

BY-LAWS
OF
201 WEST 16 OWNERS CORP.

ARTICLE I

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 building owned by the Corporation.

ARTICLE II

Meetings of Shareholders

Section 1. Annual Meeting. The annual meeting of the shareholders of the Corporation, for the election of Directors and for such other business as may properly come before such meeting, shall be held in the Borough of Manhattan, City of New York, at such time and place before the 30th day of June each year as may be designated by the Board. The notice of the meeting shall be in writing and signed by the President, a Vice President, the Secretary or the Assistant Secretary. Such notice shall state the time when and the place within the Borough of Manhattan 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 10 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 share 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 to do so by shareholders owning at least 25 percent 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 10 nor more than 40 days before the meeting.

Section 3. Notice of Meetings. If mailed, the notice provided for in the two preceding sections shall be deemed to be delivered when deposited in the mail, addressed to the shareholder

at the address as it appears on the stock transfer books as of the record date with postage prepaid. When any shareholders' meeting, either annual or special, is adjourned for 30 days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. It shall not be necessary to give any notice of the time and place of any meeting adjourned for less than 30 days or of the business to be transacted at the meeting, other than an announcement at the meeting at which such adjournment is taken. The notice provided for in the preceding two sections is not indispensable, but any shareholders' meeting of any kind 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 such meeting by such shareholders as are not so represented and were not given such 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 such 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. At each meeting of shareholders, each shareholder present in person or by proxy shall be entitled to one vote for each share registered in their 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 share 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 in accordance with Section 9 herein. The 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 be a shareholder of the Corporation. Voting by shareholders shall be *vive 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 them, and in addition, the name of the proxy of such ballot if cast by proxy.

In all elections of Directors to the Corporation, each shareholder shall be entitled to as many votes as shall equal the number of votes that (except for these provision) they would be entitled to cast for the election of Directors with respect to their shares, multiplied by the number of Directors to be elected, and they may cast all of such votes for a single Director or distribute them among the number to be voted for, or any two or more of them, as they may deem appropriate. The manner in which each shareholder voted shall be kept confidential from any other shareholder except the Inspectors of Election, who shall not disclose such information.

Section 6. Inspectors of Election. Inspectors of Election shall not be required to be appointed at any meeting of the 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 10 of the Business Corporation Law. Unless otherwise prescribed by law, the duties of such inspectors shall include: determining the number of shares and the voting power of each share, the shares represented at the meeting, the existence of a quorum, and the authenticity, validity and effect of proxies, receiving votes, ballots, or consents, hearing and determining all challenges and questions in any way arising in connection with the right to vote; counting and tabulating all votes or consents; determining the result; and such acts as may be proper to conduct the election or vote with fairness to all shareholders.

Section 6. Order of Business. So far as consistent with the purposes of the meeting, the order of business of each meeting of shareholders shall be as follows:

- (a). Call to order.
- (b). Presentation of proofs of due calling of the meeting.
- (c). Roll call and presentation and examination of proxies.
- (d). Reading of minutes of previous meeting or meetings, unless waived.
- (e). Reports of Officers and Committees.
- (f). Appointment or election of Inspectors of Election, if requested.
- (g). If called for that purpose, the election of Directors.
- (h). Unfinished business.
- (i). New business.
- (j). Adjournment.

Section 8. Conduct of Meetings. Annual and special meetings shall be conducted in accordance with the most current edition of Robert's Rules of Order unless otherwise prescribed by law or these By-laws.

Section 9. Fixing of Record Date. For the purpose of determining shareholders entitled to notice of or to vote at any meeting of shareholders or any adjournment, or in order to make a determination of shareholders for any other proper purpose, the Board of Directors shall fix in advance a date as the record date for any such determination of shareholders. Such date in any case shall be not more than 5 days and, in case of a meeting of shareholders, not fewer than 2 days prior to the date on which the particular action, requiring such determination of shareholders, is to be taken. When a determination of shareholders entitled to vote at any meeting of shareholders has been made as provided in this section, such determination shall apply to any adjournment.

Section 10. Voting of Shares in the Name of Two or More Persons. When ownership stands in the name of two or more persons, in the absence of written directions to the contrary, at any meeting of the shareholders any one or more of such shareholders may cast, in person or by proxy, all votes to which such ownership is entitled. In the event an attempt is made to cast conflicting votes, in person or by proxy, by the several persons in whose names shares of stock stand, the vote or votes to which those persons are entitled shall be divided between the shareholders and each shareholder present in person or by proxy at such meeting shall vote their pro rata share.

Section 11. New Business. Any new business to be taken up at the annual meeting shall be stated in writing and filed with the Secretary of the Corporation at least five days before the date of the annual meeting, and all business so stated, proposed, and filed shall be considered at the annual meeting; but no other proposal shall be acted upon at the annual meeting. Any shareholder may make any other proposal at the annual meeting and the same may be discussed and considered, but unless stated in writing and filed with the Secretary at least five days before the meeting, such proposal shall be laid over for action at an adjourned, special, or annual meeting of the shareholders taking place 30 days or more thereafter. This provision shall not prevent the consideration and approval or disapproval at the annual meeting of reports of Officers, Directors, and Committees; but in connection with such reports, no new business shall be acted upon at such annual meeting unless stated and filed as herein provided.

ARTICLE III

Directors

Section 1. Authority of Directors. The affairs and business of this Corporation shall be managed by its Board of Directors except as to powers herein delegated to Officers. The Board of Directors shall be constituted with such number of Directors and shall be elected in the manner provided in Sections 2 and 3 of this Article III. The Directors shall at all times act as a Board, regularly convened, by a majority. The Directors may adopt such rules and regulations for the conduct of their meetings, the execution of their resolutions and the management of the affairs of the Corporation as they may deem proper, not inconsistent with the laws of the State of New York, the charter of the Corporation or these By-laws. Notwithstanding the foregoing, except in the ordinary course of business and/or repairs and replacements to the structural portions of the building, no expenditure in excess of \$500,000 shall be authorized by the Board of Directors without the prior approval of the shareholders representing a majority of the shares issued and outstanding.

Section 2. Elections. The Directors shall be elected at the annual meeting of shareholders or at a special meeting called for that purpose as provided by law, by a plurality of votes cast at such meeting. Their term of office shall be until the date herein fixed or the next annual meeting, or thereafter until their respective successors are elected and qualify. No one shall be qualified to be a candidate for or to serve on the Board who is in arrears in paying maintenance or assessments. Only one resident per apartment shall be on the Board at any one time and only a shareholder or the spouse or Protected Person of a shareholder shall be a member of the Board. For purposes of these By-laws, "Protected Person" is defined as any other person

residing with the shareholder as a primary residence, who can prove emotional and financial commitment and interdependence between such person and the shareholder. Although no single factor shall be solely determinative, evidence that is to be considered in determining whether such emotional and financial commitment and interdependence existed may include, without limitation, such factors as the length of the relationship, intermingling of finances, having executed wills and health care proxies naming each other and engaging in behavior that evidences a long-term emotionally committed relationship.

(a) Nominations by Board of Directors. The Board of Directors may nominate candidates for election as Directors by including the names of such candidates with the notice of meeting at which Directors are to be elected. If any of the candidates nominated by the Board of Directors withdraws from candidacy or otherwise becomes unavailable, the Board of Directors may nominate substitutes at any time prior to (by written notice to shareholders) or at (by announcement) the meeting at which Directors are to be elected.

(b) Nominations by Shareholders. The notice of meeting for any meeting at which Directors are to be elected shall be accompanied by an invitation for shareholders to submit nominees for election as Directors and shall explain the procedure for nominating Directors as set forth herein. Nominations for Directors (other than those made by the Board of Directors) shall be made only by shareholders of the Corporation and shall be submitted in writing to the secretary of the Corporation at least five (5) days prior to the date of the meeting called for the election of such directors. All nominations shall include a brief statement of the nominee's qualifications. No candidates for Director may be voted upon or elected unless nominated in accordance with the foregoing. The names of all persons properly nominated (other than those nominated by the Board of Directors), if any, and the accompanying statement of qualification shall be posted in the lobby of the building not less than three (3) days before the date of the meeting, provided such nominations were submitted at least five (5) days prior to the date of the meeting. The names of all persons properly nominated by the Board of Directors and/or the shareholders shall be included on the ballot presented to shareholders at the meeting.

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 at any special meeting thereof called for such purpose. In the event of a 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 in 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.

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 telecopying of the same to them at the last address furnished by them to the Corporation. Regular meetings may be held without notice at such time and places as the Board of Directors may determine. Any meeting of the Board at which all the members shall be present, or of which notice shall be duly waived by all the 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 in the State of New York as provided in the notice calling the meeting, unless the Board of Directors by resolution adopts some further limitation in regard thereto. At all meetings of the Board of Directors, each Director shall be entitled to one vote. 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. Any one or more members of the Board of Directors or any committee thereof may participate in a meeting of the Board or committee by means of a conference telephone or similar communications equipment allowing all persons participating in the meeting to hear each other at the same time. Such participation shall constitute presence in person at such meeting. Any action required or permitted to be taken at any meeting of the Board of Directors or any committee thereof may be taken without a meeting if all members of the Board of Directors or the committee, as the case may be, consent in writing to the adoption of a resolution authorizing the action and if the resolution and the written consents thereto are filed with the minutes of the proceedings of the Board of Directors or the committee.

Section 6. Resignation and Removal. Any Director may resign at any time by written notice delivered in person or sent by telecopier to the President or the 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 without cause by the shareholders of the Corporation at a meeting duly called for that purpose. A Director who fails to attend three consecutive meetings of the Board or five meetings in any twelve month period or who ceases to be a shareholder or the spouse or Protected Person of a shareholder or who is more than two months in arrears in paying maintenance and assessments shall be deemed to have resigned from the Board.

Section 7. Annual Cash Requirements. The Board of Directors shall, except as may be otherwise restricted by the Proprietary Lease of the Corporation, from time to time, determine the cash requirements as defined in the Corporation's Proprietary Leases, and fix the terms and manner of payment of maintenance under the Corporation's Proprietary Leases. The Board of Directors shall have discretionary power to prescribe the manner of maintaining and operating the apartment house 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 of and 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.

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 to the apartment building of the Corporation for the health, safety and convenience of the shareholder-tenants. Copies thereof and 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 in the management of the affairs of the Corporation during the intervals between the meetings of the Board as may be determined by the authorizing resolution of the Board of Directors and so far as may be permitted by law, except that no committee shall have the power to determine the cash requirements defined in the Proprietary Leases, or to fix the maintenance to be paid under the Proprietary Leases, or to vary the terms of payment thereof fixed by the Board.

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 out of earnings and profits of the Corporation.

Section 11. Confidentiality. Information disclosed to Directors shall be kept in confidence and not disclosed under any circumstance until a decision is made by the Board to make the information public. Once determined, decisions of the Board are to be presented in their final form, and any discussions leading up to such decisions are confidential. Board members shall treat the votes by individual Board members as confidential.

Section 12. Conflicts of Interest.

(a) No member of the Board shall receive any economic benefit of any nature, including any remuneration, gift or other consideration, from any person, firm or entity dealing with the Corporation, as a result of, or in any way associated with, transactions involving the Corporation, unless such economic benefit shall have been specifically disclosed to, and approved by, a two-thirds vote of the disinterested Directors prior to receipt thereof.

(b) Real estate brokers or salespersons who are members of the Board shall refrain from engaging in selling apartments in the building or participating in such sales, either directly or indirectly, as listing broker, co-broker or otherwise as an economic participant in such sales. Attorneys who are members of the Board shall refrain from representing shareholders of the Corporation in matters arising between the Corporation and such shareholders. A Director who is a principal or owner of, or has a financial interest in, any company supplying goods or services to the Corporation shall refrain from continuing to do business with the Corporation unless the business relationship has

been specifically disclosed to, and approved by, a two-thirds vote of the disinterested Directors prior to either the participation of that Director in the affairs of the Corporation or the resumption of the business relationship between the interested Director and the Corporation.

(c) No member of the Board shall vote on any matter, or participate in the discussion of any matter, in which the member has a financial interest, other than a general interest as a shareholder or proprietary lessee of the Corporation. "Financial interest" includes, without limitation, any of the following interests:

i. Interests as an owner, agent or principal of, either directly or indirectly, or otherwise possessing a financial interest of any nature in or with, any company or other entity, in any way involved in the subject of such vote; or

ii. Interests as a party involved in any manner in the transaction being voted upon, including, without limitation, as a broker in any way involved in the sale of an apartment; or

iii. Interests as attorney for, or other legal representative of, any shareholder or any party being the subject of such vote or discussion.

(d) The violation of any of the foregoing provisions shall be grounds for removal of such Director for cause by a vote of two-thirds of the disinterested members of the Board or majority vote of the shareholders.

(e) The Board of Directors may, by majority vote, require that a Director be recused from participating in any discussion or voting on any matter, when the Board determines that there is a substantial financial conflict between the interests of the Director and the interests of the Corporation or that such a conflict of interest reasonably appears to exist.

ARTICLE IV

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 each year at the regular meeting 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 and may accord to such officers such power as the Board deems proper. Any officer may be removed at any time, with or without cause, by the then-authorized total number of Directors. The President shall be a member of the Board of Directors, and shall be a shareholder or a spouse or Protected Person of a shareholder, but none of the other officers need be a member of the Board of Directors or a shareholder or a spouse or

Protected Person 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 the 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 that 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 Corporation and perform all the duties incidental to the office. In the absence of the President 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 the 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 or she shall perform all other duties incidental to the office. If so required by the Board of Directors, he or she 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 from time to time shall determine. The premium on such bond shall be paid by the Corporation. By March 1st, 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 on a per share basis any other information as may be necessary or useful to permit them to compute their income tax returns in respect thereof.

At least thirty days prior to the annual shareholders' meeting, the Treasurer shall cause to be transmitted to each shareholder-tenant whose Proprietary Lease is then in effect, the 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 the Secretary. The Secretary shall keep the minutes of the meetings of the Board of Directors and of the meetings of shareholders; he or she 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 and these By-laws. He or she shall also perform all other duties incidental to the office. The Secretary shall cause to be kept books 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 date on which they respectively became the owners thereof and the amount paid thereon and the denomination and the amount of all share issuance or transfer stamps affixed thereto (the "share transfer books"), and such share transfer books shall be open for inspection as provided by law. In the absence or inability of the Secretary, the assistant Secretary, if any, shall

have all of the powers and perform all of the duties of the Secretary.

ARTICLE V

Proprietary Leases

Section 1. Form of Lease. The Board of Directors shall adopt a form of Proprietary Lease to be used by the Corporation for the leasing of all apartments and other space in the apartment building of the Corporation 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 the Proprietary Lease in the form so adopted by the Board of Directors shall have been executed and delivered to 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 owners by the Lessee, the use of the premises and the date of the commencement of the term, unless such change or alteration is approved by Lessees in accordance with the voting set forth in Article II, Section 5 herein.

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. 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 apartment building.

Section 3. Allocation of Shares. The Board of Directors shall allocate to each apartment or other space in the apartment building of the Corporation to be leased to shareholder-tenants under Proprietary Leases the number of shares of the Corporation that must be owned by the Proprietary Lessee of such apartment or other space.

Section 4. Assignment of Proprietary Lease and Transfer of Shares. No assignment of any Proprietary 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, and all necessary consents 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 60 days after receipt of said written application.

Where the Sponsor named in the Plan of Cooperative Organization or a designee of the

Sponsor is a Lessee (otherwise known as a holder of “Unsold Shares”) consents to an assignment or transfer of their Lease and the shares appurtenant thereto or a subletting or occupancy of the demised premises will be required only from the managing agent of the building (or in lieu thereof at the option of such holder of Unsold Shares from the Board of Directors) who shall consent to such assignment, subletting or transfer only when assignee or transferee or subtenant or occupant is a reputable person, which consent shall not be unreasonably withheld or delayed.

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

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 a Lessor, to fix a reasonable fee to cover actual expenses and attorney’s fees of the Corporation and such other conditions as it may determine, in connection with each such proposed assignment.

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

Section 7. Regrouping of Space. 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 apartment building and of the shares issued to accompany the same, may, in its discretion, at any time, permit such owner or owners, at their own 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; or (3) to reallocate the shares issued to accompany the Proprietary Lease or 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 space in the building not covered by a 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 shares from its treasury to be issued and allocated in connection with the appropriation of such additional space. No such change shall be authorized unless and until the Board of Directors receives an opinion from an appraiser or licensed real estate broker with experience in valuing interests in co-op housing corporations affirming that the number of shares to be allocated or issued by the co-op in connection with the proposed regrouping of space bears

a reasonable relationship to that portion of the co-op's equity in the building that is attributable to such space (a "Letter of Reasonable Relationship").

Upon any regrouping of space in the building, the Proprietary Leases so affected and the accompanying share certificates 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.

Section 8. The holders of unsold shares shall be precluded from altering the structure of any Unit in the building except in full compliance with all building codes and related laws. Holders of unsold shares shall also be precluded from encroaching or impinging upon public areas of the building.

Section 9. Notwithstanding anything to the contrary contained herein, no amendment to the By-laws or the Proprietary Lease that adversely affects the rights of the holders of unsold shares, as set forth in the Plan and any Amendments thereto, shall be effective without the majority consent of the holders of unsold shares.

ARTICLE VI

Capital Shares

Section 1. No shares hereafter issued or acquired by the Corporation shall be issued or reissued except in connection with the execution by the purchaser and delivery by the Corporation of a Proprietary Lease of an apartment in the building owned by the Corporation. 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 Share Register. Certificates of the shares of the Corporation shall be in the form adopted by the Board of Directors, and shall be signed by the President (or a Vice-President) and the Secretary, an Assistant Secretary, 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. 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 default in the payment of any of the

maintenance or in the performance of any of the covenants or conditions of such Proprietary Lease, and/or unless or until such shareholder shall default in the payment of any indebtedness or obligation owing by such shareholder to the Corporation or 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 to be purchased substantially in the form of the certificate for such shares theretofore issued to such defaulting shareholder, and the certificate 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.

Upon the sale or transfer of the stock and Proprietary Lease or any interest therein (other than the creation of a security interest therein to a bank or other lending institution) allocated to apartments in the building, each selling or transferring tenant-shareholder or subscriber to the Corporation stock shall pay to the Corporation a fee as prescribed in the Proprietary Lease, which sum shall be placed in the Corporation's reserve fund and shall be used for retirement of mortgage debt or for such other purpose as the Board of Directors may from time to time determine. In any dispute concerning the calculations of the gross consideration, the decision of the Board of Directors of the Corporation shall be final, binding and conclusive.

This fee is in addition to the fees charged, if any, by the attorneys for the Corporation or the Corporation's managing agent in connection with the transfer, as provided for herein.

Notwithstanding the foregoing, the following assignments, transfers or sales shall be exempt from making this payment (irrespective of whether any consideration is paid):

- (a) transfers from one spouse or Protected Person to another spouse or Protected Person;
- (b) transfers within an "immediate family" (defined below);
- (c) transfers from one holder of Unsold Shares to another holder of Unsold Shares or to a third party for other than personal occupancy by such third party or members of their family;
- (d) transfers from Sponsor to one or more of its partners;
- (e) shares reallocated between two or more apartments (including Unsold Shares);
- (f) transfers of shares pledged under any financing that may be given by 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;

(g) transfers of shares in connection with any recapitalization or reorganization of the Corporation.

The term “immediate family” shall mean adult children, adult siblings, spouse, Protected Person and parents.

Section 4. 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 in the same form 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.

Section 5. 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 By-laws of 201 West 16 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 201 West 16 Owners Corp., as Lessor, for an apartment in the premises known as 201 West 16th Street, New York, 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 are available for inspection at the office of the managing agent of this Corporation.

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 VII

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, 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, 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 the best interests of the Corporation, with the additional proviso that, in criminal actions or proceedings, such directors or officers had no reasonable cause to believe that their conduct was unlawful.

(b) The termination of any such civil or criminal action or proceeding by judgment, settlement, conviction or upon a *nolo contendere* plea 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 the best interests of the Corporation, or that such director or officer had reasonable cause to believe that their 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, 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 that such director or officer reasonably believed to be in 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 proceeding 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:

(i) 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

(ii) If a quorum under subparagraph (i) is not obtainable or, even if obtainable, a quorum of disinterested directors so directs:

- 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 Section has been met by such director or officer, or
- 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 Section.

(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 Director and Officer Indemnification.

(a) All expenses incurred in defending a civil or criminal action or proceeding that 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:

(i) 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

(ii) 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, other 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 By-laws, 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:

(i) to indemnify the Corporation for any obligation that it incurs as a result of the indemnification of Directors and officers under the provisions of this Article; and

(ii) to indemnify Directors and officers in instances in which they may be indemnified by the Corporation under the provisions of this Article; and

(iii) 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 of 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:

(i) 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

(ii) in relation to any risk the insurance of which is prohibited under the Insurance Laws 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. Nonexclusivity. 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 VIII

Seal

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

ARTICLE IX

Negotiable Instruments

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

Section 2. 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 X

Fiscal Year

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

ARTICLE XI

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 officer or director unless and until the same shall have been duly 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 XII

Amendments

Section 1. These By-laws may be amended, enlarged or diminished either (a) at any shareholders' meeting by vote of shareholders owning two-thirds of the amount of the outstanding shares, represented in person or by proxy, provided that the proposed amendment or the substance thereof shall have been inserted in the notice of meeting or that all of the shareholders be present in person or by proxy, or (b) at any meeting of the Board of Directors by a majority vote, provided that the proposed amendment or the substance thereof shall have been inserted in the notice of meeting or that all of the Directors are present in person, except that the Directors may not repeal a By-law amendment adopted by the shareholders as provided above.