected at the regular meeting in each year immediately following the Annual Meeting of Shareholders, and shall serve until removed or until their successors shall have been elected. Any officer may be removed at any

time, if the Board of Directors in its judgment finds that such removal would be in the best interest of the Corporation, by the affirmative vote of a majority of the then-authorized total number of Directors. One person may hold more than one (1) office at the same time, except that the President and the Secretary may not be the same person. Vacancies occurring in any office may be filled by the Board of Directors at any time.

Section 2. Duties of President and Vice President: The President shall preside at all meetings of the Shareholders and of the Board of Directors. The President or the Vice President may sign in the name of the Corporation all contracts, leases, 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. In the absence of the President or the inability of the President to act, the Vice-President shall have the powers and perform the duties of the President.

Section 3. Duties of Treasurer: The Treasurer shall have the supervisory/ authority over the care and custody of all funds and securities of the Corporation and may direct the deposit of such funds in the name of the Corporation in such savings and loan associations, secure investment funds, banks, or trust companies, federally insured, as the Board of Directors may determine and shall perform all other duties incidental to his office. If so required by the Board of Directors, the Treasurer shall, before receiving any such funds, furnish to the Corporation a bond with a surety company as surety in such form and amount as said Board of Directors from time to time shall determine. The premium upon such bond shall be paid by the Corporation. Within one (1) month after the close of each calendar year, the Treasurer shall cause to be furnished to each Shareholder whose Proprietary Lease is then in effect a statement of the Corporation, its agent or accountant of any deductions available for income tax purposes on a per-share basis and indicating thereon on a per-share basis any such other information as may be necessary or useful to permit Shareholders to compute their income tax returns with respect thereto. Within three (3) months after the end of each fiscal year, the Treasurer shall cause to be transmitted to each Shareholder whose Proprietary Lease is then in effect an annual report of operations and balance sheet of the Corporation. In the absence or inability of the Treasurer, the Assistant Treasurer, if any, shall have all the powers and perform all the duties of the Treasurer.

Section 4. Duties of Secretary: The Secretary may keep the minutes of the meetings of the Board of Directors and of the meetings of the Shareholders of the Board of directors and of the meetings of Shareholders and shall attend to the giving and serving of all notices of the Corporation and shall be empowered to affix the corporate seal to all written instruments authorized by the Board of directors or these By-laws. The Secretary shall also perform all other duties incidental to his office. The Secretary shall cause to be kept a book containing the names, alphabetically arranged, of all persons who are Shareholders of the Corporation, showing respectively their places of residence, the number of Shares held by them, the date when they became the owners thereof, and the amount of all Shares issued, Such books shall be open for inspection as provided by law, In the absence or inability of the Secretary, the Assistant Secretary, if any, shall have the powers and perform all the duties of the Secretary.

ARTICLE VI

Proprietary Leases

Section 1. Fonn: The Board of Directors shall adopt a form of Proprietary Lease to be used by the Corporation for the Occupancy of all Dwelling Units in the Property. Such Proprietary Lease shall be for such term and shall contain such restrictions, limitations, and provisions with respect to the assignment thereof, the subletting of the Dwelling Unit, and the sale and/or transfer of the Shares appurtenant thereto, and such other terms, provisions, conditions, and covenants as the Board of Directors may detennine. After an Proprietary Lease in the form so adopted by the Board of Directors shall have been executed and delivered by the Corporation, it may not bealtered or modified, unless a vote of variation of any one Proprietary Lease is both authorized by at least a majority of the votes entitled to be cast, and by an instrument executed by a duly authorized Officer and the affected Shareholder. The form of future Proprietary Leases may be changed by the approval of at least a majority of the votes entitled to be cast. Approval by Shareholders as provided for herein shall be exercised by written consent or by affirmative vote in a meeting called for such purpose.

Section 2. Allocation of Shares: The Shares allocated to each Dwelling Unit shall be issued in an amount determined in accordance with the records of the Corporation and shall be represented by a single certificate.

Section 3. Assignment of Proprietary Lease or Transfer of Shares; Assignments: Proprietary Leases and Shares shall be assigned or transferred only in compliance with, and shall never be assigned or transferred in violation of, the terms, conditions, or provisions of such Proprietary Leases, these By-laws, the House Rules and/or applicable federal and state security disclosure laws. Any assignment in violation thereof shall be null and void and of no effect. A duplicate original of each Proprietary Lease shall always be kept on file in the principal office of the Corporation.

Section 4. Restrictions on Assignment, Subletting and Occupancy. Shares and leases may be transferred or assigned only to individuals and not to a partnership, corporation, trust or other legal entity. Not more than two individuals may be co-tenants under a lease or the co-owners of shares. Occupancy of Units shall be as a private residential dwelling, only by an individual and members of such individual's family as herein define, and employees and servants of such individual. The term "family" as used herein shall be deemed to mean the individual's spouse, parent, siblings and children. Occupancy shall be subject to any applicable zoning laws and regulations and in no event may the number of persons occupying any Unit exceed two (2) times the number of bedrooms in any Unit. For purposes of this Section, occupancy shall be deemed to refer to a continuous occupancy of 30 days or longer. No Unit shall be subleased more than one time by the same owner and no sublease shall be for a term of more than two (2) years. Any extension or renewal of a sublease shall be deemed a new sublease.

Section 5. Lost Proprietary Lease: 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, but before the issuance of any such new Proprietary Lease, require the Shareholder thereof or the legal representative of the Shareholder to make an affidavit or

affirmation setting forth the facts relating to the loss, destruction or mutilation and such related matters as the Board of Directors may deem necessary, and to give the Corporation a bond in such reasonable sum as the Board of Directors may direct to indemnify the Corporation.

ARTICLE VII

Shares

Section 1. Shares and Proprietary Lease: No Shares hereafter issued or acquired by the Corporation shall be issued or reissued except in connection with the execution by the purchaser and delivery by the Corporation of a Proprietary Lease of a Dwelling Unit in the Property. The ownership of Shares and approved occupancy standards shall entitle the holder thereof to occupy the Dwelling Unit for residential use and only for such purposes as may be specified in these By laws and in the Proprietary Lease to which the Shares are appurtenant, subject to the provisions, covenants, and agreements contained in such Proprietary Lease and to these By-laws and the House Rules.

Section 2. Form and Share Register: Certificates representing the Shares shall be in the form adopted by the Board of Directors and shall be signed by the President or the Vice-President and the Secretary 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 issued in consecutive order and there shall be 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 canceled and the date of cancellation shall be indicated thereon and such certificate shall be retained in the Corporation records.

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 Dwelling Unit 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 Shareholder in person or by power of attorney or stock power with a signature guarantee executed by guarantor acceptable to the Corporation, duly executed and filed with the Secretary of the Corporation and on the surrender of the certificate for such Shares. 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.

Section 5. Corporation's Lien: The Corporation shall have a valid first lien upon the entire interest of each Shareholder in the Corporation and upon all fixtures, appliances and equipment located in the Dwelling Unit including those provided by the Shareholder, whether exempted by law or not, to secure the payment of any and all sums and the performance of any and all obligations which are or may at any time become due from the Shareholder to the Corporation pursuant to any provision in these By-laws, the Articles of Incorporation, the Proprietary Lease or the House Rules. This lien shall remain in effect at all times until full payment of all such sums and until final performance of all such obligations. To evidence this lien, all issued and outstanding Shares of the Corporation shall be continuously and irrevocably pledged as security to the Corporation. In the event the Shareholder fails to make full and timely payment of any

sum or sums due and owing by the Shareholder to the Corporation or in the event the Shareholder fails to perform the Shareholder's obligations as required pursuant to any provision in the By-laws, the Articles of Incorporation, the Proprietary Lease or the House Rules, and such failure continues incurred for more than thirty (30) days after written notice specifying the default from the Corporation to the Shareholder (and to any Share Lender of the Shareholder), then the Corporation shall have the irrevocable and immediate right to take physical possession of said Shares and of the Dwelling Unit and to exercise all rights and remedies available to the Corporation under these By-laws, the Articles of Incorporation, the Proprietary Lease, the House Rules and applicable law, including all the rights and remedies of a secured party under the Uniform Commercial Code, all such rights and remedies being cumulative and enforceable alternatively, successively or concurrently. Waiver or failure to exercise any such right or remedy shall not be construed as a waiver or release of the same or any other right or remedy. This provision shall not be amended, changed, modified or rescinded without the prior written consent of each affected Share Lender. Any subsequent transferee, assignee or holder of the Shares, whether through judicial proceeding, private or public sale or otherwise shall be subject to all the provisions of these By-laws, the Articles of Incorporation, the Proprietary Lease, and the House Rules.

Section 6. Lost Certificates: In the event that any Share certificate is lost, stolen, destroyed, or mutilated, the Board 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 Shareholder of the lost, stolen, destroyed or mutilated certificate, or the legal representative of the Shareholder, to make an affidavit or affirmation setting forth the facts relating to the loss, destruction or mutilation and such related matters as the Board may deem necessary, and to give the Corporation a bond in such reasonable sum as the Board may direct to indemnify the Corporation.

ARTICLE VIII

Indemnification

Section 1. Coverage: Every director, officer, attorney, accountant, employee and/or agent of the Corporation shall not be personally liable to and shall be indemnified by the Corporation against all expenses and liabilities, including counsel fees, reasonably incurred by or imposed upon him in connection with any proceedings to which he may be made a party or in which he may become involved, by reason of any action taken or omission made while a director, officer, attorney, accountant, employee and/or agent of the Corporation, or any settlement thereof, whether or not he or she is serving as a director or officer, accountant, employee and/or agent at the time such expenses are incurred, to the fullest extent permitted by applicable law; provided that the indemnification herein shall not apply if such action or omission was performed or made in bad faith. The Corporation's obligations hereunder shall be operative only with respect to such amounts and expenses as have actually been paid or incurred by or on behalf of such officer, director, attorney, accountant, employee and/or agent, or to such person as shall have made payment on behalf of such officer, director, attorney, accountant, employee and/or agent to his Obligee. The Corporation's obligations hereunder shall in no manner be regarded as giving to any Obligee, or successor thereto, any cause of action against this Corporation.

Section 2. Insurance: The Corporation, by and through its Board of Directors, shall have the power and authority to purchase and maintain insurance on behalf of any person who is or was a director, officer, attorney, accountant, employee and/or agent of the Corporation, or who, while a director, officer, attorney, accountant, employee and/or agent of the Corporation, is or was serving any other entity at the request of the Corporation, in any capacity, against any liability asserted against and incurred by such person in any such capacity, or arising out of such person's position, whether or not the Corporation would have the power to indemnify him against such liability under the provisions of this Article VIII.

Section 3. Provisions Not Exclusive: The indemnification provided by this Article VIII shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under applicable law, the Articles of Incorporation, By-laws, any agreement, or the vote of Shareholders or of disinterested Directors.

ARTICLE IX

Operation of the Corporation

Section 1. Determination of Cooperative Fees and Budgets:

(a) **Fiscal Year.** The fiscal year of the Corporation shall be the calendar year unless otherwise determined by resolution of the Board of Directors.

(b) **Preparation and Approval of the Budgets.** Sixty (60) days before the beginning of each fiscal year, the Board shall adopt a capital budget and operating budget for the Corporation. Within thirty (30) days after adoption of any proposed budget for the cooperative, the Board of Directors shall provide the budget to all Shareholders and shall set a date for a meeting of the Shareholders to consider ratification of the budget not less than fourteen (14) nor more than thirty (30) days after mailing of the budget. Unless at that meeting a majority of all Shareholders present reject the budget, the budget is ratified whether or not a quorum is present. In the event the proposed budget is rejected, the periodic budget last ratified by the Shareholders shall be continued until such time as the Shareholders ratify a subsequent budget proposed by the Board of Directors.

(c) **Assessment and Payment of Cooperative Fees.** The total amount of the estimated funds required for operation of the Corporation and funding of the budgets as set forth in the budgets adopted by the Board and ratified by the Shareholders shall be assessed or charged as annual Cooperative Fees to each Shareholder in accordance with the terms of the Proprietary Lease and these By-Laws in proportion to the respective Shares owned in connection with each Dwelling Unit. At the end of each fiscal year, the Board shall supply to all Shareholders an itemized accounting of expenses for such fiscal year actually incurred and paid, together with a tabulation of the amounts collected pursuant to the budgets adopted by the Board for such fiscal year, and showing the net amount over or short of the actual expenditures plus reserves. Any amount accumulated in excess of the amount required for actual expenses and reserves shall, at the discretion of the Board either be placed in a special reserve account to be expended solely for the requirements of the Corporation or be credited to each Shareholder to the next monthly Cooperative Fees due from Shareholders under the current fiscal year's budgets, until exhausted.

(d) Scope of Cooperative Fees. The Cooperative Fees must be sufficient to fund the budgets in accordance with the standards of the community. In the event any Shareholder fails or refuses to pay the cost of the maintenance and upkeep of the Shareholder's Dwelling Unit or fails to keep such Dwelling Unit in good condition and repair, the Corporation may enter and pay the cost on behalf of such Shareholder or otherwise cure or cause such Dwelling Unit to be maintained in good condition and repair and charge any and all costs incurred in so doing as Special Charges, to such Shareholder as a part of that Shareholders Cooperative Fees. Special Charges shall be deemed payable as Cooperative Fees.

(e) Commencement of Cooperative Fees; Requirement of Payment. Upon any permitted sale of Shares, the selling Shareholder shall be responsible for Cooperative Fees to the last day of his ownership and the new Shareholder shall be responsible for payment of Cooperative Fees from his first day of ownership. Thereafter the Shareholder shall pay Cooperative Fees each month in advance when due, without demand or billing based on the current budgets. For purposes of these By-laws, ownership shall be deemed to have changed as of the day upon which the Shares are transferred on the official books of the Corporation.

(f) Effect of Failure to Prepare or Adopt Budget. The failure or delay of the Board of Directors to prepare or adopt the an operating budget for any fiscal year shall not constitute a waiver or release in any manner of a Shareholder's obligation to pay his Cooperative Fees as herein provided whenever the same shall be determined and, in the absence of any annual operating budget or adjusted budget, each Shareholder shall continue to pay each monthly amount of Cooperative Fees at the monthly rate established for the previous fiscal year until new Cooperative Fees are fixed.

(g) Net Savings. The Corporation will handle its net savings/unused budget as follows:

(l) Allocate or distribute such net savings to all Shareholders in proportion to their Proportionate Share;

(k2) Retain them for the actual or potential expansion of its services or the reduction of its charges to Shareholders in the current or future year; or

Use them for such other purposes as may be duly authorized hereunder not inconsistent with its purposes, such as capital reserve funding.

(h) Replacement Reserve Fund.

(1) The Board shall provide for, accumulate, and maintain a reserve for capital project replacements on the basis of reasonable estimates and projections for future major repairs and replacements to the Common Areas.

(2) If the Replacement Reserve Fund is inadequate for any reason, including non-payment of any Shareholder's Cooperative Fees, the Board may at any time, levy a special assessment against the Shareholders according to their respective proportional Shares and which may be payable in a lump sum or in installments as a majority of the Board, at its sole discretion, may determine. The Board shall serve notice of any such special assessment on all Shareholders by issuing a statement in writing giving the amount and reasons therefore, and

such further assessment shall, unless otherwise specified in the notice, become effective with the next monthly payment of Cooperative Fees. All Shareholders shall be obligated to pay such adjusted monthly amounts of Cooperative Fees, or, if such further assessment of Cooperative Fees is not payable in installments, then the full amount of such assessment shall be due as directed by the Board of Directors.

ARTICLE X

Insurance

Section 1. Authority to Purchase: Except for the insurance required to be purchased by the Shareholder under the Proprietary Lease, all insurance policies relating to the Property shall be purchased by the Corporation. The Board shall not be liable for failure to obtain any coverage's required by this Article X or the limits of such policy or for any loss or damage resulting from such failure if such failure is due to the unavailability of such coverage's from reputable insurance companies, or if such coverage's are so available only what a majority of the Board of Directors considers to be demonstrably unreasonable costs. All policies of insurance shall be written by reputable companies licensed to do business in the Commonwealth of Pennsylvania.

Section 2. Physical Damage Insurance: The Board of Directors may obtain and maintain, if reasonably available, a blanket, "all-risk" form policy of fire insurance with extended coverage, insuring all Common Areas, together with all equipment and machinery owned by the Corporation contained therein and covering the interests of the Corporation, the Board, officers of the Corporation, Shareholders, in an amount equal to one hundred percent (100%) of the then current replacement costs of the Property (exclusive of the land, excavations, foundations, and their items normally excluded from such coverage), without deduction for depreciation.

Section 3. Liability Insurance: The Board shall obtain and maintain, if reasonably and economically available, property damage and liability insurance in such limits as a majority of the Board may from time to time determine and as may be reasonably available, insuring each Shareholder of the Board and each Officer, against any liability to the public or to the Shareholders (and their invitees, agents, and employees) arising out of, or incident to, the ownership and/or use of the Property. In addition, the Board shall obtain and maintain, if reasonably available, comprehensive Directors' and Officers' Liability Insurance (including libel, slander, false arrest, and invasions of privacy coverage and errors and omissions coverage for officers and directors). In addition, "umbrella" liability insurance in excess of the Primary limits shall also be obtained and maintained, if reasonably available.

Section 4. Fidelity Insurance: The Board must obtain and maintain adequate fidelity coverage to protect against dishonest acts on the part of Officers, Directors, trustees, and employees of the Corporation and all others who handle, or who are responsible for handling funds of the Corporation.

Section 5. Other Insurance:

The Board must obtain and maintain:

(2.a) Workmen's compensation insurance if and to the extent necessary to meet the requirements of law; and

(2.b) Such other insurance that may be recommend by the Corporation's insurance agent. The Board shall not be liable for failure to obtain any coverages required by this Section 5 or for any loss or damage resulting from such failure if such failure is due to theunavailability of such coverages from reputable insurance companies, or if such coverages are so available only at a price that a majority of the Board considers to be demonstrably unreasonable costs.

Section 6. Insurance Trustee: All physical damage insurance policies purchased by the Board shall be for the benefit of the Corporation and the Shareholders, as their interests may appear, and shall provide that, with respect to any loss, the proceeds thereof shall be paid to the Corporation, as Insurance Trustee, to be applied pursuant to the terms of Article IX and X described herein.

Section 7. Board of Directors as Agent: For purposes of insurance involving the Corporation, the Board is hereby irrevocably appointed the agent for each Shareholder, and other named insured and their beneficiaries and the Share Lender with respect to the Corporation or the Property to adjust and settle all claims arising under insurance policies purchased by the Board and to execute and delivery releases upon the payment of claims.

ARTICLE XI

Re air and Reconstruction

Section 1. When Repair and Reconstruction Are Required: Except as otherwise provided in Section 2 of this Article XI in the event of damage to or destruction of all or any of the buildings constituting a part of the Property as a result of fire or other casualty, the Board, under the direction of the Insurance Trustee, shall arrange for and supervise the prompt repair and restoration of the buildings (including any damaged Dwelling Units, but not including any furniture, furnishings, fixtures, equipment, decorations, improvements or other real or personal property supplied or installed by the Shareholders in the Dwelling Units).

Section 2. When Reconstruction Is Not Required: In the event of a fire or other disaster causing loss, damage, or destruction to the Property, if the same is not insured against the peril causing the same or the proceeds of any policy insuring against the same and payable by reason thereof are insufficient to reconstruct the property, then within thirty (30) days after the actual adjustment of insurance claim, if any, or if there is no adjustment then within thirty (30) days after such damage or destruction; the Board of Directors shall call a special meeting of Shareholders for the purpose of determining whether the Property will be reconstructed. The decision to reconstruct of the Property, or a part thereof, shall require the affirmative vote of not fewer than sixty-seven percent (67%) of the votes entitled to be cast. If provision for reconstruction of the Property is not made within sixty (60) days from the final date of the adjustment of such insurance claim then the Shareholders shall adopt a plan of liquidation for the Corporation. Except as provided at law, no Shareholder shall be entitled to priority over any Share Lender with respect to the distributive share payable by reason of such damage or destruction.

ARTICLE XII

Negotiable Instruments

Section 1. Signatures: All checks, drafts, orders for payment of money, and negotiable instruments shall be signed by such Officers, the management agent, or employee or employees of the Corporation or Managing Agent as are designated by standing resolution, special order, or contract between the Corporation and Managing Agent. Endorsements or transfers of Shares, Bonds, or other securities shall be signed by the President or the Vice-President and by the Treasurer or an Assistant Treasurer or the Secretary or an Assistant Secretary. This Section 1 of Article XII shall not be interpreted to require that funds in the possession of the Managing Agent require the signature of the Corporation.

Section 2. Safe Deposit Access: Such Officer or Officers, as from time to time shall be designated by the Board President, shall have access to any safe or safe deposit box of the Corporation.

Section 3. Bonds and Securities: Such Officer or Officers, as from time to time shall be designated by a majority of 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 XIII

Compliance and Default

Section 1. Default: If at any time one of the events specified in the following subparagraphs (a) through (g) of this Section 1 of Article XIII occurs, the Corporation may terminate the Shareholder's right to occupancy and exercise any other rights and remedies available under the Proprietary Lease, these By-laws, at law, or in equity. Such events of default shall include, but not be limited to, the following:

- (a) In case at any time during the term of the Proprietary Lease the Shareholder shall cease to be the owner of Shares, except as otherwise provided in the Proprietary Lease or the By-laws;
- (b) In case the Shareholder shall attempt to transfer or assign the Proprietary Lease in a manner inconsistent with the provisions of the Articles of Incorporation, these By-laws or the Proprietary Lease, or to sublease his Dwelling Unit in a manner inconsistent with the By-laws, Proprietary Lease, or the House Rules promulgated by the Board with respect to leases;
- (c) In case the Shareholder shall fail to effect and/or pay for repair and maintenance as provided for in these By-laws and in the Proprietary Lease;
- (d) In case the Shareholder shall fail to pay any sum due as a Cooperative Fee, Special Charge, or otherwise due pursuant to any provision of these Bylaws or of the Proprietary Lease;

(e) In case the Shareholder shall default in the performance of any of his obligations under the Proprietary Lease or these By-laws or shall fail to comply with or abide by any of the covenants, conditions, promises, or undertakings of or under the Proprietary Lease or any article or part thereof or of any of the provisions of these By-laws or of the House Rules;

(f) In case the Shareholder shall abandon the Dwelling Unit; and

(g) In case (1) there is filed a petition in bankruptcy court by or against the Shareholder or for the appointment of a receiver for the Shareholder, pursuant to any applicable bankruptcy law, or an assignment by Shareholder for the benefit of creditors, provided, however, that if any such action is commenced involuntarily against the Shareholder, it will not constitute a default if it is dismissed or stayed within sixty (60) days after the filing date; (2) a receiver or trustee of the property of the Shareholder is appointed by any court; (3) the Shareholder makes a general assignment for the benefit of creditors; (4) any of the Shares of the Corporation owned by the Shareholder are duly levied upon under court process; or (5) the Proprietary Lease or any of the Shares pass by operation of law or otherwise to anyone other than the Shareholder or a person to whom the Shareholder has assigned the Proprietary Lease or the Shares in accordance with the Proprietary Lease and these By-laws, but this Section 1(g) shall not be applicable if the Proprietary Lease devolves upon the heirs or personal representatives of the Shareholder.

Section 2. Compliance: Each Shareholder, sub-lessee and/or occupant shall be governed by, and shall comply with, all of the terms of these By-laws, the Articles of Incorporation, the Proprietary Lease, and the House Rules as any of the same may be amended from time to time.

Section 3. Additional Liability: Each Shareholder shall be liable for the expense of all maintenance, repair, or replacement rendered necessary by his act, neglect, or carelessness or the act, neglect, or carelessness of any Shareholder or his or her family, employees, agents, guests, licensees or subtenants. Such liability shall include any increase in casualty insurance rates occasioned by use, misuse, occupancy, or abandonment of any Dwelling Unit or its appurtenances. Nothing contained herein, however, shall be construed as modifying any waiver by any Shareholder of its insurance company's rights of subrogation.

Section 4. Costs and Attorneys' Fees: In any proceedings arising out of any alleged default by a Shareholder, the prevailing party shall be entitled to recover the costs of all such proceedings and such reasonable attorneys' fees as may be determined by the court.

Section 5. Late Fees: In the event of a default by any Shareholder in paying any sum assessed as a Cooperative Fee, Special Charge, administrative charge or any other sum due under these By laws, the Proprietary Lease, or the House Rules which continues for a period in excess of ten (10) days, Late Fees in an amount established by the Board of Directors shall become due to the Corporation.

Section 6. Interest: In the event of a default by any Shareholder in paying any sum assessed as a Cooperative Fee, Special Charge, administrative charge or any other sum due under these By laws, the Proprietary Lease, of the House Rules which continues for a period in excess of ten

(10) days, interest at the rate of the maximum permitted by law, but in no event in excess of fifteen percent (15%) percent, may be imposed at the discretion of the Board of Directors upon the principal amount unpaid from the date due until paid.

Section 7. Abating and Enjoining Violations by Shareholders: The violation of any of the House Rules adopted by the Board, the breach of any By-law contained herein, the breach of any provision of the Proprietary Lease, or the breach of any provision of the Articles of Incorporation shall give the Board the right, in addition to any other rights set forth in these By-laws:

(a) to enter the Dwelling Unit in which, or as to which, such violation or breach exists and summarily to abate and remove, at the expense of the defaulting Shareholder, any structure, thing, or condition that may exist therein contrary to the intent and meaning of the provisions hereof, and the Board of Directors shall not thereby be deemed guilty in any manner of trespass; or

(b) to enjoin, abate, or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach; (c) to terminate the voting rights and/or right to use of the Common Areas; or

(c) to terminate the Proprietary Lease and deny the right of occupancy until such default shall be cured. The Corporation may, at its sole election, mitigate its damages as it sees fit, including, without limitation, the renting (on a month-to-month or other basis) of the Dwelling Unit of the defaulting Shareholder from and after the date of the aforesaid termination of the Proprietary Lease, to and including the day preceding the effective date of any new Proprietary Lease pertaining to the Dwelling Unit of the defaulting Shareholder. The costs incurred by the Corporation with respect to the exercise of its rights and remedies hereunder shall be charged and assessed to the Shareholder as a Special Charge.

Section 8. Legal Proceedings: Failure to comply with any of the terms of the Proprietary Lease, Articles of Incorporation, these By-laws, and the House Rules shall be grounds for relief, including, without limitation, an action to recover any sums due for money damages, injunctive relief, any cost of actions for payment of all Cooperative Fees, Special Charges, or any other charges and costs, any other relief provided for in these By-laws or any combination thereof and any other relief afforded by a court of competent jurisdiction, all of which relief may be sought by the Corporation, the Board of Directors, or the Managing Agent.

Section 9. Access to Books, Records and Financial Statements: Upon written request, any Shareholder shall be entitled to:

(a) inspect the books and records relating to the Property during normal business hours, upon reasonable notice; and

(b) receive a copy of any year-end financial statement of the Corporation concurrently with its distribution to the Shareholders.

ARTICLE XIV

Condemnation

Section 1. Condemnation Proceedings: Whenever the state, a political subdivision, or any other corporation, agency, or authority having the power of eminent domain shall seek to acquire any of the Property, such authority may conduct negotiations with the Board of Directors as representatives of all Shareholders, and the Board of Directors may execute and deliver the appropriate conveyance for all agreed consideration. The Board of Directors shall allocate such consideration, whether received through negotiation or condemnation, to the repair, replacement, or restoration of the Property, and then to Shareholders holding Proprietary Leases for the Dwelling Units the subject of such condemnation as determined by a special committee of the Board of Directors established for such purpose. The committee shall be structured in such a manner to provide fair and adequate representation for the Corporation and those Shareholders whose Dwelling Units are sought to be condemned by the authorities. Subject to the foregoing provisions of this Section I of Article XVI, in any condemnation proceedings the Shareholders shall be entitled to seek and have their just damages for the taking of their Dwelling Unit as allowed by law, including severance damage, if any.

ARTICLE XV

Miscellaneous

Section 1: Amendments: These By-laws may be amended, enlarged or diminished either by a petition signed by the holders of at least sixty-seven percent (67%) of the votes entitled to be cast or at any special meeting called for such purpose, or at an annual meeting, by vote of Shareholders holding sixty-seven percent (67%) of the votes entitled to be cast (including votes voted by proxy). If the Shareholders exercise their power to adopt, alter or repeal the By-laws at an annual or a special meeting of Shareholders, the proposed amendment or the substance thereof shall have been inserted in the notice of proxy at such meeting.

Section 2. Notices: All notices, demands, bills, statements or other communications under these By-laws shall be in writing and shall be deemed to have been duly given if delivered personally or if sent by mail, postage prepaid:

(a) if to a Shareholder, at the address which the Shareholder shall designate in writing and file with the Secretary; or

(b) if to the Corporation, to the Managing Agent, with a copy to the Board President. If a Share is owned by more than one person, each such person who so designates an address in writing to the Secretary shall be entitled to receive all notices hereunder.

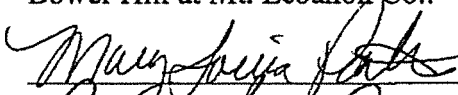
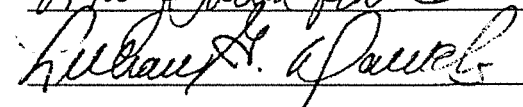
Section 3. Captions: The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit, or describe the scope of these Bylaws or the intent of any provision thereof.

Section 4. Gender: The use of the masculine gender in these By-laws shall be deemed to include the feminine and neuter genders and the use of the singular shall be deemed to include plural, and vice versa whenever the context so required.

Section 5. Seal: The corporate seal shall have inscribed thereon the name of the Corporation, the year of its Incorporation and the words, "Corporate Seal" and "Pennsylvania". The Board of Directors may authorize one or more duplicate seals and provide for the custody thereof.

Section 6. Affixing Seal: Whenever the Corporation is required to place its corporate seal to a document, it shall be sufficient to meet the requirements of any law, rule or regulation relating to a corporate seal to place the word "(SEAL)" adjacent to the signature of the authorized officer.

Adopted this 27th day of O c t o b e r 2015.

Bower Hill at Mt. Lebanon Co.:



REPLACEMENT BY-LAWS OF BOWER HILL AT MT. LEBANON CO.

This document replaces in its entirety the previous By-Laws and all amendments thereto.

This document was duly adopted by vote of the Bower Hill at Mt. Lebanon Co. shareholders representing more than 67% of the total shares issued. The meeting where this action was taken was the Annual Meeting of Shareholders held on October 27, 2015.

IN WITNESS WHEREOF, the President and Secretary of the Board of Directors of Bower Hill at Mt. Lebanon respectively executed this document on behalf of the cooperative association for the purpose of replacing the By-Laws of the association as described herein and approved by a compelling vote of the shareholders on the 27th day of October, 2015.

By: BOWER HILL AT MT. LEBANON CO.

President: Mary Louise Pastorok
Mary Louise Pastorok

Secretary: Lillian Daniels
Lillian Daniels

Commonwealth of Pennsylvania
County of Allegheny
Notary: Ann K. Pazur

On this 28th day of October, 2015 personally appeared

Mary Louise Pastorok and Lillian Daniels known to me or satisfactorily proven to be the parties who signed the within instrument for the purpose stated herein. This instrument is intended to be recorded in the public records of Allegheny County, Pennsylvania and will serve to supersede anything contrary that may now be contained in the public records relative to the governance of the Bower Hill at Mt. Lebanon cooperative association.

My commission expires: May 6, 2018

Mail To:
Fred C. Jug, Jr., Esquire
BRANDT, MILNES & REA, P.C.
310 Grant Street, Suite 1109
Pittsburgh, PA 15219

