

BY-LAWS
of
INWOOD TOWER, INC.

(Revised: 2014)

Organized Pursuant to the Limited-Profit Housing Companies Law.

ARTICLE I

ORGANIZATION AND PURPOSES

SECTION 1. This corporation is organized under and pursuant to the Limited-Profit Housing Companies Law of the State of New York and with the approval of New York State Homes and Community Renewal ("HCR").

The purpose of the corporation is to own and operate adequate, safe and sanitary housing accommodations for persons of moderate income, in accordance with cooperative principles, subject to the provisions and limitations of the Limited-Profit Housing Companies Law and the Rules and Regulations promulgated by HCR.

ARTICLE II

STOCKHOLDERS MEETINGS

SECTION 1. Annual Meetings. The annual meeting of the stockholders of the corporation for the election of directors for the ensuing year and for the transaction of other business of the corporation shall be held at the office of the corporation in the Borough of Manhattan, City and State of New York, or such other place in the City of New York as may be designated in the notice of meeting, at 7:00 p.m. on the 4th Tuesday in October (amended by stockholders 5/31/01, previously amended by stockholders 2/9/70, and 1/4/67) or the next appropriate day as determined by the Board of Directors (amended by stockholders 5/31/01). Written notice of the annual meetings stating the time and place of the meeting, shall be mailed to each stockholder entitled to vote, at such address as appears on the stock book, not less than 10 nor more than 40 days prior to the date of the meeting; but any meeting at which all stockholders shall be present, or at which all stockholders not present have waived notice in writing, notice as above specified shall not be required.

SECTION 2. HCR shall be notified in writing of and shall have the right to attend all meetings of the stockholders of the Company.

SECTION 3. Special Meetings. Special meetings of the stockholders for any purpose or purposes may be called at any time by the President or HCR, and shall be called by the President or Secretary at the request in writing of a majority of the Board of Directors or at the request in writing of 25% of the stockholders who shall require the Secretary or other officer

of the corporation to give notice of such meetings. Written notice of such meeting, setting forth the time and place of the holding of such meeting and the object thereof, shall be mailed to each stockholder entitled to vote at such address as appears on the stock book not less than 10 nor more than 40 days prior to the date of the meeting, but any meeting at which all stockholders shall be present, or at which all stockholders not present have waived notice in writing, notice as above specified shall not be required.

SECTION 4. Quorum. Presence in person or by proxy of fifty (50%) percent of the holders of the outstanding stock entitled to vote shall be necessary to constitute a quorum, but a lesser number may adjourn from time to time without notice other than an announcement at the meeting in which the requisite number of stockholders shall not be present.

SECTION 5. Conduct. Stockholders shall maintain proper decorum at all meetings. The chairperson of the meeting and any person acting under the delegated authority of the chairperson may, in his or her discretion, exclude from the remainder of any meeting of stockholders any attendees engaging in disorderly or disruptive conduct, and if such attendees do not leave voluntarily, the chairperson and any person acting under the delegated authority of the chairperson may summon and direct law enforcement or other security personnel to remove same.

SECTION 6. Voting. At all meetings of the stockholders, all questions the manner of deciding which is not specifically regulated by statute or by these By-Laws shall be determined by a vote of the majority of the stockholders present at the meeting. Each stockholder shall be entitled to one vote for any and all purposes regardless of the number of shares held by such holder. (amended by stockholders 5/31/01, previously adopted by stockholders 1/4/67). Voting shall be by written ballot, cast in person, or in accordance with a written proxy in a form approved by the Board and HCR.

SECTION 7. Order of Business. At all meetings of the stockholders the following order of business shall be observed so far as consistent with the purposes of the meeting:

1. Calling the meeting to order.
2. Reading and approval of the meeting agenda.
3. Reading and approval of the minutes of the prior meeting, after any necessary corrections, provided that, on motion, the reading of the minutes may be waived.
4. Reports, respectively, of President, of Treasurer and of Secretary, if any.
5. Reports of financial, legal and management firms, if any.
6. Reports of committees, if any.
7. Election of directors.
8. Any unfinished business.
9. Transaction of such other business as may properly come before the meeting.
10. Adjournment.

ARTICLE III

DIRECTORS

SECTION 1. Number and Term of Office and Qualifications. The number of directors shall be nine (amended by stockholders 1/4/67) plus one additional director who may be designated by HCR. Directors must be stockholders (amended by stockholders 5/31/01). The directors shall be elected at the annual meeting of the stockholders in each year and shall serve for three years, except that at the election for directors scheduled for the annual stockholders meeting to be held in 1970 the three directors receiving the lowest number of votes shall serve for one year and those three directors receiving the next highest number of votes shall serve for two years (adopted by stockholders 2/9/70), and until their successors are duly elected and shall qualify, except with respect to the director, if any, who may have been designated by HCR, in which case he or she shall serve until a successor shall have been duly selected by HCR and shall have qualified. No stockholder shall be eligible to be elected as a director if on the date of the annual meeting or any special meeting called for that purpose he/she is shown on the corporation's books or management accounts to be delinquent in the payment of an amount equal to or greater than two (2) month's maintenance (adopted by stockholders 5/31/01). In the event that three (3) candidates do not win a plurality because of a tie vote, a runoff election shall be held a week after the inconclusive election, with the names of the candidates who tied listed on the ballot.

SECTION 2. Vacancies. Any vacancy occurring in the Board of Directors by reason of death, resignation, removal or otherwise of any director elected by the stockholders, or by reason of any increase in the number of members constituting the full Board of Directors, may be filled for the unexpired term by a majority vote of the remaining directors unless such remaining directors are not sufficient to constitute a quorum, in which case a special meeting of stockholders shall be called and such number of directors shall be elected as may be necessary to constitute the full membership of the Board, and such that staggered terms shall be recreated by appointing the candidates with the highest votes for the longest period and the candidates with the next highest votes to the next longest term, until all vacancies are filled.

SECTION 3. Meetings. Meetings of the Board of Directors may be held at any time upon call of the President or any two members of the Board, or by New York State HCR or its duly authorized representatives. Such meetings shall be held at the office of the corporation except as otherwise determined and fixed from time to time by the Board of Directors.

SECTION 4. Notice of Meetings and Waiver of Notice. Notice of each meeting of the Board, stating the time, place and objects thereof shall be given by mailing at least forty-eight hours before such meeting, by placing the notice under the apartment door, or emailing or faxing a copy of such notice to each director. Notice may be waived in writing by any director. Any meeting at which all of the directors are present, or for which those directors who are absent have waived notice in writing, may be validly held without notice. HCR shall be notified in writing of and shall have the right to attend all meetings of the Directors of the Company.

SECTION 5. Remote Meeting Attendance and Reversal of Passed Resolutions.

A. Transaction of Business by Unanimous Written Consent and Email. Any action required or permitted to be taken at any meeting of the Board of Directors may be taken without a meeting if all members consent thereto in writing or by email and such writing or email

communications of voting are filed with the minutes of the proceedings of the Board of Directors. Specific policies, procedures, and protocols relating to this section shall be established by the Board of Directors at the first meeting of the Board of Directors.

B. Reversal of Previous Resolutions during Term. Reversal of any Resolution passed by fewer than SIX (6) votes during the same Board term requires ONE (1) more vote than the number of votes by which that Resolution passed originally. Further, for the purpose of this article, *reversal* is distinguishable from *modification*, whereby mere modifications and changes to elements or details that were not specifically contested and settled by a vote are exempt from the requirements and limitations of this section.

SECTION 6. Participation in Meetings by Conference Call. Any one or more, or all members of the Board may participate in a meeting of such Board of Directors by means of telephone conference call or similar communications equipment, provided that all persons participating in the meeting can hear one another. Participation in meetings by such means shall constitute presence in person at those meetings.

SECTION 7. Quorum. A majority of the Board of Directors shall constitute a quorum, and a majority of the members in attendance at any meeting of the Board shall, in the presence of a quorum, decide its action; a minority of the Board present at any meeting may, in the absence of a quorum, adjourn to a later date but may not conduct any other business.

SECTION 8. Committees. The Board of Directors may, from time to time, appoint from its members Committees, each of which shall be chaired by a Board member and which may include shareholders, with such powers and duties as the Board of Directors shall determine. Any Committee may be dissolved by the Board of Directors at any meeting. Any member of a committee may be removed by the Board of Directors whenever, in its judgment, the best judgment of the corporation will be served thereby.

SECTION 9. Duties and Powers. The Board of Directors shall have entire charge of the property, interests, business and transactions of the corporation, and may adopt such rules and regulations for the conduct of its meetings and management of the corporation as it may deem proper, not inconsistent with law or these By-Laws. The Board of Directors may delegate to the officers of the corporation such powers and authority and assign to them such duties as the Board may deem necessary, proper or appropriate to the effective prosecution of the corporation's business.

SECTION 10. Nominations. (adopted by stockholders 5/31/01)

A. Notices requesting nominations to the Board of Directors (the "Notice") shall be delivered to each apartment unit and shall be posted in conspicuous places throughout the development. Such notices shall be posted beginning on or about thirty (30) days prior to the date of the Annual Meeting and shall be posted for ten (10) consecutive calendar days (adopted by stockholders 5/31/01).

B. Nominations must be made on the Notice described in Paragraph (A) herein. In order for the nomination to be accepted it has to be seconded by another shareholder in his or her Notice. Such nomination forms must be returned in accordance with the instruction stated in the Notice. No nominations will be accepted from the floor at the annual meeting or special meeting called for that purpose (adopted by stockholders 5/31/01).

SECTION 12. Compensation of Directors. Officers and Directors shall not receive any salaries or other form of compensation for their services as Officers or Directors.

ARTICLE IV

OFFICERS

SECTION 1. Election. The Board of Directors at its first meeting after the election of directors in each year shall elect from its number a President and shall also elect a Vice-President, a Secretary and a Treasurer. It may elect an Assistant Secretary and an Assistant Treasurer, and such other officers as in its discretion the needs of the corporation may from time to time require.

SECTION 2. Term of Office. All officers of the corporation shall be appointed to hold their respective offices during the pleasure of the Board of Directors, and any vacancy occurring in the office of the President, Vice-President, Treasurer or Secretary or any other office shall be filled by the Board of Directors.

SECTION 3. President. The President shall preside at all meetings of the Board of Directors, and shall act as chairperson at and call to order, all meetings of the stockholders. Subject to the supervision and direction of the Board of Directors, the President shall have the general management of the affairs of the corporation and perform all the duties incidental to his or her office. The President shall regularly maintain sufficient communication with the Vice-President and shall regularly share all information and documents with the Vice-President as necessary to ensure that the Vice-President is, at all times, capable of performing all of his/her duties and responsibilities as described in Article IV Section 4.

SECTION 4. Vice-President. The Vice-President shall, in the absence, disability or incapacity of the President, have the powers and perform the duties of the President, and those which the Board of Directors may assign to him/her from time to time. The Vice-President shall regularly maintain sufficient communication with the President and shall regularly review all information and documents furnished by the President as necessary to ensure that the Vice-President is, at all times, capable of performing all of his/her duties and responsibilities as described in Article IV Section 4.

SECTION 5. Secretary. The Secretary shall keep or cause the keeping of the minutes of the meetings of the directors and stockholders, including maintaining and making available, at all meetings of the Board, a folder containing hardcopies of all resolutions that were originally proposed in writing and a list of any non-written proposals that passed during that term reflecting their respective dates and a copy of the corresponding Minutes; shall attend to the serving of notices of the meetings of the directors and stockholders; shall affix the seal of the corporation to such certificates, documents and papers as may require it, except that from time to time the Board of Directors may direct such seal to be affixed by any other officer or officers; shall have charge of the stock certificate book and of such other books and papers as the Board of Directors may direct; shall attend to such correspondence as may be assigned, and shall perform all the other duties incidental to the office and those which the Board of Directors may from time to time designate.

SECTION 6. Treasurer. The Treasurer shall be the chief financial officer of the corporation and shall have the care and custody of all the funds and securities of the corporation and shall deposit the same in the name of the corporation in such bank or banks as the directors may designate subject to the approval of HCR. He/she may be required by the Board of

Directors to give such bonds as it shall determine for the faithful performance of his/her duties, the premium of which shall be paid by the corporation.

SECTION 7. Assistant Secretary and Assistant Treasurer as may be required (amended by stockholders 5/31/01). The Assistant Secretary and the Assistant Treasurer shall, respectively, in the absence, disability or incapacity of the officer to whom he is an assistant, have the powers and perform the duties of such officer, and shall perform such other duties as may be assigned to them from time to time by the Board of Directors. They may be required by the Board of Directors to give such bonds as it shall determine, for the faithful performance of their duties, the premium of which shall be paid by the corporation.

SECTION 8. Other Officers. Other officers shall perform such duties and have such powers as may be assigned to them from time to time by the Board of Directors.

SECTION 9. The Treasurer may at the same time hold the office of Secretary or Assistant Secretary but no other office in the corporation.

ARTICLE V

OPERATION OF THE PROJECT AS A COOPERATIVE

Subject to the provisions of statute, the corporation will operate the project which it will develop in the Borough of Manhattan, City and State of New York, as a cooperative and, in accordance therewith, shall pay, as and when determined by the Board of Directors, the obligations of the corporation. The monthly carrying charges paid by the stockholders shall be deemed to be payment on account of their annual carrying charge obligation, which shall finally be determined by the Board of Directors, in light of each year's operations, subject however, in all respects to the approval of HCR. The right to determine the method of management of the Cooperative shall be subject to the approval of HCR.

ARTICLE VI

SIGNATURE OF INSTRUMENTS

Checks, notes, drafts and orders for the payment of money and obligations of the corporation, and all contracts, mortgages, deeds and other instruments, except as otherwise in these By-Laws provided, shall be signed by such officer, officers, individual or individuals as the Board of Directors may from time to time designate.

ARTICLE VII

CAPITAL STOCK

SECTION 1. Certificates. Certificates of stock shall be numbered and issued in consecutive order, shall be signed by the President or the Vice-President and by the Secretary or an Assistant Secretary or the Treasurer or an Assistant Treasurer, and sealed with the seal of the corporation; and in appropriate books of record shall be entered the name of the person owning

the shares represented by each certificate, the number of shares and the date of issue. All certificates exchanged and returned to the Corporation shall be marked "Cancelled," with the date of cancellation by the President, a Vice-President, the Secretary or the Treasurer, and shall be filed among the corporate records of the corporation.

SECTION 2. Transfers. Shares represented by any certificate shall be transferable only as an entirety on the books of the corporation by the holder in person or by attorney, upon surrender of the certificate for such shares.

SECTION 3. Restrictions on Transfers.

A. No stockholder shall have the right or power to pledge, sell, alienate or dispose of shares of the capital stock of the corporation without first offering said shares of stock for sale to the corporation or its designee for the aggregate sum which such stockholder paid for said stock, not to exceed the par value thereof plus accrued amortization (adopted by stockholders 5/31/01). No shares in the corporation shall at any time be sold, assigned, hypothecated, alienated or transferred in any respect whatsoever by any stockholder unless he/she at the same time transfers as a unit all shares owned by him/her at that time.

B. Such offer shall be made in writing, signed by such stockholder, and delivered to the corporation at its principal place of business, and such offer shall remain good for acceptance by the corporation or a person designated by the corporation for a period of ninety days from the date of delivery of such notice. Such offer shall constitute the corporation an agent for the sale of the shares of stock to the corporation or to such person as may be designated by the corporation.

C. If the corporation, within the said ninety day period shall indicate that it desires to purchase said shares of stock and shall give notice thereof in writing to the retiring stockholder, the latter shall be bound, within thirty days thereafter to transfer such shares to the corporation, upon payment and receipt of the price herein provided.

D. In the event that the corporation shall not purchase said shares of capital stock of the corporation within said ninety day period, then and in such event only, the stockholder shall have the right or power to pledge, sell or otherwise dispose of said shares of the capital stock of the corporation to any person acceptable to the corporation, and HCR, provided such person shall, upon the transfer of said shares, enter into a non-proprietry lease with the corporation for the premises formerly occupied by the retiring stockholder for a term and upon the same terms and conditions contained in the non-proprietry lease between the stockholder and the corporation; the corporation will not, however, unreasonably withhold its acceptance of any person to whom the stockholder proposes to sell such shares as aforesaid.

In the event that the stockholder does not sell his/her stock to any person within six months after the right to do so has accrued, then and in such event he/she must again notify the corporation of the intent to transfer the shares and shall again be bound by the provisions of Paragraphs A, B, C and D of this Article VII, Section 3.

E. If in any case the retiring stockholder, after becoming bound to sell, convey or transfer his/her shares to the corporation defaults in transferring said shares, the corporation shall, after notice to and approval by HCR, hold the purchase money in trust for the retiring shareholder, or his/her executors, administrators or assigns and shall substitute the name of the purchaser upon the books of the company in place of the name of the retiring stockholder. After the name of the purchaser has been entered on the books of the corporation in the exercise

of the aforesaid powers, the validity of the proceedings shall not be questioned by any person and the corporation or such other person as may be designated by the corporation shall be deemed and taken to be the owner of such shares.

F. In the event that the stockholder shall have defaulted in the payment of any obligation arising under the lease with the corporation or shall, apart from said lease, become indebted to the corporation, or in the event of the termination of the lease or the recovery of possession of the apartment by the lessor under any of the provisions of the lease, or in the event of the violation by the stockholder of any provisions of Article VII, Section 3 of these By-Laws, the stockholder shall forthwith surrender to the corporation the certificate representing the shares of capital stock of the corporation owned by the stockholder and upon the failure or refusal of the stockholder so to surrender said shares of stock, the same shall, after notice to and approval by HCR, be automatically cancelled and rendered null and void and the corporation may issue a new certificate or certificates in their place and stead and such new certificate or certificates shall represent the same shares as were represented by the original certificate or certificates. The stock represented by the certificate or certificates so surrendered or by such new certificate or certificates may be sold by the corporation at public or private sale, without notice, and the proceeds applied toward all indebtedness of the stockholder, and the corporation shall remit any balance after payment of the expenses of the sale to the stockholder, who shall remain liable for any deficiency.

G. No stockholder shall have the right or power to pledge or otherwise encumber any shares of the corporation which may have been issued by the corporation.

H. The provisions of this Article VII shall be binding upon any executor, administrator or other legal representative and successors and assigns of every stockholder. Any person acquiring through will or descent, or by conveyance to take effect at death, any shares of the capital stock of the corporation shall be bound to offer the same for sale and transfer to the corporation upon the terms hereinabove set forth in this Article II, Section 3 of the By-Laws.

I. The certificates of stock shall bear a legend to the effect that the right to pledge, encumber, sell, alienate or otherwise dispose of the shares represented by such certificate is restricted as provided in this Article VII, Sections 2 and 3.

SECTION 4. The corporation shall be entitled to treat the holder of record of any shares of capital stock of the corporation as the holder in fact thereof, and shall not be bound to recognize any equitable or other claim to or interest in such share on the part of any other person whether or not it shall have express or other notice thereof, except as expressly provided by the laws of the State of New York.

SECTION 5. The corporation shall have a lien upon the shares of stock of any stockholder and upon all moneys due and owing by the corporation to any stockholder for any and all debts owed to the corporation by such stockholder. The Board of Directors may refuse to approve a transfer of any shares upon which the corporation has such a lien.

SECTION 6. As used in this Article the words "stock," "shares of stock" and "certificates of stock" shall include any interest in the corporation, and the word "stockholders" shall include the owner or holder of any such interest.

ARTICLE VIII

INTERESTED DIRECTORS

SECTION 1.

No member of the Board who has a conflict of interest shall be entitled to vote on any Board matter in which a conflict exists.

A conflict of interest exists when a member of the Board is directly or indirectly connected with any person, firm or corporation which may submit any bid, or to whom any contract or transaction is proposed or awarded.

Any such connection must be disclosed to the Board of Directors immediately upon becoming known to the interested Director and prior to any discussion of any related matter or any vote to enter into any related contract or transaction. The disclosure must include a statement setting forth the nature and extent of the Board member's conflict.

This disclosure shall be made part of the minutes of the Board meeting when such contract or transaction is considered or approved by a majority of the Board of Directors who are conflict-free.

Any such conflict discovered after the fact will render any decision and/or vote on the matter voidable upon a vote of a majority of the disinterested members of the Board of Directors, provided same is done in accordance with the applicable provisions of the Business Corporation Law.

ARTICLE IX

INDEMNIFICATION

SECTION 1. Indemnification of Directors and Officers

A. The Corporation shall 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, which any director or officer of the Corporation served in any capacity at the request of the Corporation, by reason of the fact that such director or officer, or such director's or officer's testator or intestate, was a director or officer of the Corporation, or served such other corporation, 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 such director or officer reasonably believed to be in, or, in the case of service for any other corporation not opposed to, the best interests of the Corporation and, in criminal actions or proceedings, in addition, had no reasonable cause to believe that such director's or officer's conduct was unlawful.

B. The termination of any such civil or criminal action or proceeding by judgment, settlement, conviction or upon a nolo contendere, or its equivalent, shall not in itself create a presumption that any such director or officer did not act, in good faith, for a purpose which such director or officer reasonably believed to be in, or, in the case of service for

any other corporation, not opposed to, the best interests of the Corporation or that such director or officer had reasonable cause to believe that such director's or officer's conduct was unlawful.

C. The Corporation shall indemnify any person made, or threatened to be 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 such person, or such person's testator or intestate, is or was a director or officer of the Corporation, or is or was serving at the request of the Corporation as a director or officer of any other corporation of any type or kind, domestic or foreign, or any partnership, joint venture, trust, employee benefit plan or other enterprise, against amounts paid in settlement and reasonable expenses, including attorneys' fees, actually and necessarily incurred by such person in connection with the defense or settlement of such action, or in connection, with an appeal therein if such director or officer acted, in good faith, for a purpose which such director or officer reasonably believed to be in, or, in the case of service for any other corporation, not opposed to, the best interests of the Corporation, except that no indemnification under this paragraph shall be made in respect of (i) a threatened action, or a pending action which is settled or otherwise disposed of, or (ii) any claim, issue or matter as to which such person shall have been adjudged to be liable to the Corporation, unless and only to the extent that the court in which the action was brought, or, if no action was brought, any court of competent jurisdiction, determines upon application that, in view of all the circumstances of the case, the person is fairly and reasonably entitled to indemnity for such portion of the settlement amount and expenses as the court deems proper.

SECTION 2. Payment of Indemnification.

A. A person who has been successful, on the merits or otherwise, in the defense of a civil or criminal action or proceedings of the character described in Section 1 of this Article shall be entitled to indemnification as authorized in such Section.

B. Except as provided in paragraph A of this Section, any indemnification under Section 1 of this Article or otherwise permitted by Section 5 of this Article, unless ordered by a court under the applicable provisions of the Business Corporation Law, shall be made by the Corporation, only if authorized in the specific case:

1. By the Board of Directors acting by a quorum consisting of directors who are not parties to such action or proceeding upon a finding that the director or officer has met the standard of conduct set forth in Section 1 of this Article or established pursuant to Section 1 of this Article, as the case may be; or

2. If a quorum under subparagraph 1 is not obtainable or, even if obtainable, a quorum of disinterested directors so directs:

a. By the Board of Directors upon the opinion in writing of independent legal counsel that the indemnification is proper in the circumstances because the applicable standard of conduct set forth in such Sections has been met by such director or officer, or

b. By the shareholders of the Corporation upon a finding that the director or officer has met the applicable standard of conduct set forth in such Sections.

C. Expenses incurred in defending a civil or criminal action or proceeding shall be paid by the Corporation in advance of the final disposition of such action or

proceeding upon receipt of an undertaking by or on behalf of such director or officer to repay such amount, and to the extent, required by paragraph A of Section 3 of this Article.

SECTION 3. Other Provisions Affecting Indemnification of Directors and Officers.

A. All expenses incurred in defending a civil or criminal action or proceeding which are advanced by the Corporation under paragraph C of Section 2 of this Article shall be repaid in case the person receiving such advancement or allowance is ultimately found, under the procedure set forth in this Article, not to be entitled indemnification or, where indemnification is granted, to the extent the expenses so advanced by the Corporation exceed the indemnification to which such person is entitled.

B. No indemnification, advancement or allowance shall be made under this Article in any circumstance where it appears:

1. That the indemnification would be inconsistent with a provision of the Certificate of Incorporation of the Corporation, these By-Laws, a resolution of the Board of Directors or of the shareholders, an agreement or other proper corporate action, in effect at the time of the accrual of the alleged cause of action asserted in the threatened or pending action or proceeding in which the expenses were incurred or other amounts were paid, which prohibits or otherwise limits indemnification; or

2. If there has been a settlement approved by a court, that the indemnification would be inconsistent with any condition with respect to indemnification expressly imposed by the court in approving the settlement.

C. If any expenses or other amounts are paid by way of indemnification, otherwise than by court order or action by the shareholders, the Corporation shall, not later than the next annual meeting of shareholders unless such meeting is held within three (3) months from the date of such payment, and, in any event, within fifteen (15) months from the date of such payment, mail to its shareholders of record at the time entitled to vote for the election of directors a statement specifying the persons paid, the amounts paid, and the nature and status at the time of such payment of the litigation or threatened litigation.

D. If any action with respect to indemnification of directors and officers is taken by way of amendment of these ByLaws, resolution of the Board of Directors, or by agreement, then the Corporation shall, not later than the next annual meeting of shareholders, unless such meeting is held within three (3) months from the date of such action, and, in any event within fifteen (15) months from the date of such action, mail to its shareholders of record at the time entitled to vote for the election of directors a statement specifying the action taken.

SECTION 4. Insurance for Indemnification of Directors and Officers.

A. Subject to paragraph (b) of this Section, the Corporation shall have power to purchase and maintain insurance:

1. To indemnify the Corporation for any obligation which it incurs as a result of the indemnification of directors and officers under the provisions of this Article; and

2. To indemnify directors and officers in instances in which they may be indemnified by the Corporation under the provisions of this Article; and

3. To indemnify directors and officers in instances in which they may not otherwise be indemnified by the Corporation under the provisions of this Article provided the contract or insurance covering such directors and officers provides, in a manner acceptable to the New York State Superintendent of Insurance, for a retention amount and for co-insurance.

B. No insurance under paragraph (a) of this Section may provide for any payment, other than cost of defense, to or on behalf of any director or officer:

1. if a judgment or other final adjudication adverse to the insured director or officer establishes that his or her acts of active and deliberate dishonesty were material to the cause of action so adjudicated, or that he or she personally gained in fact a financial profit or other advantage to which he or she was not legally entitled; or

2. in relation to any risk the insurance of which is prohibited under the Insurance Law of the State of New York.

C. Insurance under any or all subparagraphs of paragraph A of this Section may be included in a single contract or supplement thereto. Retrospective rated contracts are prohibited.

D. The Corporation shall, within the time and to the persons provided in paragraph C of Section 3 of this Article, mail a statement in respect of any insurance it has purchased or renewed under this Section, specifying the insurance carrier, date of the contract, cost of the insurance, corporate positions insured, and a statement explaining all sums, not previously reported in a statement to shareholders, paid under any indemnification insurance contract.

SECTION 5. Non-exclusivity. The indemnification and advancement of expenses granted pursuant to, or provided by, this Article shall not be deemed exclusive of any other rights to which a director or officer seeking indemnification or advancement of expenses may be entitled, including such rights to indemnification and/or advancement of expenses as may be authorized by (a) a resolution of the shareholders of the Corporation, (b) a resolution of the Board of Directors, or (c) an agreement providing for such indemnification, provided that no indemnification may be made to or on behalf of any director or officer if a judgment or other final adjudication adverse to the director or officer establishes that such director's or officer's acts were committed in bad faith or were the result of active and deliberate dishonesty and were material to the cause of action so adjudicated, or that such director or officer personally gained in fact a financial profit or other advantage to which such director or officer was not legally entitled. Nothing contained in this Article shall affect any rights to indemnification to which corporate personnel other than directors and officers may be entitled by contract or otherwise under law.

ARTICLE X

AMENDMENTS

These By-Laws may be amended, repealed or altered, in whole or in part, by vote of a majority of the stockholders of the corporation at any duly called annual or special meeting of the stockholders, provided the proposed amendment is set forth in the notice of the meeting. The Board of Directors shall not alter or repeal any By-Laws adopted by the stockholders of the corporation, but may adopt additional By-Laws, in harmony therewith, which may be amended or altered by the stockholders at the next annual meeting or at a special meeting of the stockholders called for this purpose. Any and all amendments or changes of these By-Laws shall not take effect until approval thereof by HCR.

ARTICLE XI

SEAL

The seal of the Corporation shall be circular in form and shall bear the name of the corporation, the words "Corporate Seal," the year of incorporation and the words "New York".

ARTICLE XI

FINANCIAL STATEMENT

The corporation shall deliver to each stockholder an audited financial statement at a reasonable time after the end of each fiscal year.

indemnification may be made to or on behalf of any director or officer if a judgment or other final adjudication adverse to the director or officer establishes that such director's or officer's acts were committed in bad faith or were the result of active and deliberate dishonesty and were material to the cause of action so adjudicated, or that such director or officer personally gained in fact a financial profit or other advantage to which such director or officer was not legally entitled. Nothing contained in this Article shall affect any rights to indemnification to which corporate personnel other than directors and officers may be entitled by contract or otherwise under law.

ARTICLE X

AMENDMENTS

These By-Laws may be amended, repealed or altered, in whole or in part, by vote of a majority of the stockholders of the corporation at any duly called annual or special meeting of the stockholders, provided the proposed amendment is set forth in the notice of the meeting. The Board of Directors shall not alter or repeal any By-Laws adopted by the stockholders of the corporation, but may adopt additional By-Laws, in harmony therewith, which may be amended or altered by the stockholders at the next annual meeting or at a special meeting of the stockholders called for this purpose. Any and all amendments or changes of these By-Laws shall not take effect until approval thereof by DHCR.

ARTICLE XI

SEAL

The seal of the Corporation shall be circular in form and shall bear the name of the corporation, the words "Corporate Seal," the year of incorporation and the words "New York".

ARTICLE XI

FINANCIAL STATEMENT

The corporation shall deliver to each stockholder an audited financial statement at a reasonable time after the end of each fiscal year.



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