

DOCUMENT NUMBER 4

BY-LAWS
OF
Le Havre Owners Corp.ARTICLE I
Name and Location of Corporation

Section 1. *Name.* The name of the corporation is Le Havre Owners Corp. (hereinafter referred to as the "Corporation").

Section 2. *Location of Office.* The principal office and place of business of the Corporation shall be the apartment houses owned by the Corporation known as Le Havre Apartments, Whitestone, New York, Borough and County of Queens, City and State of New York (hereinafter referred to as the "Buildings") or at such other location within the County of Queens, and the City and State of New York as the Board of Directors may designate.

ARTICLE II
Purpose of Business

Section 1. The primary purpose of the Corporation is to provide residences for shareholders who shall be entitled, solely by reason of their ownership of shares, to proprietary leases for apartments in the Buildings.

ARTICLE III
Meetings of Stockholders

Section 1. *Annual Meeting.* The first annual meeting of shareholders of the Corporation, for the election of directors and for such other business as may properly come before such meeting, shall be held within 30 days after closing under the Offering Plan to convert the Corporation's property to cooperative ownership and subsequent annual meetings for the election of directors and for such other business as may properly come before such meeting, shall be held in the Borough of Queens, City and State of New York, at such time and place before the 30th day of June each year as may be designated by the Board of Directors. The notice of the 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 time when and the place within the State where it is to be held, and the secretary shall cause a copy thereof to be delivered personally or mailed to each shareholder of record of the Corporation entitled to vote at such meeting not less than ten nor more than 40 days before the meeting. If mailed, it shall be directed to each such shareholder at his or her address as it appears on the stock transfer books, unless he or she shall have filed with the secretary of the Corporation a written request that notices intended for him or her be mailed to some other address, in which case it shall be mailed to the address designated in such request.

Section 2. *Special Meetings.* Special meetings of shareholders, other than those the calling of which is regulated by statute, may be called at any time by the president or secretary or by a majority of the Board of Directors. It shall also be the duty of the secretary to call such meetings

whenever requested in writing so to do by shareholders owning at least 25% of the outstanding shares of the Corporation. The secretary shall cause a notice of such special meeting stating the time, place and object thereof and the officer or other person or persons by whom the meeting is called, to be delivered personally or mailed as provided in Section 1 of this Article to each shareholder of record of the Corporation entitled to vote at such meeting not less than ten nor more than 40 days before such meeting. No business other than that stated in such notice shall be transacted at such special meeting unless the holders of all the outstanding shares of the Corporation be present thereat in person or by proxy.

Section 3. *Waiver of Notices.* The notice provided for in the two foregoing sections is not indispensable, but any shareholders' meeting whatever shall be valid for all purposes if all the outstanding shares of the Corporation are represented thereat in person or by proxy, or if a quorum is present, as provided in the next succeeding section, and waiver of notice of the time, place and objects of such meeting shall be duly executed in writing either before or after said meeting by such shareholders as are not so represented and who were not given such notice. The attendance of any shareholder at a meeting, in person or by proxy, without protesting prior to the conclusion of the meeting the lack of notice of such meeting, shall constitute a waiver of notice.

Section 4. *Quorum.* At each meeting of shareholders, except where otherwise provided by law, shareholders representing, in person or by proxy, a majority of the shares then issued and outstanding shall constitute a quorum. In case a quorum shall not be present at any meeting, the holders of a majority of the shares represented may adjourn the meeting to some future time and place. No notice of the time and place of the adjourned meeting need be given other than by announcement at the meeting. Only those shareholders who, if present at the original meeting, would have been entitled to vote thereat, shall be entitled to vote at any such adjourned meeting.

Section 5. *Voting.* If a quorum is present, the affirmative vote of a majority of the shares represented at the meeting shall be the act of the shareholders, unless the act of a greater number is required by law, by the certificate of incorporation of the Corporation or elsewhere in these By-Laws, and except that (a) a decision to amend the certificate of incorporation of the Corporation or (b) a decision to terminate all proprietary leases, may be made only by the affirmative vote of 80% of the shares of the Corporation issued and outstanding.

At each meeting of shareholders, each shareholder present in person or by proxy shall be entitled to one vote for each share of stock registered in his name at the time of service of notice of such meeting or at such prior date, not more than 40 days before such meeting, as may be prescribed by the Board of Directors for the closing of the corporate stock transfer books or fixed by the Board of Directors as the date for determining which shareholders of record are entitled to notice of and to vote at such meeting. Any and all proxies shall be in writing duly signed by the shareholder but need not be acknowledged or witnessed, and the person named as proxy by any shareholder need not himself be a shareholder of the Corporation. Voting by shareholders shall be viva voce unless any shareholder present at the meeting, in person or by proxy, demands a vote by written ballot, in which case the voting shall be by ballot, and each ballot shall state the name of the shareholder voting and the number of shares owned by him, and in addition, the name of the proxy of such ballot if cast by a proxy.

Section 6. *Inspectors of Election.* Inspectors of election shall not be required to be appointed at any meeting of shareholders unless requested by a shareholder present (in person or by proxy) and entitled to vote at such meeting and upon the making of such request, inspectors shall be appointed or elected as provided in Section 610 of the Business Corporation Law.

Section 7. *Order of Business.* At each meeting of shareholders, the president, or in his absence, a vice president, shall act as chairman of the meeting. The secretary, or in his absence, such other person as may be designated by the chairman, shall act as secretary of the meeting. So far as consistent with the purpose of the meeting, the order of business of each meeting of shareholders shall be as follows:

1. Call to order.
2. Presentation of proof of due calling of the meeting.
3. Roll call and presentation and examination of proxies.
4. Reading of minutes of previous meeting or meetings, unless waived.
5. Reports of officers and committees.
6. Appointment or election of inspectors of election, if requested.
7. If the annual meeting or a special meeting called for that purpose, the election of Directors.
8. Unfinished business.
9. New business.
10. Adjournment.

ARTICLE IV Directors

Section 1. *Number.* The number of the Directors of the Corporation shall be not less than five nor more than eleven, as may from time to time be herein provided. Commencing with the first election of Directors by tenant-shareholders of the Corporation, and until changed by amendment of this By-Law provision, as hereinafter provided, the number of Directors shall be eleven. The number of Directors shall not be increased or decreased to a number more or less than the number of Directors then in office except at an annual meeting of shareholders.

Section 2. *Election.* The Directors shall be elected at the annual meeting of shareholders or at a special meeting called for that purpose as provided by Section 5 of Article III or Section 4 of this Article IV of these By-Laws. The term of office of the Directors shall be until the date herein fixed for the next annual meeting, and thereafter until their respective successors are elected and qualify. It shall not be necessary for a Director of this Corporation to be a shareholder.

Section 3. *Quorum.* A majority of the Directors then authorized by these By-Laws shall constitute a quorum.

Section 4. *Vacancies.* Vacancies in the Board of Directors resulting from death, resignation or otherwise may be filled without notice to any of the shareholders 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. In the event of the failure to hold any election of Directors at the time designated for the annual election of Directors or in the event that the Board of Directors shall not have filled any such vacancy, a special meeting of shareholders to elect a new Board of Directors or to fill such vacancy or vacancies may be called in the manner generally provided for the calling of special meetings of shareholders. Vacancies in the Board of Directors resulting from an increase of the Board of Directors by amendment of these By-Laws shall be filled in the manner provided in the resolution adopting such amendment. In case of a reduction of the authorized number of Directors by amendment of these By-Laws, the Directors, if any, whose term of office shall cease, shall be determined in the manner provided in the resolution adopting such amendment, provided that no Director's term of office shall cease if the votes cast against the reduction of his term of office would be sufficient to elect him if voted cumulatively at an election at which the same total number of votes were cast and the entire Board of Directors were then being elected.

Section 5. *Meetings.* The Board of Directors shall meet immediately after the annual meeting of shareholders without notice and also whenever called together by any officer of the Corporation or upon the written request of any two Directors then holding office, upon notice given to each Director, by delivering personally, mailing or telegraphing the same to him at least two days prior to such meeting at the last address furnished by him to the Corporation. Regular meetings may be held without notice at such times and places as the Board of Directors may determine. Any meeting of the Board of Directors at which all the members shall be present, or of which notice shall be duly waived by all absentees, either before or after the holding of such meeting, shall be valid for all purposes provided a quorum be present. Meetings of Directors may be held either at the principal office of the Corporation or elsewhere within the State of New York as provided in the notice calling the meeting, unless the Board of Directors by resolution adopt some further limitation in regard thereto. At all meetings of the Board of Directors, each Director shall be entitled to one vote. The vote of a majority of the Board of Directors present at the time of a vote of a duly constituted meeting shall be the act of the Board of Directors, unless the vote of a greater number is required by these By-Laws or the certificate of incorporation of the Corporation.

Section 6. *Resignation and Removal.* Any Director may resign at any time by written notice delivered in person or sent by certified or registered mail to the president or secretary of the Corporation. Such resignation shall take effect at the time specified therein, and unless specifically requested, acceptance of such resignation shall not be necessary to make it effective.

Any Director may be removed from office at any time with or without cause by the shareholders, provided that no Director may be removed when the votes cast against his removal would be sufficient to elect him if voted cumulatively at an election at which the same total number of votes were cast and the entire Board of Directors were then being elected.

Section 7. *Annual Cash Requirements.* The Board of Directors shall, except as may be otherwise restricted by the certificate of incorporation and proprietary lease of the Corporation, from time to time, determine the cash requirements as defined in the Corporation's proprietary leases, and fix the terms and manner of payment of rent under the Corporation's proprietary leases. The Board of Directors shall have discretionary power to prescribe the manner of maintaining and operating the apartment houses of the Corporation and to determine the cash requirements of the Corporation to be paid as aforesaid by the shareholder-tenants under their respective proprietary leases. Every such determination by the Board of Directors shall be final and conclusive as to all shareholder-tenants and any expenditures made by the Corporation's officers or its agent under the

direction or with the approval of the Board of Directors of the Corporation shall, as against the shareholder-tenants, be deemed necessarily and properly made for such purpose.

The Board has the power to establish any needed reserves for capital purposes, including (without limitation) reserves for capital improvements, capital repairs or alterations or modifications to the building structure and components, and including a reserve for mortgage amortization, payments to which reserves shall be treated on the corporate books as capital contributions and not as income.

Until the third anniversary of the date the Corporation acquired title to the land and apartment buildings, the Board of Directors of the Corporation shall not take any of the following actions unless shareholders owning at least 75% of the shares of the Corporation approve same in writing or by vote, in person or by proxy, at a duly constituted meeting called for such purpose:

(i) engage employees in addition to the employees referred to in the Schedule of Projected Receipts and Expenses for the First Year of Cooperative Operation set forth in Schedule B of the Plan or provide services or equipment or make capital improvements with respect to the premises in excess of those contemplated in said Schedule of Projected Receipts and Expenses for the First Year of Cooperative Operation, except if, and to the extent that, additional services of equipment may be required by law or by a mortgagee invoking a "repair" or "default" clause or other provision of its mortgage encumbering the Property or by a work order or notice issued by an insurance company;

(ii) increase the amount of the mortgage indebtedness of the Corporation, extend, refinance or in any other way alter the terms of the First and Second Mortgages (as defined in the section of the Plan entitled "Mortgage Indebtedness") or enter into any new mortgage with respect to the premises; or

(iii) increase, in any year, the amount of the reserve for contingencies (or other reserves) over the amount allowed therefor set forth on said Schedule of Projected Receipts and Expenses for the First Year of Cooperative Operation, provided that any unused portion of such reserve for any year may be added to the reserve for the following years.

Notwithstanding the foregoing, the Corporation may take any of the actions enumerated in clauses (i) through (iii) above if the cost of such actions, when added to all other budgeted expenses of the Corporation, shall not result in increasing the cash requirements for any year of operation by more than 5% above the previous year's cash requirements.

Section 8. *House Rules.* The Board of Directors may, from time to time, adopt and amend such house rules as it may deem necessary in respect of the Buildings for the health, safety and convenience of the shareholder-tenants, upon the affirmative vote of two-thirds of the Directors then in office. Copies thereof and of changes therein shall be furnished to each shareholder-tenant.

Section 9. *Executive Committee and Other Committees.* The Board of Directors may by resolution appoint an Executive Committee and such other committees as it may deem appropriate, each to consist of three or more Directors of the Corporation. Such committees shall have and may exercise such of the powers of the Board of Directors in the management of the business and affairs of the Corporation during the intervals between the meetings of the Board of Directors as may be determined by the authorizing resolution of the Board of Directors and so far as may be permitted by law, except that no committee shall have the power to determine the cash requirements defined

in the proprietary leases, or to fix the rent to be paid under the proprietary leases, or to vary the terms of payment thereof as fixed by the Board of Directors.

Section 10. *Distributions.* The shareholder-tenants shall not be entitled, either conditionally or unconditionally, except upon a complete or partial liquidation of the Corporation, to receive any distribution not out of earnings and profits of the Corporation.

ARTICLE V Officers

Section 1. *Election and Removal.* The officers of the Corporation shall be a president, one or more vice presidents, a secretary and a treasurer. Such officers shall be elected at the first meeting of the Board of Directors after these By-Laws become effective, and thereafter at the regular meeting in each year following the annual meeting of shareholders, and shall serve until removed or until their successors shall have been elected. The Board of Directors may at any time or from time to time appoint one or more assistant secretaries and one or more assistant treasurers to hold office at the pleasure of the Board of Directors and may accord to such officers such power as the Board of Directors deems proper. Any officer may be removed at any time, with or without cause, by the affirmative vote of a majority of the then authorized total number of Directors. The president shall be a member of the Board of Directors, and shall be a shareholder or the spouse of a shareholder, but none of the other officers need be a member of the Board of Directors or a shareholder or the spouse of a shareholder. One person may hold not more than two offices at the same time, except that the president and the secretary may not be the same person. Vacancies occurring in the office of any officer may be filled by the Board of Directors at any time.

Section 2. *Duties of President and Vice Presidents.* The president shall preside at all meetings of the shareholders and of the Board of Directors. The president or any vice president shall 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 from the City of New York or inability of the president to act, any vice president shall have the powers and perform the duties of the president.

Section 3. *Duties of Treasurer.* The treasurer shall have the care and custody of all funds and securities of the Corporation, and shall deposit such funds in the name of the Corporation in such bank or trust companies as the Directors may determine, and he shall perform all other duties incidental to his office. If so required by the Board of Directors, he shall, before receiving any such funds, furnish to the Corporation a bond with a surety company as surety, in such form and amount as the Board of Directors from time to time shall determine. The premium upon such bond shall be paid by the Corporation. Within three months after the close of each calendar year, the treasurer shall cause to be furnished to each shareholder-tenant whose proprietary lease is then in effect, a statement of the certified public accountant of the Corporation 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 him to compute his income tax returns in respect thereof.

Within three months after the end of each fiscal year, the treasurer shall cause to be transmitted to each shareholder-tenant whose proprietary lease is then in effect, an annual report of operations and balance sheet of the Corporation which shall be certified by an independent

certified public accountant. A copy of said annual report shall be submitted to the Department of Law of the State of New York.

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 shall keep minutes of the meetings of the Board of Directors and of the meetings of shareholders; he 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. He shall also perform all other duties incidental to his office. He shall cause to be kept a book containing the names, alphabetically arranged, of all persons who are shareholders of the Corporation, showing their places of residence, the number of shares held by them, respectively, the time when they respectively become the owners thereof, and the amount paid thereon, and the denomination and the amount of all share issuance or transfer stamps affixed thereto, and such book shall be open for inspection as provided by law. In the absence or inability of the secretary, the assistant secretary, if any, shall have all the powers and perform all the duties of the secretary.

ARTICLE VI Proprietary Leases

Section 1. *Form of Lease.* The Board of Directors shall adopt a form of proprietary lease to be used by the Corporation for the leasing of all apartments and other space in the Buildings (to which shares of the Corporation have been allocated) to be leased to shareholder-tenants under proprietary leases. Such proprietary leases shall be for such terms, with or without provisions for renewals, and shall contain such restrictions, limitations and provisions in respect to the assignment thereof, the subletting of the premises demised thereby and the sale and/or transfer of the shares of the Corporation appurtenant thereto, and such other terms, provisions, conditions and covenants as the Board of Directors may determine.

After a proprietary lease in the form so adopted by the Board of Directors shall have been executed and delivered by the Corporation, all proprietary leases (as distinct from the house rules) subsequently executed and delivered shall be in the same form, except with respect to the statement as to the number of shares owned by the lessee, the use of the premises and the date of the commencement of the term, unless any change or alteration is approved by lessees owning at least two-thirds in amount of the shares of the Corporation then issued and outstanding.

Section 2. *Assignment.* Proprietary leases 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 and the certificate of incorporation of the Corporation. A duplicate original of each proprietary lease shall always be kept on file in the principal office of the Corporation or with the managing agent of the Buildings.

Section 3. *Allocation of Shares to Additional Space.* The Board of Directors may, in its discretion, authorize the conversion of space in the Buildings not covered by a proprietary lease into space suitable for the primary purposes of the Corporation, as set forth in the certificate of incorporation; allocate theretofore unissued shares to such space; and authorize the execution of a proprietary lease or leases covering such space. The cost of such new shares allocated to such additional space shall bear a reasonable relationship to the portion of the fair market value of the

Corporation's equity in the Buildings and the land on which the Buildings is located attributable to such apartment or other space.

Section 4. *Assignment of Lease and Transfer of Shares.* No assignment of any lease or transfer of the shares of the Corporation shall take effect as against the Corporation for any purpose until a proper assignment has been delivered to the Corporation; the assignee has assumed and agreed to perform and comply with all the covenants and conditions of the assigned proprietary lease or has entered into a new proprietary lease for the remainder of the term; all shares of the Corporation appurtenant to the proprietary lease have been transferred to the assignee; all sums due have been paid to the Corporation, including the transfer fee as required in Section 5 of this Article VI; and all consents required by the certificate of incorporation and proprietary lease have been properly obtained. The action of the Board of Directors with respect to the written application for consent of a proposed assignment or subletting must be made within a reasonable time after receipt of said written application.

Section 5. *Fees on Assignment.* The Board of Directors shall have authority before an assignment or sublet of a proprietary lease or reallocation of shares takes effect as against the Corporation as lessor, to fix a reasonable fee to cover actual expenses and attorneys' fees of the Corporation, a service fee of the Corporation and such other conditions as it may determine, in connection with each such proposed assignment.

Upon transfer of title to the shares and the related proprietary lease for an apartment to another, the Corporation will collect a transfer fee in an amount equal to \$1.00 per share (such amount hereinafter referred to as the "transfer fee").

Notwithstanding the foregoing, the following transfers or sales of shares and related proprietary leases shall be exempt from paying the transfer fee (irrespective of whether any consideration is paid):

- (i) Transfers to spouse, adult children or parents;
- (ii) Transfers to an executor or an administrator on the death of a shareholder and transfers from an executor or administrator to a spouse, adult child or parent of the deceased shareholder;
- (iii) Transfers from a holder of Unsold Shares to another holder of Unsold Shares or to a third person whether or not for personal occupancy by such third person or members of his family;
- (iv) Transfers to the Sponsor or from the Sponsor to one or more of its partners or to another holder of Unsold Shares;
- (v) Shares reallocated between two or more apartments (including Unsold Apartments);
- (vi) Transfers of shares pledged under any financing that may be given by the Sponsor or a holder of Unsold Shares resulting from an uncured default, except such transfer fee shall be payable to the extent sufficient from any surplus proceeds of sale otherwise payable to the defaulting shareholder;

(vii) Transfers of shares in connection with any recapitalization or reorganization of the Corporation.

Section 6. *Lost Proprietary Leases.* In the event that any proprietary lease in full force and effect is lost, stolen, destroyed or mutilated, the Board of Directors may authorize the issuance of a new proprietary lease in lieu thereof, in the same form and with the same terms, provisions, conditions and limitations. The Board of Directors may, in its discretion, before the issuance of any such new proprietary lease, require the owner thereof, or the legal representative of the owner, to make an affidavit or affirmation setting forth such facts as to loss, destruction or mutilation as it deems necessary, and to give the Corporation a bond in such reasonable sum as it directs, to indemnify the Corporation.

Section 7. *Regrouping of Space.* Subject to any provision to the contrary in the proprietary lease, the Board of Directors, upon the written request of the owner or owners of one or more proprietary leases covering one or more apartments in the Buildings and of the shares issued to accompany the same, may in its discretion, at any time, permit such owner or owners, at his or their expense — A: (1) to subdivide any apartment into any desired number of apartments; (2) to combine all or any portions of any such apartments into one or any desired number of apartments; and (3) to reallocate the shares issued to accompany the proprietary leases, but the total number of shares so reallocated shall not be less than the number of shares previously allocated to the apartment or apartments involved, and, in connection with any such regrouping, the Board of Directors may require that the number of shares allocated to the resulting apartment or apartments be greater than the number of shares allocated to the original apartment or apartments, and may authorize the issuance of shares from its treasury for such purpose; or B: to incorporate one or more servant's rooms, or other space in the Buildings not covered by any proprietary lease, into one or more apartments covered by a proprietary lease, whether in connection with any regrouping of space pursuant to subparagraph A of this Section 7 or otherwise, and in allocating shares to any such resulting apartment or apartments, shall determine the number of unissued shares from its treasury to be issued and allocated in connection with the appropriation of such additional space in accordance with the principle set forth in Section 3 of this Article VI.

Upon any regrouping of space in the Buildings, the proprietary leases and the accompanying share certificates so affected shall be surrendered, and there shall be executed and delivered in place thereof, respectively, a new proprietary lease for each separate apartment involved and a new certificate for the number of shares so reallocated to each new proprietary lease.

Any dispute under this Section 7 concerning the number of shares to be reallocated shall be resolved by the managing agent of the Buildings, whose determination shall be final and conclusive.

ARTICLE VII Capital Shares

Section 1. *Authorization and Rights.* 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 for an apartment in the Buildings. The ownership of shares shall entitle the holder thereof to occupy the apartment for the purposes specified in the proprietary lease to which the shares are appurtenant, subject to the provisions, covenants and agreements contained in such proprietary lease.

Section 2. *Form and Shares Register.* Certificates representing the shares of the Corporation shall be in the form adopted by the Board of Directors, and shall be signed by the president or a vice president and the secretary or an assistant secretary or the treasurer or an assistant treasurer, and sealed with the seal of the Corporation, and shall be numbered in the order in which issued. Such signatures and seal may be facsimiles when and to the extent permitted by applicable statutory provisions. Certificates shall be 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 cancelled, and the date of cancellation shall be indicated thereon and such certificate shall be retained in the corporate records.

Section 3. *Issuance of Certificate.* Shares appurtenant to each proprietary lease shall be issued in the amount allocated by the Board of Directors to the apartment or other space described in such proprietary lease and shall be represented by a single certificate. Unless and until all proprietary leases which shall have been executed by the Corporation shall have been terminated, no shares shall be issued, transferred or reissued except to tenants under proprietary leases.

Section 4. *Transfers.* Transfers of shares shall be made upon the books of the Corporation only by the holder in person or by power of attorney, duly executed and filed with the secretary of the Corporation and on the surrender of the certificate for such shares, except that shares sold by the Corporation to satisfy any lien which it holds thereon may be transferred without the surrender of the certificate representing such shares.

Section 5. *Units of Issuance.* Except as otherwise provided in Article VI, Section 7, unless and until all proprietary leases which shall have been executed by the Corporation shall have been terminated, the shares appurtenant to each proprietary lease shall not be sold or assigned except as an entirety to the Corporation or an assignee of such proprietary lease, after complying with and satisfying the requirements of such proprietary lease in respect to the assignment thereof.

Section 6. *Corporation's Lien.* The Corporation shall at all times have a first lien upon the shares owned by each shareholder for all indebtedness and obligations owing and to be owing by such shareholder to the Corporation arising under the provisions of any proprietary lease issued by the Corporation and at any time held by such shareholder or otherwise arising. Unless and until such shareholder as lessee shall make default in the payment of any of the rental obligations or in the performance of any of the covenants or conditions of such proprietary lease, and/or unless and until such shareholder shall make default in the payment of any indebtedness or obligation owing by such shareholder to the Corporation otherwise arising, such shares shall continue to stand in the name of the shareholder upon the books of the Corporation, and the shareholder shall be entitled to exercise the right to vote thereon as though said lien did not exist. The Corporation shall have the right to issue to any purchaser of such shares upon the enforcement by the Corporation of such lien, or to the nominee of such purchaser, a certificate of the shares so purchased substantially of the tenor of the certificate issued to such defaulting shareholder, and thereupon the certificate for such shares theretofore issued to such defaulting shareholder shall become void and such defaulting shareholder agrees to surrender such last-mentioned certificate to the Corporation upon the latter's demand, but the failure of such defaulting shareholder so to surrender such certificate shall not affect the validity of the certificate issued in replacement thereof. The Corporation may refuse to consent to the transfer of shares of any shareholder indebted to the Corporation unless and until such indebtedness is paid.

Section 7. *Lost Certificates.* In the event that any share certificate is lost, stolen, destroyed or mutilated, the Board of Directors may authorize the issuance of a new certificate of the same tenor

and for the same number of shares in lieu thereof. The Board of Directors 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.

Section 8. *Legend on Share Certificates.* Certificates representing shares of the Corporation shall bear a legend reading as follows:

"The rights of any holder hereof are subject to the provisions of the certificate of incorporation (which contains certain supermajority shareholder and Board of Director voting requirements in respect of certain actions of the Corporation, and certain provisions restricting the Board of Directors, in its management of the business of the Corporation) and By-Laws of Le Havre Owners Corp., and to all the terms, covenants, conditions and provisions of a certain proprietary lease made between the person in whose name this certificate is issued, as Lessee, and Le Havre Owners Corp., as Lessor, for an apartment in the premises known as Le Havre Apartments, Whitestone, New York, which lease limits and restricts the title and rights of any transferee hereof. The shares represented by this certificate are transferable only as an entirety and only to an approved assignee of such proprietary lease. Copies of the proprietary lease, certificate of incorporation and the By-Laws are on file and available for inspection at the office of the managing agent.

"The Directors of this Corporation may refuse to consent to the transfer of the shares represented by this certificate until any indebtedness of the shareholder to the Corporation is paid. The Corporation, by the terms of said By-Laws and proprietary lease, has a first lien on the shares represented by this certificate for all sums due and to become due under said proprietary lease."

ARTICLE VIII Indemnification

Section 1. *Actions By or In the Right of the Corporation.* To the extent allowed by law, the Corporation shall indemnify any person made a party to an action by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that he, his testator or intestate, is or was a Director or officer of the Corporation, against the reasonable expenses, including attorneys' fees, actually and necessarily incurred by him in connection with the defense of such action, or in connection with an appeal therein, except in relation to matters as to which such Director or officer is adjudged to have breached his duty to the Corporation, as such duty is defined in Sections 715(h) and 717 of the Business Corporation Law.

Section 2. *Other Actions.* To the extent allowed by law, the Corporation shall also indemnify any person made, or threatened to be made, a party to an action or proceeding other than one by or in the right of the Corporation to procure a judgment in its favor, whether civil or criminal, including an action by or in the right of any other corporation, domestic or foreign, which he served in any capacity at the request of the Corporation by reason of the fact, that he, his testator or intestate was a Director or officer of the Corporation or served it in any capacity against judgments, fines, amounts paid in settlement and reasonable expenses, including attorneys' fees actually and necessarily incurred as a result of such action or proceeding, or any appeal therein, if such Director or officer acted, in good faith, for a purpose which he reasonably believed to be in the best interests of the Corporation and, in criminal actions or proceedings, in addition, had no reasonable cause to believe that his conduct was unlawful.

Section 3. *No Limitation.* Nothing contained in this Article shall limit any right to indemnification to which any Director or any officer may be entitled by contract or under any law now or hereafter enacted.

ARTICLE IX

Seal

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

ARTICLE X

Negotiable Instruments

Section 1. *Checks, etc.* All checks, drafts, orders for payment of money and negotiable instruments shall be signed by such officer or officers or employee or employees as the Board of Directors may from time to time, by standing resolution or special order, prescribe.

Section 2. *Transfer of Securities.* Endorsements or transfers of shares, bonds or other securities shall be signed by the president or any vice president and by the treasurer or an assistant treasurer or the secretary or an assistant secretary unless the Board of Directors, by special resolution in one or more instances, prescribes otherwise.

Section 3. *Safe Deposit Boxes.* Such officer or officers as from time to time shall be designated by the Board of Directors, shall have access to any safe of the Corporation in the vault of any safe deposit company.

Section 4. *Securities.* Such officer or officers as from time to time shall be designated by the Board of Directors shall have power to control and direct the disposition of any bonds or other securities or property of the Corporation deposited in the custody of any trust company, bank or other custodian.

ARTICLE XI

Sale, Lease, Demolition or Disposition of Property

Section 1. *Sale, Lease, Demolition or Disposition of Property.* No decision to demolish or reconstruct any building standing on the land owned or leased by the Corporation, or to sell or exchange the Corporation's fee simple or leasehold interest therein, or to lease any such building in its entirety or substantially in its entirety, shall be made except upon the affirmative vote of the holders of 80% of the shares of the Corporation then issued and outstanding. Notwithstanding the foregoing, the sale, exchange, lease or other disposition of the property owned by the Corporation after the termination of all of the proprietary leases which are made by the Corporation shall be determined by the affirmative vote of the holders of a majority of the shares of the Corporation then issued and outstanding.

ARTICLE XII
Fiscal Year

Section 1. *Calendar Year.* The fiscal year of the Corporation shall be the calendar year unless otherwise determined by resolution of the Board of Directors.

ARTICLE XIII
Miscellaneous

Section 1. *Salaries.* No salary or other compensation for services shall be paid to any Director or officer of the Corporation for services rendered as such unless and until the same shall have been authorized in writing or by affirmative vote, taken at a duly held meeting of shareholders, by shareholders owning at least a majority of the then outstanding shares of the Corporation.

ARTICLE XIV
Amendments

Section 1. *By the Shareholders.* These By-Laws may be amended, altered, repealed or added to at any shareholders' meeting by vote of shareholders of record, present in person or by proxy, of at least two-thirds of the then outstanding capital shares, provided that (i) any provision of these By-Laws requiring the vote of greater than a majority of the then outstanding capital shares for the taking of any action, may not be amended without the affirmative vote of such requisite percentage of outstanding capital shares and (ii) the proposed amendment or the substance thereof has been inserted in the notice of meeting or that all of the shareholders are present in person or by proxy.

Section 2. *By the Directors.* The Board of Directors may, by a vote of two-thirds of the then authorized total number of Directors at any meeting (regular or special) of the Board of Directors, make, alter, amend or repeal these By-Laws, other than Article III Section 5, Article IV Sections 1, 4, 7, 8 and 10, Article VI Sections 1, 2, 4 and 7, Article VII Sections 1 and 5 and Sections 1 and 2 of this Article XIV; provided, however, that the proposed amendment or the substance thereof shall have been contained in the notice of said meeting or that all Directors shall be present in person and, provided further, that the Board may not repeal or modify an amendment to these By-Laws adopted by the shareholders pursuant to Section 1 of this Article XIV.

ARTICLE XV
Reports

Section 1. *Annual Reports.* The Corporation shall within four months following the close of a fiscal year, send to each shareholder then listed on the books of the Corporation, a financial statement including a balance sheet (as of the end of said prior fiscal year) and a profit and loss statement (for the entire prior fiscal year), prepared and certified by an independent certified public accountant. On the written request of any former shareholder who owned shares of the Corporation during any portion of the fiscal year covered by the financial statement, such financial statement shall be sent to such former shareholder.

Section 2. *Tax Deduction Statement.* The Corporation shall, on or before March 15th following the close of the fiscal year, send to each shareholder listed on the books of the

Corporation for the prior fiscal year, a statement setting forth the amount per share of that portion of the rent paid by such shareholder under his proprietary lease during such year which has been used by the Corporation for payment of real estate taxes and interest on the mortgage or other indebtedness paid by the Corporation with respect to property owned by it.

ARTICLE XVI
Appointment of Board of Directors
for Service of Process or Notice

Section 1. *Designation of Board of Directors for Service of Process or Notice Under Certain Circumstances.* Whenever an apartment in the Buildings is occupied by other than the owner thereof (i.e., the Shareholder-Lessee) as permitted in these By-Laws and the proprietary lease covering such apartment, the owner of such apartment, if the purchaser of Unsold Shares, shall be deemed to have designated the Board of Directors as such owner's agent for the service of process or notice upon said owner by such occupant as to matters relating solely to the occupancy of such apartment. The Board of Directors hereby consents to such designation and, upon receipt of process or notice from such permitted occupant of the apartment, shall, with reasonable diligence, forward such process or notice (as the case may be) to the owner, at the last known address of such owner.