

BY-LAWS OF RIVER TERRACE COOPERATIVE, INC.

ARTICLE I

MEETINGS OF STOCKHOLDERS

1. ANNUAL MEETING. The annual meeting of the stockholders of the Corporation, for the election of directors and for such other business as may properly come before such meeting, shall be held in New Castle County, Delaware on the first ~~Monday~~^{Tuesday} of ~~February~~^{December} of each year, unless a legal holiday, in which event such meeting shall be held on the first day thereafter not a holiday. The notice of meeting shall be in writing and signed by the President or a Vice President or the Secretary or an Assistant Secretary. Such notice shall state the purpose or purposes for which the meeting is called and the time and the place where it is to be held and a copy thereof shall be served, either personally or by mail, upon each stockholder of record entitled to vote at such meeting, not less than ten days before the meeting.

2. SPECIAL MEETINGS. Special meetings of stockholders may be called at any time by the President or Secretary or by a majority of the Board of Directors, and it shall also be the duty of the Secretary to call

a meeting whenever requested in writing so to do by stockholders of record of at least one-quarter of the outstanding shares. A notice of each special meeting, stating the time, place, and purpose thereof and the officer or other person or persons by whom the meeting is called, shall be served, either personally or by mail, on each stockholder of record, at least ten days before such meeting. No business other than that stated in the notice shall be transacted at any special meeting unless the holders of record of all the outstanding shares of the Corporation are present in person or by proxy.

3. WAIVER OF MAILING OF NOTICE. Any stockholders' meeting whatever shall be valid for all purposes if the stockholders of record of all the outstanding shares of the Corporation are present in person or by proxy, or if a quorum is present as provided in the next succeeding section and notice of the time, place, and purpose of such meeting has been duly waived in writing by all stockholders not so present. Any notice to be served upon a stockholder by mail shall be directed to the stockholder at his address as it appears on the books of the Corporation unless the stockholder shall have filed with the Secretary of the Corporation a written request

that notices intended for him be mailed to some other address, in which case it shall be mailed to the address designated in such request.

4. QUORUM. At all meetings of stockholders in order to constitute a quorum and to permit the transaction of any business, except to adjourn a meeting, there shall be present, either in person or by proxy, holders of record of a majority of the outstanding shares of the Corporation.

5. VOTING. Each stockholder of record shall be entitled at each stockholders' meeting to one vote, in person or by proxy, for each apartment for which he has entered into a proprietary lease with the Corporation. All proxies shall be in writing and shall be filed with the Secretary at or previous to the time of the meeting. All voting shall be viva voce, except that any qualified voter may demand a ballot vote, in which case the voting shall be by ballot, and each ballot shall state the name of the stockholder voting and the number of apartments leased by him, and in addition the name of the proxy, if such ballot is cast by a proxy.

6. ORDER OF BUSINESS. The regular order of business for the annual meeting of stockholders, and for each special meeting to the extent such order is applicable, shall be as follows:

- (a) Roll call.
- (b) Presentation of notice of the meeting and proof of service, or waiver of notice.
- (c) Reading of minutes of preceding stockholders' meeting.
- (d) Reports of officers.
- (e) Reports of committees.
- (f) Election of directors for ensuing year.
- (g) Miscellaneous business.

ARTICLE II

DIRECTORS

1. ELECTION AND TERM. Directors shall be elected at the annual meeting of stockholders, or at a special meeting called for that purpose as provided by law, by a plurality of the votes cast at such election. Directors shall serve until the date herein fixed for the next annual meeting of stockholders and until the election of their respective successors. Directors must be stockholders.

2. VACANCIES. Vacancies in the Board of Directors resulting from death, resignation, or removal may be filled without notice to any of the stockholders

by a vote of a majority of the remaining directors present at the meeting at which such election is held even though no quorum is present, which may be at any regular meeting of the Board of Directors or any special meeting thereof called for such purpose. Vacancies in the Board of Directors resulting from an increase in the size of the Board of Directors shall be filled in the manner provided in the resolution increasing the size of the Board of Directors. If all the directors die or resign, any stockholder may call a special meeting of the stockholders as provided herein and directors for the unexpired term may be elected at such special meeting in the manner provided for their election at annual meetings.

3. REMOVAL. Any director may be removed from office without cause by the stockholders of the Corporation at a meeting duly called for that purpose.

4. MEETINGS. The Board of Directors shall hold its annual meeting immediately after the annual meeting of stockholders, without notice, and shall hold a special meeting whenever called together by the President or by a Vice President, or, after written request of any two directors then holding office, by any other officer, upon two days' written notice to each director served in person

or by mailing the same to him at the last address furnished by him to the Corporation. Any meeting of the Board at which all the directors are present, or of which notice has been duly waived by all absentees, shall be valid for all purposes provided a quorum is present. A majority of the directors shall constitute a quorum. Meetings of the Board shall be held at such place within the County of New Castle, Delaware as is specified in the notice calling the meeting. At meetings of the Board, each director shall be entitled to one vote.

5. ANNUAL BUDGET. In furtherance of the definitions and provisions of the proprietary leases entered into by the Corporation with its stockholders the Board of Directors shall determine the cash requirements, as defined therein, and shall likewise fix the terms and times of payment of the rent due from stockholders who are lessees under such proprietary leases to meet such cash requirements. The Board of Directors shall have discretionary power to prescribe the manner of maintaining and operating the apartment building of the Corporation, and any other premises acquired by the Corporation by purchase or otherwise, and to determine the foregoing cash requirements. Every such determination by the Board shall be final and conclusive as to all stockholders who are lessees under proprietary leases and any

expenditures made by the Corporation's officers or agents under the direction or with the approval of the Board, shall, as against such stockholders, be deemed necessarily and properly made for such purposes. The operating year of the corporation shall be as determined by the Board of Directors.

6. HOUSE RULES. The Board of Directors shall have power to make and change the house rules applicable to the apartment building of the Corporation whenever the Board deems it advisable so to do. All house rules shall be binding upon all tenants and occupants of the apartment building.

ARTICLE III

OFFICERS

1. ELECTION AND REMOVAL. The Board of Directors at its first meeting and at each annual meeting shall elect by a majority vote, a President and one or more Vice Presidents, a Secretary, and a Treasurer, and may also at any time appoint one or more Assistant Secretaries or Assistant Treasurers and accord to such assistant officers such powers as the Board deems proper. Any person otherwise qualified may hold any two offices. Each of the officers shall serve until the next annual meeting of the Board and until the election or appointment of his respective successor; but any officer may be removed from office at any time, and a successor chosen, at the pleasure of the Board, upon affirmative

vote, taken at any meeting, by a majority of the then total authorized number of directors.

2. PRESIDENT AND VICE PRESIDENT. The President shall preside at meetings of stockholders and of the Board of Directors. He shall, subject to the control of the Board, have general management of the affairs of the Corporation and shall perform all the duties incidental to his office or prescribed for him by these By-laws or by the Board and shall make and sign in the name of the Corporation all contracts, leases, and other instruments which are authorized from time to time by the Board. In the absence of inability of the President, 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 in the name of the Corporation.

3. SECRETARY. The Secretary shall keep and record, in proper books provided for the purpose, the minutes of meetings of the Board of Directors and of the stockholders, he shall record all transfer of stock and cancel and preserve certificates of the shares so transferred, and he shall attend to the giving and serving of notices of the Corporation, he shall have custody of the corporate seal, and shall affix the same to the stock certificates and to written instruments required by law or by these By-laws or authorized by the

Board. He shall also perform all other duties incidental to his office. He shall keep a book, to be known as the share book, containing the names, alphabetically arranged, of all persons who are stockholders of the Corporation, showing their places of residence, the number of shares held by them respectively, the time when they respectively became the owners thereof, the amount paid thereon, and the denomination and amount of all transfer stamps affixed thereto, and such book shall be open daily, during at least three business hours, for inspection by any judgment creditor of the Corporation, or by any person who shall have been a stockholder of record for at least six months immediately preceding his demand, or by any person holding, or thereunto in writing authorized by the holders of, at least 5% of all the outstanding shares. Persons so entitled to inspect the stock book may make extracts therefrom. In the absence or inability of the Secretary, the Assistant Secretary shall have all of the powers and perform all of the duties of the Secretary.

4. 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 and shall keep the same in its name in such banks, trust companies, or safe deposit companies as the Board shall designate, and shall perform all other duties incidental to his office, or prescribe for him by these By-laws or by the

Board. If so required by the Board, he shall, before receiving any such funds or securities, furnish to the Corporation a Bond with a surety company as surety, in such form and amount as the Board from time to time shall determine. The premium upon such bond shall be paid by the Corporation. Within a reasonable time after the close of each year ending December 31st, the Treasurer shall furnish to each stockholder who is a lessee under a proprietary lease then in force a statement of the income, expenses, and paid-in surplus of the Corporation during such year, on which statement there shall be indicated the portions of the rent paid by such stockholder under his proprietary lease during such year which have been used by the Corporation for the payment of taxes on real estate and interest on its mortgage or other indebtedness. In the absence or inability of the Treasurer, the Assistant Treasurer shall have all the powers and perform all of the duties of the Treasurer.

5. SALARIES. No salary or other compensation for services shall be paid to any director or officer of the Corporation for services rendered as such director or officer unless and until the same shall have been authorized in writing or by affirmative vote, taken at a duly held stockholders' meeting, by at least two-thirds of the apartment lessees.

ARTICLE IV
PROPRIETARY LEASES

1. FORM. The Board of Directors shall adopt a form of proprietary lease to be used by the Corporation for the leasing of all apartments in the apartment building to be leased to stockholders 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 or transfer of the stock of the Corporation accompanying the same, and such other terms, provisions, conditions, and covenants, as the Board deems advisable. 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 unless the variation is approved by two-thirds of the lessees under proprietary leases then in force.

2. ASSIGNMENT. Proprietary leases shall be assigned or transferred only in compliance with their terms, and shall never be assigned or transferred in violation of the terms, conditions, and provisions, of such proprietary leases. A duplicate original of each proprietary lease shall

always be kept on file in the office of the Corporation or with the managing agent of the apartment building.

3. ACCOMPANYING SHARE. The Board of Directors shall allocate to each apartment to be leased under a proprietary lease one share of the stock of the Corporation which must be owned by the proprietary lessee thereof.

ARTICLE V CORPORATE SHARES

1. ISSUANCE OF SHARES. A share of the stock of the Corporation shall be issued only in connection with the execution and delivery by the lessee and the Corporation of a proprietary lease of an apartment in the building owned or leased by the Corporation, and ownership of a share so issued shall entitle the holder thereof to occupy for dwelling purposes the apartment specified in the proprietary lease so executed and delivered in connection with the issuance of such share, subject to the covenants and agreements contained in such proprietary lease.

2. STOCK CERTIFICATES. Certificates for the stock of the Corporation shall be in the form prescribed 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. Certificates shall be bound in a book and issued in consecutive order therefrom, and in the margin or stub thereof shall be entered the name of the person holding the share therein represented, 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 immediately pasted in the certificate book opposite the memorandum of its issue.

3. TRANSFER. Transfers of shares shall be made only upon the books of the Corporation by the holder in person or by power of attorney, duly executed and witnessed and filed with the Secretary, and on the surrender of the certificate of such shares, except that shares sold by the Corporation to satisfy any lien which it holds thereon may be transferred without the surrender of such certificate. No transfer of shares shall be valid as against the Corporation, its stockholders, and creditors for any purpose until it shall have been entered in the stock book by an entry showing from whom and to whom transferred.

4. UNITS OF ISSUANCE. The share issued to accompany each proprietary lease shall be issued in the amount allocated by the Board of Directors to the apartment described in such proprietary lease. Unless and until all proprietary leases which shall have been executed by the

Corporation shall have been terminated, the share which accompanies each proprietary lease shall be represented by a single certificate and shall not be sold or transferred except to the Corporation or as an entirety to a person who has acquired such proprietary lease, or a new one in place thereof, after complying with and satisfying the requirements of such proprietary lease in respect to the assignment thereof.

5. FEES ON TRANSFER. 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 expenses and attorneys' fees in connection with such proposed transfer.

6. CORPORATE LIEN. The Corporation shall at all times have a lien upon the share owned by each stockholder to secure the payment by such stockholder under the provisions of any proprietary lease issued by the Corporation and at any time held by such stockholder and for all other indebtedness from such stockholder to the Corporation and to secure the performance by the stockholder of all the covenants and conditions of such proprietary lease to be performed or complied with by the stockholder. Unless and until such stockholder or lessee makes default in the payment of any such rent or other indebtedness or in the

performance of any such covenants or conditions, such share shall continue to stand in the name of the stockholder upon the books of the Corporation and the stockholder shall be entitled to exercise the right to vote thereon. The Corporation shall have the right to issue to any purchaser of such share upon the enforcement by the Corporation of such lien, or to the nominee of such purchaser, a certificate of the stock so purchased substantially of the tenor of the certificate issued to such defaulting stockholder, and thereupon the certificate for such share issued to such defaulting stockholder shall become void and such defaulting stockholder shall surrender the same to the Corporation on demand, but the failure of such defaulting stockholder so to surrender such certificate shall not affect the validity of the certificate issued in replacement thereof.

7. LOST CERTIFICATES. In the event that any stock 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.

ARTICLE VI

SEAL

The seal of the Corporation shall be in the form of a circle and shall bear the name of the Corporation, the year of its incorporation, and the words "Corporate Seal, Delaware".

ARTICLE VII

CHECKS, NOTES, ETC.

1. SIGNATURES ON CHECKS. Checks drawn against the Corporation's deposit accounts with banks or trust companies shall be signed by such officer or officers, or employee or employees as the Board of Directors may from time to time prescribe.

2. SIGNATURES ON NOTES AND BONDS. Promissory notes and bonds of the Corporation shall be signed by any two officers, who, from time to time, shall be designated by the Board of Directors for that purpose.

3. SAFE DEPOSIT BOXES. Any officer or officers who, from time to time, shall be designated by the Board of Directors for that purpose shall have access to any safe deposit box of the Corporation in the vault of any safe deposit company.

4. SECURITIES. Any officer or officers who, from time to time, shall be designated by the Board of Directors for that purpose 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 bank, trust company, or other custodian.

ARTICLE VIII

AMENDMENTS

These By-laws may be amended at any stockholders' meeting provided that the proposed amendment has been inserted in the notice of meeting or that all of the stockholders are present in person or by proxy. These By-laws may also be amended at any directors' meeting provided that the proposed amendment has been inserted in the notice of the directors' meeting and provided at least two-thirds of the then authorized total number of directors shall be present at such meeting; but any By-law adopted by the Board of Directors may at any time be rescinded, repealed, or amended by the stockholders.

ARTICLE IX

COMMITTEES

The President shall appoint a Security Committee, a Grounds Maintenance Committee, a Common Elements Maintenance Committee, and such other Committees as may be authorized by the Board of Directors. Each committee shall be composed of not less than three stockholders and shall have such duties as may be prescribed by the President or the Board of Directors. The term of each committee member shall expire on May 1 following his appointment but a committee member may be reappointed for a succeeding term(s).