

**AMENDED AND RESTATED BY-LAWS
OF
SHOREHAM WEST
COOPERATIVE APARTMENTS, INC.**

OFFICES

1. The principal office shall be in the City of Wilmington, County of New Castle, State of Delaware, and the name of the resident agent in charge thereof is The Corporation Trust Company, 1209 Orange Street, Wilmington, Delaware 19801.

2. The corporation may also have an office in the City of Washington, District of Columbia, and also offices at such other places as the Board of Directors may from time to time determine or as the business of the corporation may require.

MEMBERS' MEETINGS

3. Every meeting of the Members shall be held at such place within the District of Columbia and at such time as shall be stated in the notice of the meeting, or in a duly executed waiver of notice thereof.

4. The annual meeting of Members shall be held on the first Monday of May in each year, if not a legal holiday, and if a legal holiday, then on the next secular day following, at which they shall elect by a plurality vote, a Board of Directors, and transact such other business as may properly be brought before file meeting.

5. Written notice specifying the time and place of the annual meeting shall be served upon or mailed to each Member entitled to vote thereat, at such address as appears on the books of the corporation, at least fifteen (15) days prior to the meeting.

6. At least fifteen (15) days before every election of Directors, a complete list of the Members entitled to vote at said election, arranged in alphabetical order, with the residence of each, shall be prepared by the Secretary. Such list shall be open at the Shoreham West Apartments office for said fifteen (15) days, to the examination of any Member, and shall be produced and kept at the time and place of election during the whole time thereof, and subject to the inspection of any Member who may be present.

7. Special meetings of the Members, for any purpose or purposes, unless otherwise prescribed by statute or by the Certificate of Incorporation, may be called by the President 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 fifteen (15) Members. Such request shall state the purpose or purposes of the proposed meeting.

8. Written notice of a special meeting of Members stating the time and place and object thereof, shall be served upon or mailed to each Member entitled to vote thereat at such address as appears on the books of the corporation, at least fifteen (15) days before such meeting, but no action shall be taken at any such meeting which, under the provisions of these By-Laws, requires a period of notice greater than fifteen (15) days, unless such requirement as to advance notice shall have been fully complied with.

9. Business transacted at all special meetings shall be confined to the objects stated in the call.

10. Members present in person or represented by proxy, representing one-third (1/3) of the voting power of all Members of the corporation, shall be requisite and shall constitute a quorum at all meetings of the Members for the transaction of business, except as otherwise provided by statute, by the Certificate of Incorporation, or by these By-Laws. If, however, such quorum shall not be present or represented at any meeting of the Members, the Members entitled to vote thereat, present in person or represented by proxy, shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the original meeting.

11. When a quorum is present at any meeting, the vote of a majority in voting power of the Members present in person or represented by proxy shall decide any question brought before such meeting, unless the question is one upon which by express provision of statute, or of the Certificate of Incorporation, or of these By-Laws, a different vote is required, in which case such express provision shall govern and control the decision of such question.

12. At any meeting of the Members, every Member having the right to vote shall be entitled to vote in person, or by proxy appointed by an instrument in writing subscribed by such Member. No employees of the corporation, nor the Managing Agent or any employee of the Managing Agent, shall be permitted to serve as a proxy.

13. Whenever the vote of Members at a meeting thereof is required or permitted to be taken in connection with any corporate action by any provisions of statute, or of the Certificate of Incorporation, or of these By-Laws, the meeting and vote of Members may be dispensed with if all the Members who would have been entitled to vote upon the action if such meeting were held shall consent in writing to such corporation action being taken.

14. The Board of Directors shall consist of seven (7) persons, each of whom will serve for a term of three (3) years. At each annual meeting of Members, Directors will be elected for a term of three (3) years to fill the vacancies occurring.

(a) At least sixty (60) days before each annual meeting of Members, the President shall appoint a Nominating Committee, composed of three (3) Members of the Board of Directors who shall nominate one or more persons for each anticipated vacancy on the Board of Directors. The names of such nominee shall be mailed or distributed to each Member at such

address as appears upon the books of the corporation, at least twenty (20) days prior to this annual meeting. Nominations may also be made by any group of four (4) or more Members by submitting, in writing, the name of such nominee to the Secretary of the corporation at least fifteen (15) days prior to the annual meeting of Members, together with an acceptance by such nominee. The name of such nominee, together with the names of the nominators, will be furnished to Members in the same manner, and at least ten (10) days prior to the annual meeting of the Members. No person shall be eligible for election to the Board of Directors unless he or she shall have been so nominated.

(b) The Secretary shall cause ballots, containing the names of all nominees for election to the Board of Directors to be printed and distributed at each annual meeting of the Members. Those nominees receiving the greatest number of votes cast, in person or by proxy, shall be elected to serve on the Board of Directors. In the event two (2) or more nominees receive an equal number of votes their election shall be determined by lot by the presiding officer at the meeting in session.

15. At any meeting of the Members, each Member present in person or by proxy shall be entitled to one vote for each \$100.00 or fraction thereof of mortgage value stated in the Proprietary Lease and Occupancy Agreement owned by such Member, covering space in the corporation's cooperative housing project (hereinafter termed the project). Such voting ratio shall continue after the expiration of all Proprietary Lease and Occupancy Agreements.

DIRECTORS

16. The Directors may hold their meetings and keep the books of the corporation at the office of the corporation in the City of Washington, District of Columbia, or at such other place as they may from time to time determine.

17. If the office of any Director or Directors becomes vacant by reason of death, resignation, retirement, disqualification, removal from office, or otherwise, a majority of the remaining Directors, though less than a quorum, shall choose a successor or successors, who shall hold office for the unexpired term in respect to which such vacancy occurred.

18. The property and business of the corporation shall be managed by its Board of Directors, which may exercise all such powers of the corporation and do all such lawful acts and things as are not by statute, or by the Certificate of Incorporation, or by these By-Laws, directed or required to be exercised or done by the Members.

COMPENSATION OF DIRECTORS

19. Directors, as such, shall not receive any compensation for their services; provided, however, that Directors may be reimbursed for reasonable out-of-pocket documented expenses that they may incur in the exercise of their duties, subject to the approval of the Board of Directors.

MEETINGS OF THE BOARD

20. The first meeting of each newly elected Board of Directors shall be held immediately following the meeting of Members at which such Board is elected, or at such other time and place, either within or without the State of Delaware, as shall be fixed by the vote of the Members at the annual meeting and no notice of such meeting shall be necessary to the newly elected Directors in order legally to constitute the meeting, provided a quorum shall be present.

21. Regular meetings of the Board may be held at such time and place, either within or without the State of Delaware, as shall from time to time be determined by the Board. The meetings shall be open to all Members and held at a regular time and day of each month. In the event that there is a postponement, a notice shall be left at the desk at least five (5) days before the meeting.

22. Special meetings of the Board may be called by or at the direction of the President on two (2) days' notice to each Director, either personally or by mail or by telegram. Special meetings shall be called by the President or Secretary in like manner and on like notice on the written request of two (2) Directors.

23. At all meetings of the Board, a majority of the Directors then provided for in these By-Laws shall be necessary and sufficient to constitute a quorum for the transaction of business. The act of a majority of the Directors present at any meeting at which there is a quorum shall be an act of the Board of Directors, except as may be otherwise specifically provided by statute, or by the Certificate of Incorporation, or by these By-Laws. If a quorum shall not be present at any meeting of Directors, the Directors present thereat may adjourn the meeting from time to time without notice other than announcement at the meeting, until a quorum shall be present.

NOTICES

24. Whenever, under the provisions of any statute, or of the Certificate of Incorporation, or of these By-Laws, notice is required to be given to any Director or Member, it shall not be construed to mean personal notice, but such notice may be given in writing, by mail, by depositing the same in a post office or letter box, in a post-paid sealed wrapper, addressed to such Director or Member, at such address as appears on the books of the corporation, and such notice shall be deemed to be given at the time when the same shall be thus mailed.

25. Whenever any notice is required to be given under the provisions of any statute, or of the Certificate of Incorporation, or of these By-Laws, a waiver thereof, in writing, signed by the person or persons entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent thereto.

OFFICERS OF THE CORPORATION

26. The officers of the corporation shall be a President, one or more Vice-Presidents, and a Secretary and a Treasurer. At its first meeting after each annual meeting of the Members, the Board of Directors shall from time to time elect from among the Directors a President and one or more Vice-Presidents; it shall also appoint a Secretary and a Treasurer, either of whom may, but need not be, a member of the Board.

27. The Board of Directors may from time to time appoint one or more Assistant Secretaries and one or more Assistant Treasurers, who may, but need not be, members of the Board.

28. The Board may appoint such other officers and agents as it shall deem necessary, who shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the Board.

29. The salaries of all officers and agents of the corporation shall be fixed by the Board of Directors.

30. The officers of the corporation shall hold office until their successors are chosen and qualify in their stead. Any officers elected or appointed by the Board of Directors may be removed at any time by the affirmative vote of a majority of the Board of Directors then provided for in these By-Laws. If the office of any officer becomes vacant for any reason, the vacancy shall be filled by the Board of Directors.

THE PRESIDENT

31. The President shall be the chief executive officer of the corporation; he or she shall preside at all meetings of the Members and Directors, shall be ex officio a member of all standing committees, shall have general and active management of the business of the corporation, and shall see that all orders and resolutions of the Board and of the Membership of the corporation are carried into effect.

32. He or she shall execute notes and bonds, and deeds of trust and mortgages and other contracts requiring a seal, under the seal of the corporation, except where required or permitted by law to be otherwise signed and executed and except where the signing and execution thereof shall be expressly delegated by the Board of Directors to some other officer or agent of the corporation.

VICE-PRESIDENTS

33. The Vice-Presidents, in the order of their seniority, shall, in the absence or disability of the President, perform the duties and exercise the powers of the President, and shall perform such other duties as the Board of Directors shall prescribe.

**THE SECRETARY AND
ASSISTANT SECRETARIES**

34. The Secretary shall attend all sessions of the Board and all meetings of the Members and record all votes and the minutes of all proceedings in a book to be kept for that purpose. He or she shall give, or cause to be given, notice of all meetings of the Members and special meetings of the Board of Directors, and shall perform such other duties as may be prescribed by the Board of Directors or President. He or she shall keep in safe custody the seal of the corporation, and when authorized by the Board, affix the same to an instrument requiring it, and, when so affixed, it shall be attested by his or her signature or by the signature of the Treasurer or an Assistant Secretary.

35. The Assistant Secretaries, in order of their seniority, shall, in the absence or disability of the Secretary, perform the duties and exercise the powers of the Secretary and shall perform such other duties as the Board of Directors shall prescribe.

THE TREASURER AND ASSISTANT TREASURERS

36. The Treasurer shall have the custody of the corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the corporation and shall deposit all moneys and other valuable effects in the name and to the credit of the corporation in such depositories as may be designated by the Board of Directors.

37. He or she shall disburse the funds of the corporation as may be ordered by the Board, taking proper vouchers for such disbursements, and shall render to the President and Directors, at the regular meetings of the Board, or whenever they require it, an account of all his or her transactions as Treasurer and of the financial condition of the corporation.

38. If required by the Board of Directors, he or she shall give the corporation a bond in such sum and with such surety or sureties as shall be satisfactory to the Board for the faithful performance of the duties of his or her office and for the restoration to the corporation, in case of his or her death, resignation, retirement, or removal from office, of all books, papers, vouchers, money and other property of whatever kind in his or her possession or under his or her control belonging to the corporation.

39. The Assistant Treasurers, in the order of their seniority, shall, in the absence or disability of the Treasurer, perform the duties and exercise the powers of Treasurer and shall perform such other duties as the Board of Directors shall prescribe.

DIRECTORS' ANNUAL STATEMENT

40. The Board of Directors shall present to each member at least fifteen (15) days prior to each annual meeting and when called for by vote of the Members at any special meeting of the Members, a full and clear statement of the business and condition of the corporation.

CHECKS

41. All checks or demands for money and notes of the corporation shall be signed by such officer or officers or such other person or persons as the Board of Directors may from time to time designate.

FISCAL YEAR

42. The fiscal year of the corporation shall be the calendar year unless otherwise determined by the Board of Directors.

SEAL

43. The corporate seal shall have inscribed thereon the name of the corporation, the year of its organization, and the words "Corporate Seal, Delaware". Said seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise.

MEMBERSHIP

44. Membership in the corporation shall be limited to persons entering into and becoming owners of Proprietary Lease and Occupancy Agreements with the corporation. Each such owner shall be entitled to the occupancy of the apartment and garage space or spaces, if any, specified in his or her Proprietary Lease and Occupancy Agreement, together with exclusive use of the balcony, ground terrace area or garden, if any, appurtenant to such Member's apartment.

45. Members of the corporation shall be entitled to have included in their Proprietary Lease and Occupancy Agreements, garage space or spaces, if available, by making such cash payments as required, and assuming the payment of assessments applicable thereto. If such garage space or spaces are included, the apartment and garage space or spaces shall be collectively referred to as the "unit." Such garage space or spaces shall thereafter be transferable only upon the transfer of an entire unit in accordance with the terms hereof, or to another Member, upon execution of forms made available for such purpose by the Board of Directors. It is provided however, notwithstanding any provision herein to the contrary, that any garage space or spaces accepted by the Sponsor as part of the sales price may be owned and used by the Sponsor exclusive of any unit and returned to this corporation without further liability to the Sponsor as provided in the "Contract of Sale."

46. Admission to Membership shall be upon application upon a form prescribed by the Board of Directors, and approval of such application, in writing, by a majority of the then acting Directors.

47. Approval of application for Membership under the terms of these By-Laws, and execution of a Proprietary Lease and Occupancy Agreement by prospective Members, shall be prerequisites for Membership.

48. Notwithstanding any other provision of these By-laws, the assignment, transfer or

bequest of a Proprietary Lease and Occupancy Agreement to a Member's spouse or registered Domestic Partner in accordance with D.C. Law 9-114 shall not require application or approval as set forth in Paragraph 46 hereof, and such spouse or registered Domestic Partner shall be entitled to all privileges of membership; provided, however that such transferring Member shall provide not less than ten (10) days written notice to the Board of Directors prior to any such assignment, transfer or bequest.

PROPRIETARY LEASE AND OCCUPANCY AGREEMENT

49. The Board of Directors shall adopt a standard form of "Proprietary Lease and Occupancy Agreement" to be entered into by and between the corporation and its Members, varying only as to the identification of the demised premises and the statement of the mortgage value of each apartment or unit, and, after such adoption, such form shall thereafter be changed, altered or amended for subsequent use only upon the affirmative vote of three-fourths (3/4) of the voting power of the Members. Without like affirmative vote, the parties to an existing Proprietary Lease and Occupancy Agreement shall not agree upon any changes, alterations or amendment thereto.

INITIAL MORTGAGE ALLOCATION

50. The Board of Directors shall allocate among the apartments and garage spaces the total mortgage indebtedness to which the corporation's property is subject. The amount so assigned to each apartment and each garage space shall be deemed its mortgage value and shall not be subject to change after the corporation acquires title to the project.

TRANSFER OF MEMBERSHIP

51. The Proprietary Lease and Occupancy Agreements issued by the corporation to Members shall be transferred only in accordance with the provisions of these By-Laws.

52. (a) In order to constitute a valid transfer, the transferee must be approved as a Member in accordance with the provisions of Paragraph 46 of these By-Laws, and the formal assignment and assumption of the Proprietary Lease and Occupancy Agreement must be in accordance with procedures to be established by the Board of Directors. Upon compliance with the provisions hereof, the corporation shall cancel the existing Proprietary Lease and Occupancy Agreement of the transferor and issue a new Proprietary Lease and Occupancy Agreement to the transferee. Thereafter, the transferor will cease to be a Member of the corporation and the transferee will assume the privileges and obligations of a Member. The Board of Directors is empowered to charge such transfer fee as it deems reasonable in order to defray its investigation and transfer expenses.

(b) In the event the transferor is unable to produce the original Proprietary Lease and Occupancy Agreement and any and all original assignments thereof, then the Board of Directors shall permit the transfer of the Proprietary Lease and Occupancy Agreement only upon the occurrence of one of the following: (i) the obtaining of a final court decree pursuant to a quiet title action, or (ii) the posting by the transferor of a suitable lost instrument bond running to the benefit of the corporation in an amount equal to the

sales price of the Proprietary Lease and Occupancy Agreement or the fair market value thereof as determined by the Board of Directors in the event the transfer does not constitute a sale. Notwithstanding the foregoing, in the event that more than fifteen (15) years have elapsed since the date upon which the transferor acquired his or her Proprietary Lease and Occupancy Agreement, then the Board of Directors may permit the transfer of the Proprietary Lease and Occupancy Agreement upon the owner providing a lost instrument affidavit or other affirmation indemnifying the corporation and setting forth such facts as to the loss, destruction or mutilation as the Board of Directors deems necessary.

(c) Members shall be permitted to transfer their Proprietary Lease and Occupancy Agreements to their Revocable Trusts without further need for approval by the Board of Directors, provided that (i) the Revocable Trust incorporates such standard provisions and clauses as may be deemed necessary by the Board of Directors, and (ii) at the Board's request, the Trustee provides an appropriate indemnification letter in favor of the corporation.

MONTHLY ASSESSMENTS

53. The Board of Directors shall, from time to time, fix and determine the sum or sums necessary and adequate for the continued ownership and operation of the project, giving due consideration to any income of the corporation from other sources. They shall determine the amounts required for capital items, principal and interest payments on mortgages, deeds of trust, or any other indebtedness, ground lease rental, and for operating items, such as taxes, insurance, repairs, betterments and operating expenses, and other incidental or related expenses. The total monthly requirements, though separately determined as to capital and operating items, shall be assessed as a single sum against all apartments or units covered by subsisting and outstanding Proprietary Lease and Occupancy Agreements (including those held by or on behalf of the Sponsor) and prorated thereto, based on the mortgage value stated in said agreements. Said assessments shall be payable monthly or as otherwise ordered by the Board of Directors. Special assessments, should such be required, shall also be levied and paid as required by the Board.

SUBLEASING

54. No sublease of any premises covered by a Proprietary Lease and Occupancy Agreement shall be valid unless the terms and conditions thereof are approved by the Management Agent of the corporation and unless the subleases shall be approved in the manner provided in Paragraph 46 of these By-Laws.

DEFAULT UNDER PROPRIETARY LEASE AND OCCUPANCY AGREEMENTS

55. In the event of default by a Member in the payment of any sums, charges or assessments required to be paid under his or her Proprietary Lease and Occupancy Agreement,

or under the Governing Documents referred to therein, as now existing or hereafter amended or adopted, or in the event of violation by a Member of any of the terms or provisions of his or her Proprietary Lease and Occupancy Agreement, or of the terms or provisions of the Governing Documents referred to therein, as now existing or hereafter amended or adopted, the corporation may, by direction of its Board of Directors, (1) assess an appropriate fine as determined by the Board of Directors against said Member, or (2) terminate the Member's Proprietary Lease and Occupancy Agreement upon twenty (20) days' written notice to the Member informing the Member of said default or violation and his or her right to cure said default or violation within said twenty (20) days' period. Unless such default or violation is cured within said twenty (20) days' period, upon the expiration of said twenty (20) day period, said Proprietary Lease and Occupancy Agreement shall terminate and the corporation may immediately or at any time thereafter, offer for sale a substitute Proprietary Lease and Occupancy Agreement for the apartment or unit at a price determined by the Board of Directors to be its fair market value. On disposal of the substitute Proprietary Lease and Occupancy Agreement, the corporation shall pay to the Member the amount received less any unpaid assessments or charges accrued to the date of disposition, attorney's fees incurred by the corporation as a result of the Member's default or violation, costs incurred by the corporation as a result of the Member's default or violation, the expenses of sale (which shall include a reasonable brokerage commission), and the cost or estimated cost for placing the apartment covered by the Proprietary Lease and Occupancy Agreement in suitable condition for a new occupant. In the event, however, of a deficiency, the Member shall remain liable for the amount thereof.

In the event said default or violation is cured by the Member, the Member shall reimburse the corporation for all attorney's fees and costs incurred by the corporation as a result of said default or violation in accordance with the provisions of Paragraph 63 of these By-Laws.

In the event the Board of Directors provides written notice of default or violation to a Member as provided above, such notice shall be in sufficient detail so as to provide the Member with a full opportunity to respond thereto and to explain the circumstances involved from his or her point of view. Such written notice shall include notice of the time and place, not less than ten (10) days after the date of said written notice, at which the Member may appear before the Board of Directors to discuss and reply to the charges set forth in the written notice. In the event the date specified for said appearance is not satisfactory to the Member, the Secretary shall set another date which is mutually satisfactory; provided, however, that such proceeding shall, in any event, be held not more than twenty (20) days following the date of the written notice. The Member may appear before the Board in person, and/or by counsel, and may make such written submissions as he or she desires. A transcript or recording shall be made of the proceeding, and a copy of such transcript or recording shall be made available to the Member, if the Member so desires, at the Member's expense. If the Board thereafter concludes that the Member's conduct constitutes a default in the Member's obligations to the corporation or is in violation of any of the provisions of the Proprietary Lease and Occupancy Agreement, By-laws, or Rules of the corporation, the Board shall so notify the Member in writing and may thereupon proceed to terminate the Member's Proprietary Lease and Occupancy Agreement for the apartment or unit as provided above in By-Law 55. Alternatively, prior to taking such action, the Board may send written notice to the offending Member affording such Member a reasonable

period of time (not less than twenty (20) days) within which to cease and desist from such violation. The above procedures are without prejudice to the rights of the corporation to seek court injunctions against Members for violations of the Proprietary Lease and Occupancy Agreement, the By-laws, or its Rules, if the corporation deems it appropriate.

A Member shall pay any fine assessed against the Member within fifteen (15) days after written notice to said Member by the corporation of the assessment of said fine and the amount thereof. In the event said Member fails or refuses to pay any such fine within said fifteen (15) day period, such Member's Proprietary Lease and Occupancy Agreement may be terminated by the corporation in accordance with the provisions of this Paragraph 55.

In the event a Member fails or refuses to pay any monthly or special assessments required to be paid under his or her Proprietary Lease and Occupancy Agreement, or under the Governing Documents referred to therein, as now existing or hereafter amended or adopted, when due, or in the event a Member fails or refuses to pay any sums, charges, attorney's fees, costs or bills for maintenance work or repairs required to be paid under his or her Proprietary Lease and Occupancy Agreement, or under the Governing Documents referred to therein, as now existing or hereafter amended or adopted, when due, the amounts due shall bear interest at a rate determined by the Board of Directors until paid; provided, however, that such rate of interest shall not exceed the highest rate permitted by applicable law.

REGISTRATION OF PLEDGED PROPRIETARY LEASE AND OCCUPANCY AGREEMENTS

56. The Secretary of the corporation shall maintain a suitable register for the recording of pledged Proprietary Lease and Occupancy Agreements. Any pledgee of a Proprietary Lease and Occupancy Agreement may, but is not obliged to, notify the Secretary of the pledge and the terms thereof, furnishing the Secretary with such information as may be required by the Board of Directors. In the event a twenty-day notice of default is given any Member under the provision of By-Law 55, a copy of said notice shall likewise be mailed to the registered pledgee. In addition, in the event of the sale by the corporation of its assets, and prior to the distribution of proceeds thereof to the Members suitable notice shall be given all registered pledgees. No other obligation is accepted or assumed by the corporation with respect to such registration of pledged Proprietary Lease and Occupancy Agreements.

SALE OF CORPORATE PROPERTY

57. The Members of the corporation shall not be entitled, either conditionally or unconditionally, except upon a complete or partial liquidation of the corporation, to receive any distribution not out of earnings and profits of the corporation.

58. Upon the sale of the project, whether occasioned by voluntary or involuntary disposition thereof, or as a part of the dissolution or winding up of the affairs of the corporation, all Members having valid Proprietary Lease and Occupancy Agreements then

outstanding, shall be entitled to share in the net proceeds of sale and in any other property or assets authorized to be distributed.

Subject to appropriate adjustment for any prepayment of mortgage indebtedness, each of such Members shall be entitled to receive as his or her share of the distributable assets, the same proportion thereof as the mortgage value stated in his or her Proprietary Lease and Occupancy Agreement bears to the aggregate of mortgage values of all then outstanding and valid Proprietary Lease and Occupancy Agreements, less any sums which the Member may owe the corporation, including any arrears of monthly or special assessments. Unless otherwise ordered by the Members, the Directors then in office shall serve as Trustees for the corporation and the Members in the division of all distributable assets.

AMENDMENTS OF BY-LAWS

59. Any or all of these By-Laws may be amended, rescinded or added to only by resolution duly passed by a meeting of the Members, provided (1) that the notice of the meeting shall be given at least twenty (20) days prior to the date of the meeting and shall contain a full statement of any proposed amendment, (2) that the quorum requirement for such purpose shall be a majority of the voting power of all of the then Members, and (3) no amendment, alteration or addition to these By-Laws shall be valid if its operation would be inconsistent with or adversely affect the right contained in Proprietary Lease and Occupancy Agreements.

CONSTRUCTION

60. Feminine or neuter pronouns shall be substituted for those of the masculine gender and the plural for the singular where required properly to apply and constitute these By-Laws.

61. Wherever the term "Sponsor" is used herein it shall be construed to mean The Shoreham Hotel Corporation, Bernard R. Bralove, Allan Bralove, Richard Bralove or any combination thereof as tenants in common.

MISCELLANEOUS

62. House rules and other appropriate rules and regulations controlling use of apartments, garage spaces, lobbies and common spaces and facilities, including the grounds and walks, may be made from time to time by the Board of Directors, and all Members, their families, guests, employees and sublessees, shall comply with the rules and regulations so made. Applications for approval as Members, Lessees or other occupants shall be acted upon in compliance with the Human Rights Act of the District of Columbia.

ATTORNEY'S FEES AND OTHER COSTS

63. In the event the corporation incurs attorney's fees or other costs as a result of any default or violation by a Member under Paragraph 55 of these By-Laws, including but not limited to fees or costs incurred in the course of litigation, negotiation, administrative proceedings or

arbitration, together with any costs or fees of consultants or other experts to which the corporation may turn for guidance, then the Member shall reimburse the corporation for all such fees or other costs incurred by the corporation within fifteen (15) days after written notice to said Member by the corporation of the amount thereof.

In the event the corporation incurs attorney's fees or other costs as a result of any legal action, whether civil or criminal, taken against the corporation or its officers, directors, agents or employees, or any of them, by a Member, unless a final judgment is entered against the corporation or its officers, directors, agents or employees, or any of them, in favor of the Member, the Member shall reimburse the corporation for all such attorney's fees or other costs paid by the corporation within fifteen (15) days after written notice to said Member by the corporation of the amount thereof.

In the event the corporation incurs attorney's fees or other costs as a result of any charge or complaint made by a Member against the corporation or its officers, directors, agents or employees, or any of them, to any federal or local government agency or department, unless the corporation or its officers, directors, agents or employees, or any of them is found to have violated any applicable law, statute, ordinance, rule or regulation by said agency or department, the Member shall reimburse the corporation for all such attorney's fees or other costs paid by the corporation within fifteen (15) days after written notice to said Member by the corporation of the amount thereof.

In the event said Member fails or refuses to pay any such attorney's fees or other costs within said fifteen (15) day period, such failure shall constitute a default under Paragraph 55 of these By-Laws and such Member's Proprietary Lease and Occupancy Agreement may be terminated by the corporation in accordance with the provisions of Paragraph 55 of said By-Laws.

In the event said Member's Proprietary Lease and Occupancy Agreement is so terminated, on disposal of the substitute Proprietary Lease and Occupancy Agreement said attorney's fees or other costs shall be deducted from the amount received in addition to all other charges and expenses pursuant to Paragraph 55 of these By-Laws.

64. (a) Every person who is or was a director, officer, employee or agent of the corporation, or any person who serves or has served on a committee of the corporation, or serves or has served another corporation, partnership, joint venture or other enterprise in one or more of such capacities at the request of the corporation, shall be indemnified by the corporation to the full extent authorized or permitted by the General Corporation Law of the State of Delaware against all liability and expenses (including attorneys' fees) actually and reasonably incurred by him/her in connection with or resulting from any action, suit or proceeding in which such person may become involved as a party or otherwise by reason or being or having been a director, officer, employee or agent of the corporation, or by reason of serving or having served on a committee of the corporation, or serving or having served on another corporation, partnership, joint venture or other enterprise in one or more such capacities at the request of Shoreham West Cooperative Apartments, Inc., provided (a) that said action, suit or proceeding shall defend successfully on the merits, or (b) in the absence of such a final determination in such person's favor, that the Board of Directors shall determine that he/she acted in good faith and in a manner reasonably believed to

be in or not opposed to the best interests of the corporation and, with respect to any criminal action or proceeding, that he/she had no reasonable cause to believe his/her conduct was unlawful, said determination to be made by the Board of Directors acting through a quorum of directors not parties to such action, suit or proceeding, or in its absence or at the option of such a quorum of the Board of Directors, by independent counsel in written opinion.

(b) For the purposes of this By-law: (a) "liability" shall include, but not be limited to, amounts of any judgment, fine, and amounts paid in settlement actually and reasonably incurred in any action, other than an action by or in the right of the corporation, (b) "action, suit or proceeding" shall include every claim, action, suit or proceeding, whether civil or criminal, derivative or otherwise, administrative or investigative, and any appeal relating thereto, and shall include any reasonable apprehension or threat of such an action suit or proceeding, and (c) a settlement, plea of nolo contendere, consent judgment, adverse civil judgment or conviction shall not of itself create a presumption that the conduct of the person seeking indemnification did not meet the standard of conduct set forth in proviso (b) of the preceding paragraph.

(c) Advances against expenses may be made by the corporation on terms fixed by the Board of Directors subject to an obligation to repay if indemnification proves unwarranted.

(d) This By-Law shall be applicable to actions, suits or proceedings, whether arising from acts or omissions to act occurring before or after the adoption hereof, and shall continue as to a person who has ceased to be a director, officer, employee or agent of the corporation or who has ceased to serve on a committee of the corporation, or to serve another corporation, partnership, joint venture or other enterprise in one or more of such capacities at the request of Shoreham West Cooperative Apartments, Inc., and shall inure to the benefit of the heirs, executors and administrators of such a person.

(e) To the extent not inconsistent with the General Corporation Law of the State of Delaware, the Board of Directors may, at any time or from time to time, approve the purchase and maintenance of insurance by the corporation on behalf of any director, officer, employee or agent of the corporation or any person who serves or has served on a committee of such corporation, or serves or has served another corporation, partnership, joint venture or other enterprise in one or more of such capacities at the request of the corporation against any liability asserted against such person in his/her capacity or arising out of his/her status as a director, officer, employee, agent or member of a committee of the corporation, joint venture or other enterprise at the request of Shoreham West Cooperative Apartments, Inc., whether or not the corporation would have the power to indemnify such person against such liability under the provisions of the General Corporation Law of the State of Delaware.