

ByLaws
Of
River Place East
Housing Corporation

BYLAWS
OF
RIVER PLACE EAST HOUSING CORPORATION

(Arlington, Virginia)

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SCHEDULE A - Chart of Upkeep Responsibilities

BYLAWS
OF
RIVER PLACE EAST HOUSING CORPORATION

ARTICLE 1

Interpretive Provisions

Section 1.1. Definitions. In these Bylaws:

(1) "Apartment" means a portion of the Building designed for individual occupancy as a residence, including the materials comprising the finished surfaces of the walls, floors, and ceilings thereof, any patio, balcony or terrace designed to serve that residence exclusively, and any other fixture, equipment, appliances or other apparatus designed to serve that residence exclusively.

(2) "Articles of Incorporation" means the Articles of Incorporation of the Corporation.

(3) "Board of Directors" or "Board" means the Board of Directors of the Corporation, and the terms "Director" or "Directors" refer to member of that Board.

(4) "Building" means the apartment building or apartment buildings in which the corporation has a leasehold interest (or estate for years) from the date each such estate or interest is acquired, but excludes any portions of such building or buildings excluded from such estate or interest.

(5) "Common Elements" means all of the Building except the Apartments.

(6) "Common Expenses" means expenditures by or financial obligations of the Corporation, together with allocations to reserves.

(7) "Corporation" means River Place East Housing Corporation.

(8) "Governing Documents" means (i) the Declaration of Covenants, Easements and Liens for River Place recorded in Deed Book _____ at page et seq. among the Land Records of Arlington County,

(9) "Majority Vote" means a simple majority (except where a higher majority is specified) of the votes actually cast at a meeting held pursuant to these Bylaws where the quorum requirements for such meeting are satisfied.

(10) "Officer" means a Director or Officer of the Corporation, except to the extent otherwise provided by Section 4.1. of the Bylaws.

(11) "Person" means a natural person, corporation, partnership, trust or other entity.

(12) "Proprietary Lease" means a lease of an Apartment from the Corporation to one of its Shareholders not scheduled to expire before December 20, 2052.

(13) "Proprietary Lessee" means a Shareholder who owns a Proprietary Lease issued by the Corporation.

(14) "Shares" means shares of the Corporation.

(15) "Shareholder" means one or more Persons who constitute a Shareholder of the Corporation.

(16) "Sponsor" means Monument Associates, a Virginia general partnership. From and after the date of recordation of document assigning to another Person all of the rights reserved to the Sponsor under the Declaration, the term "Sponsor" shall mean that assignee.

(17) "Upkeep" means operation, regulation, care, maintenance, repair, repainting, remodelling, restoration, improvement, renovation, alteration, replacement and reconstruction.

Section 1.2. Captions. The captions in these Bylaws are inserted only as a matter of convenience and for reference, and in no way limit or otherwise affect the scope, meaning or effect of any provision of these Bylaws.

Section 1.3. Pronouns. Masculine singular pronouns are used in these Bylaws only for convenience and shall be construed to include Persons of any gender or number.

Section 1.4. Severability. Each provision of these Bylaws is severable from every other provision hereof, and the invalidity of any one or more provisions of these Bylaws shall not change the meaning of or otherwise affect any other provision hereof.

ARTICLE 2

The Corporation

Section 2.1. Annual Meeting of the Shareholders. The first annual meeting of the Shareholders shall be held not later than the first anniversary of the incorporation of the Corporation, at such time and place as may be fixed by a resolution of the Board of Directors. Thereafter, the Shareholders shall meet during the second month preceding the beginning of each fiscal year at such time and place as may be fixed from time to time by resolutions of the Board of Directors. No such resolution shall as a meeting date a Saturday, Sunday, or legal holiday observed in Virginia.

Section 2.2. Special Meetings of the Shareholders. Special meetings of the Shareholders shall be held if sought (i) by resolution of the Board of Directors, (ii) by request of the President of the Corporation or the Chairman of the Board of Directors, or (iii) by a petition signed by the Shareholders of record of at least one-tenth (1/10) of the outstanding shares; provided, that such resolution, request or petition must (i) specify a time at which the meeting is to be held which will permit the Secretary to comply with Section 2.3 of these Bylaws or else specify that the Secretary shall designate the time of the meeting, (ii) specify the purpose(s) for which the meeting is to be held, and (iii) be delivered to the Secretary. No business other than that stated in such resolution, request or petition shall be transacted at such special meeting.

Section 2.3. Notice of Shareholders' Meeting.

(a) Written notice stating the place, day and hour of each meeting of the Shareholders, and, in case of a special meeting, the purpose(s) for which the meeting is called, shall be given not less than ten (10) nor more than fifty (50) days before the date of the meeting, either personally or by mail, by the Secretary or an Assistant Secretary to each Shareholder or record entitled to vote at such meeting.

(b) Notice of a Shareholders' meeting to act on a proposed amendment to the Articles of Incorporation, or on a reduction of stated capital, or on a plan of merger, consolidation or exchange, shall be given in the manner provided above not less than twenty-five (25) nor more than fifty (50) days before the date of the meeting. Any such notice shall be accompanied by a copy of the proposed amendment or plan of reduction, merger, consolidation or exchange.

Section 2.4. Waiver of Notice of Meetings.

(a) Whenever any notice is required to be given of any Shareholders' meeting, a waiver thereof in writing signed by a Person entitled to such notice, whether before or after the time stated therein, shall be equivalent to the giving of such notice to that Person.

(b) A Shareholder who attends a Shareholders' meeting shall be conclusively presumed to have had timely and proper notice of the meeting or to have duly waived notice thereof, unless he attends for the express purpose of objecting to the transaction of any business on the grounds that the meeting was not lawfully called or convened.

Section 2.5. Action by Shareholders Without A Meeting. Any action required or permitted to be taken at a meeting of the Shareholders may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by all of the Shareholders entitled to vote with respect to the subject matter thereof. Such consent shall have the same force and effect as a unanimous vote of the Shareholders and shall be filed with the minutes of the proceedings of the Shareholders.

Section 2.6. Closing of Transfer Books and Fixing Record Date. For the purpose of determining Shareholders entitled to notice of or to vote at any meeting of the Shareholders or adjournment thereof, or in order to make a determination of the Shareholders for any other purpose, the Board of Directors may provide that the stock transfer books shall be closed for stated period not to exceed fifty (50) days prior to the date of the proposed meeting or other action. In lieu of closing the stock transfer books, the Board of Directors may fix in advance a date as the record date for any such determination of the Shareholders, such date in any case to be not more than fifty (50) days prior to the date of the proposed meeting or other action. If the stock transfer books are not closed and no record date is fixed for the determination of the Shareholders entitled to notice of or to vote at a meeting of the Shareholders, the date on which notice of the meeting is mailed shall be the record date for such determination of Shareholders. When a determination of the Shareholders entitled to vote at any meeting of Shareholders has been made as provided in this section, such determination shall apply to any adjournment thereof.

AMENDED 6-4-03 Section 2.7. Voting List.

(a) The officer or agent having charge of the stock transfer books shall make, at least ten (10) days before each meeting of the Shareholders, a complete list, in alphabetical order, of the Shareholders entitled to vote at such meeting or any adjournment thereof, with the personal address of and the number of shares held by each. Each Shareholder shall complete and return to such officer or agent a Shareholder Information Sheet with such information as may be required by the Board of Directors from time to time including, but not limited to, the Shareholder's personal address and, if applicable, Managing Agent. Such list, for a period of ten (10) days prior to such meeting, shall be kept on file at the registered office of the Corporation or at its principal place of business or at the office of its transfer agent or registrar and shall be subject to inspection by any Shareholder at any time during usual business hours. Such list shall also be

produced and subject to inspection by any Shareholder at all times throughout the meeting. The original stock transfer books shall be prima facie evidence as to who are the Shareholders entitled to examine such list or transfer books or to vote at any time meeting of the Shareholders.

(b) No Shareholder may be excluded from the voting list unless the Corporation has provided written notice to such Shareholder of the reason for the exclusion no less than thirty (30) days from the date of record for the vote. The Corporation must provide an opportunity for the Shareholder to remedy its failure or for the Corporation to correct its records. The Shareholder to have his or her name included on the voting list must remedy the reason for his or her exclusion no later than 10 days before the record date for the vote (the "Remedy Deadline").

(c) In the event that a Shareholder is a corporation, such corporation shall not be included on the voting list and shall not be entitled to be a candidate for election to the Board of Directors unless such corporation shall, no later than the Remedy Deadline, be duly organized, effectively, registered, validly existing and in good standing under the laws of the state in which such entity was formed, and qualified to do business in the Commonwealth of Virginia.

(d) If the requirements of this Section 2.7 have not been complied with, the meeting shall, on the demand of any Shareholder in person or by proxy, be adjourned until the said requirements are substantially complied with. Failure to comply with the requirements of this Section shall not affect the validity of any action taken at such meeting prior to the making of any such demand.

Section 2.8. Quorum of Shareholders. One-third (1/3) of the shares entitled to vote, represented in person or by proxy, shall constitute a quorum at any meeting of the Shareholders. If a quorum is present, a Majority Vote on any matter shall be the act of the Shareholders unless the vote of a greater number is required by the Virginia Stock Corporation Act or by the Articles of Incorporation, and except that in elections of Directors those receiving the greatest numbers of votes shall be deemed elected even though not receiving a majority. Less than a quorum may adjourn.

AMENDED 9-93 Section 2.9. Absence of Quorum.

In the absence of a quorum at any meeting of the Shareholders, the Shareholders present in person or by proxy and entitled to vote thereat, or, if no Shareholders entitled to vote are present in person or by proxy, and Officer authorized to preside at or act as Secretary of such meeting, may adjourn the meeting from time to time, for periods not exceeding twenty (20) days at any one time, until a quorum shall be present. At any such adjourned meeting, any business may be transacted which might have been transacted at the

meeting as originally called, provided that one-fifth of the shares entitled to vote, represented in person or by proxy, are present.

AMENDED 4-14-86

AMENDED 3-3-00

AMENDED 12-17-03

Section 2.10. Voting of Shares. Each outstanding share shall be entitled to one vote on each matter submitted to a vote at a meeting of the Shareholders. No Shareholder who, as of the Record Date of any Shareholders meeting, is shown on the books of the Housing Corporation to be in default of his or her obligations to the Housing Corporation shall be eligible to vote his or her shares, in person or by proxy, or to exercise a proxy or proxies of any other Shareholder(s). For purposes of this Section 2.10, "default in his or her obligations" is defined to mean (a) Failure to comply with the address requirements of the By-Laws and the address policy of the Corporation; (b) being more than thirty (30) days delinquent in any assessment or other payment due the Housing Corporation; or (c) failing to correct any other violation of the Association Documents within thirty (30) days of receiving a written request to correct the violation from the Housing Corporation. Treasury shares shall not be voted at any meeting or counted in determining the total number of outstanding shares at any given time entitled to vote. If the Corporation holds shares of its own stock in a fiduciary capacity, they may be counted to establish a quorum, but may not be voted unless the Corporation is a fiduciary jointly with another, in which case the other may vote the shares. Except as provided in this section and Sections 2.11 and 2.12 of these Bylaws, shares may be voted as provided in Section 13.132 of the Code of Virginia, as the same may be amended from time to time.

Section 2.11. Manner of Voting. Voting by Shareholders shall be by voice vote unless any Shareholder present at the meeting, in person or by proxy, demands a vote by written ballots indicating the name of the Shareholder voting, the number of shares owned by him, and the name of the proxy of such ballot if cast by a proxy. Shares held by two or more Persons as joint tenants, tenants in common, or tenants by the entirety may be voted in person or by proxy by any of such Persons. If more than one of such tenants shall vote such shares, the vote shall be divided among them in proportion to the number of such tenants voting in person or by proxy. At each election for Directors, every Shareholder entitled to vote at such election shall have the right to cumulate his votes, in person or by proxy, by giving one candidate as many votes as the number of Directors to be elected at the time multiplied by the number of his votes shall produce, or by distributing such votes on the same principle among any number of such candidates.

AMENDED 6-4-03 Section 2.12. Proxy Voting. A Shareholder may vote either in person or by proxy executed in writing by the Shareholder or by his duly authorized powered attorney-in-fact. No proxy shall be valid after eleven (11) months from its date unless otherwise provided in the proxy. No authorization of a powered attorney-in-fact to execute a proxy shall be valid after five (5) years from

its date, but such proxies may be accepted as valid in the absence of such notice to the contrary. No power of attorney will be recognized by the Corporation unless it shall be dated, and contain the notarized, original signature of the Shareholder granting such power of attorney and in all other aspects complies with the applicable Laws of the Commonwealth of Virginia.

Section 2.13. Order of Business. The order of business at meetings of the Shareholders shall be as follows:

- (1) Call to order.
- (2) Roll call and ascertainment of a quorum.
- (3) Proof of notice of meeting.
- (4) Reading of minutes of preceding meeting.
- (5) Appointment of vote tellers (if any vote is to be taken) by the officer presiding.
- (6) Election of Directors (at annual meetings).
- (7) Reports of officers.
- (8) Unfinished business.
- (9) New business.
- (10) Adjournment.

Section 2.14. Conduct of Meetings. The Officer presiding at a meeting of the Shareholders may appoint a person to serve as parliamentarian at that meeting. The 1907 edition of Robert's Rules or order shall govern the conduct of all meetings of the Shareholders when not in conflict with the Virginia Stock Corporation Act of the Bylaws.

ARTICLE 3

BOARD OF DIRECTORS

AMENDED 8-13-90 Section 3.1. Number and Selection
of Directors. The business and affairs of the Corporation shall be managed by a Board of Directors selected in accordance with Article 6 of the Articles of Incorporation and with this Article 3.1 of the Bylaws. The Board of Directors shall consist of seven shareholders, three to be elected one year, three to be elected the next year, and one to be elected the third year. Each Director is elected for a three-year term. Elections for members of the Board of Directors shall be conducted at the Annual Meeting of the Shareholders as stipulated in Article 2 of these Bylaws.

AMENDED 8-13-90 (1) The Board of Directors shall be composed of shareholders in the East Building Housing Corporation, River Place.

AMENDED 8-26-03 (2) For purposes of this subsection only, notwithstanding the number of shares owned or how they are owned or the number or units for which the Shareholder has proprietary leases, no Shareholder may hold more than one (1) position on the Board of Directors at any one time. Shareholder means a natural person or non-natural, legal entity (for example, but not limited to partnership, corporation, limited liability company). A non-natural, legal entity includes any and all affiliate(s). All affiliates includes, but are not limited to a person, estate, trust, corporation or other legally-created entity that directly or indirectly is owned or controlled by the shareholder (the shareholder has the power to vote direct, or in any way control the affiliate). It also includes an entity that operates or controls the shareholder or the property of the shareholder pursuant to the terms of a lease or other contract. A spouse, significant other, partner, or family member of a Shareholder may not serve on the Board at the same time. This provision is intended to provide the broadest possible participation in the management of the business affairs of the Corporation

AMENDED 8-13-90

AMENDED 3-3-00 (3) No Shareholder who, as of the Record Date of any Shareholders meeting at which there will be an election of a Director, is shown on the books of the Housing Corporation to be in default of his or her obligations to the Housing Corporation shall be eligible to be a candidate for election to the Board of Directors. For purposes of this Subsection 3.1(2). "default in his or her obligations" is defined to mean (i) failing to correct any violation of the Association Documents within thirty (30) days of receiving a written request to correct the violation from the Housing Corporation, or (ii) being more than thirty (30) days

delinquent in any assessment or other payment due the Housing Corporation or the River Place Owners Association.

AMENDED 8-13-90

AMENDED 3-3-00 (4) No Shareholder sitting on the Board of Directors who is shown on the books of the Housing Corporation to be in default of his or her obligations to the Housing Corporation shall be eligible to vote at any meeting of the Board of Directors. For purposes of this Subsection 3.1(3). "default in his or her obligations" is defined to mean (i) failing to correct any violation of the Association Documents within thirty (30) days of receiving a written request to correct the violation from the Housing Corporation. or (ii) being more than thirty (30) days delinquent in an assessment or other payment due the Housing Corporation, the River Place Owners Association or an other entity where such failure adversely affects the director's ownership rights in his or her cooperative ownership, including, but not limited to real estate taxes and amounts due on loans secured by the director's ownership rights.

AMENDED 8-13-90 (5) Any member of the Board of Directors who is in arrears of the assessments and other obligations stated in Section 3.1 (3) above for more sixty (60) days shall be deemed to have resigned from the Board of Directors. Such resignation shall be effective upon notice from the Board of Directors to the affected director or directors that their resignation has occurred pursuant to the provisions of this paragraph.

AMENDED 8-13-90 (6) The business affairs of the Corporation and, subject to the Declaration of Covenants, Easements and Liens for River Place and to the Articles of Incorporation and Bylaws for River Place Owners' Association, the Upkeep of all property owned or leased by the Corporation, shall be managed by the Board, which may exercise all such powers of the Corporation and do all such lawful acts and things as are not by law or by the Certificate of Incorporation or by these Bylaws directed or required to be exercised or done by the Shareholders.

AMENDED 9-21-92

AMENDED 1-21-98

AMENDED 5-11-00 Section 3.2. Vacancies in Board of Directors. Any vacancy occurring in the Board of Directors by reason of death, resignation, removal, increase in the number of directors or otherwise, may be filled by the vote of a majority of the remaining director(s) even if the remaining director(s) comprise less than a quorum of the Board. Each person so elected shall be a director until a successor shall be elected by the unit owners at the next annual meeting of the Corporation. The term of the replacement director so elected shall expire so that the staggered terms of the directors shall remain unaffected.

Section 3.3. Removal of Directors. At a meeting of the Shareholders called expressly for that purpose, any Director may be

removed, with or without cause, by a vote of the Shareholders holding a majority of the shares entitled to vote. No Director may be removed, however, if the votes of a sufficient number of shares are cast against his removal which, if then cumulatively voted at an election of all Directors, would be sufficient to elect him.

AMENDED 9-21-92

AMENDED 8-13-98 Section 3.4. Resignation of Directors. Any Director may resign at any time by giving written notice to the Board of Directors or to the President or the Secretary of the Corporation. Unless otherwise specified in such written notice, such resignation shall take effect upon receipt thereof, and the acceptance of such resignation shall not be necessary to make it effective. If any Director was a Shareholder of the Corporation, or a resident of the property owned or leased by the Corporation, at the time he became such a Director, he shall be deemed to have resigned at such time as he ceases to be such a Shareholder or resident.

In addition, any Director who shall be absent for three consecutive regular monthly Board meetings shall be deemed to have resigned from the Board.

AMENDED 5-20-91 Section 3.5. Meeting of Directors.

The first meeting of each newly elected Board of Directors shall be held within 32 days after the annual meeting of the Shareholders and a notice of such meeting shall be given in writing 3 days prior to the meeting to all the newly elected and continuing Directors. The purpose of this meeting shall be the election of officers of the Board for the coming year, the selection of a regular monthly meeting night, and other appropriate organizational matters. At this first meeting of the continuing and newly elected Directors, all seven Directors shall make their best efforts to be present for the nomination and election of Board officers. In the event that one Board member cannot attend any feasible meeting time, said Director shall furnish the outgoing Board president with a letter prior to the meeting, stating his nominations, and his votes for particular officers. This letter shall count as formal instructed proxy and vote. Thereafter, the board shall meet regularly without notice at such intervals, times and places as may be fixed from time to time by resolutions of the Board. Special meetings of the Board shall be held when called by a majority of the Directors with at least three (3) days' notice to the remainder of the Board, or not less than twenty-four (24) hours after notice has been received by the remainder of the Board, whichever period is shorter. However, notice of a special meeting may be waived by any Director in writing or by attending the meeting, unless he attends for the express purpose of objecting to the transaction of any business on the grounds that the meeting was not lawfully called or convened.

Section 3.6. Action without Meeting. Any action required or permitted to be taken at a meeting of the Board of Directors may be taken without a meeting if a consent in writing, setting forth the action taken, shall be signed either before or after such action by all of the Directors. Such consent shall have the same force and effect as a unanimous vote and shall be filed with the

minutes of the proceedings of the Board.

Section 3.7. Quorum of Directors.

A majority of the Board of Directors constitutes a quorum for the transaction of business. A Majority Vote of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

AMENDED 3-22-06 Section 3.8. Power and Duties.

(a) In addition to such other powers as are conferred on the Board of Directors by the Virginia Stock Corporation Act and the Articles of Incorporation, but subject to any limitations created by this or any other Governing Document, the Board shall have the power:

(1) to regulate, and adopt, amend and repeal Rules and Regulations governing, the use and operation of the Common Elements and any portions thereof and the use and occupancy of the Apartments, provided, however, that any such Rule or Regulation in conflict with the other Governing Documents or any applicable law, ordinance or other governmental regulation shall be void;

(2) to determine the budget of and the expenditures to be made by the Corporation and the purpose of each such expenditure;

(3) to borrow money on behalf of the Corporation, provided, however, that a two-thirds (2/3) Majority Vote at a meeting of the Shareholders shall be required to borrow any sum in excess of Forty Thousand Dollars (\$40,000.00);

(4) to grant exclusive or nonexclusive licenses for the use of designated Common Elements to the Proprietary Lessees of designated Apartments;

(5) to do or cause to be done any act or thing necessary or convenient for carrying out its duties under the Governing Documents; and

(6) to do our cause to be done any other act or thing not inconsistent with the Governing Documents or any applicable law, ordinance or governmental regulation, which may be authorized by two-thirds (2/3) Majority Vote at a meeting of the Shareholders.

(b) The Board of Directors shall have the duty to:

(1) enforce or cause to be enforced the provisions of the Governing Documents and the Proprietary Leases;

(2) carry out or cause to be carried out the responsibilities of the Corporation under the Governing Documents and the Proprietary Leases;

(3) do or cause to be done by an appropriate Officer all acts and things required by the Virginia Stock Corporation Act or these Bylaws to be performed by an officer; and

(4) do or cause to be done any other act or thing not inconsistent with the Governing Documents or any applicable law, ordinance or governmental regulation, as may be directed by a two-thirds (2/3) Majority Vote at a meeting of the Corporation.

(5) Collectively determine, manage, and provide the necessary controls for all expenditures and spending decisions of the Corporation in excess of One Thousand Dollars (\$1,000.00).

(6) Approve any and all sales and/or transfers of shares by any shareholder(s) by majority vote

(7) Approve any sale, transfer, lease, rental, or other disposition of any common areas or other property of the Corporation during a Board meeting where the minutes of the deliberations and votes of the Board of Directors will be transcribed and/or recorded for review by the Shareholders.

(c) Subject to the provisions of Article 6 of these Bylaws, the Board of Directors may, by resolution or pursuant to a contract authorized by a resolution of the Board or of the Shareholders, delegate (with or without conditions), to a Managing Agent and/or specified Officer(s), any of the powers and duties specified in Sections 8.2(a), 8.3, 8.4, 8.6, and 9.1 of these Bylaws. Other powers and duties imposed on the Board or on any Officer may be so delegated only as contemplated by the Sections of these Bylaws setting forth those powers and duties. The Board may, however, in accordance with the requirements of Article 6 of these Bylaws, employ a Managing Agent or any other Persons to assist in the exercise or discharge of any powers and duties conferred or imposed by these Bylaws on the Board or on any officer.

(d) Notwithstanding any other provision of these Bylaws, as long as the Sponsor owns at least twenty-five percent (25%) of the outstanding shares of the Corporation, the Board of Directors shall not, without the prior written consent of the Sponsor:

(1) convey or encumber any estate or interest in the Building, except that no such consent shall be required for the issuance of Proprietary Leases as contemplated by these Bylaws or

(2) incur any costs for capital improvements to the Building or incur any other Common Expenses, in any category, in amounts that exceed projections set forth in the projected budget in the Public Offering Statement for the Corporation, except that no such consent shall be required for increases in any category that do not exceed any increase that shall have occurred in the "Consumer Price Index for Urban Wage

Earners and Clerical Workers: U.S. City Average, All Items, 1967 = 100" between the fourth month preceding the first fiscal year of the Corporation and the fourth month preceding the fiscal year of the Corporation in which such increase is incurred.

ARTICLE 4

Officers

Section 4.1. Meeting. For the purposes of this Article only, the term "Officer" does not include any member of the Board of Directors in his capacity as a Director.

AMENDED 5-20-91 Section 4.2. Designation, Appointment, Term and Resignation. The Officers of the Corporation shall include a President, a Vice President, a Secretary, a Treasurer, and Delegate to the River Place Owners' Association, the members of any committees created by the Board of Directors, and such other Officers having such titles and duties as the Board may from time to time determine by resolution. All Officers shall be appointed by the Board to serve at the pleasure of the Board except that the Board may give to the Chairman of a Committee the power to appoint and/or remove other members of this Committee. The offices of President and Vice President shall be held by two (2) different individuals, but those individuals or any other individuals may hold any number of the other offices. The President, Vice President and Delegate to the River Place Owners' Association must be members of the Board of Directors and shall cease to hold their offices when they cease to be Directors.

AMENDED 3-22-06 Section 4.3. Duties of Officers.

(a) President. It shall be the duty of the President to preside at the meetings of the Shareholders and of the Board of Directors; to see to the execution of the resolutions of the Shareholders and of the Board and to report on any failure of any such resolutions to be executed; to appoint a Secretary pro tem at any meeting at which the Secretary is absent; and subject to Power and Duties of the Board of Directors as stated in Section 3.8 and all resolutions of the Board of Directors, to manage and control the affairs of the Corporation as its chief executive officer.

(b) Vice President. It shall be the duty of the Vice President to act in the place and stead of the President in the event of the President's absence or failure or inability to act.

(c) Secretary. It shall be the duty of the Secretary to keep the minutes and record the resolutions at all meetings of the Shareholders and of the Board of Directors; to give all notices required by these Bylaws to be given to Shareholders and Directors; to give to each Shareholder notice of each assessment against his shares as soon as practicable after the assessment is made; to give notice and a copy of the Rules and Regulations and any amendment thereof to each Shareholder as soon as practicable after the adoption thereof; to make it possible for any Shareholder to inspect and copy, at reasonable times and by

appointment, the records of the Corporation (other than records in the custody of the Treasurer) and of the Board; and to keep the stock transfer books of the Corporation; provided, however, that the Board may delegate any of the Secretary's duties to the Managing Agent.

(d) Treasurer. It shall be the duty of the Treasurer to collect all assessments and other sums due the Corporation from each Shareholder; to open insured accounts with financial institutions designated by the Board and to deposit therein all income of the Corporation; to disburse the funds of the Corporation only in accordance with resolutions of the Board of Directors; to keep orderly books showing the income and expenditures of the Corporation; to make those books available for inspection and copying by any Shareholder at reasonable times and by appointment; and to provide the accounting required by Section 7.2.(c) of these Bylaws; provided, however, that the Board may delegate any of the Treasurer's duties to the Managing Agent.

(e) All Officers. It shall be the duty of each officer (including the foregoing Officers), to perform such duties as are normally associated with his office in parliamentary organizations, except to the extent (if any) inconsistent with law, the Articles of Incorporation, or other provisions of these Bylaws; and each officer shall perform such other duties as are assigned to his office by law or resolution of the Shareholders or of the Board of Directors.

Section 4.4. Committees. The Board of Directors may create and abolish from time to time such committees as the Board may deem appropriate to aid in the administration of the affairs of the Corporation. Such committees shall have the powers and duties fixed by resolution of the Board from time to time. The Board shall appoint the chairman of each committee, and may either appoint the other members thereof or leave such appointment to the chairman thereof.

Section 4.5. Actions by Committee Without Meeting. Any action required or permitted to be taken at a meeting of a committee may be taken without a meeting if a consent in writing, setting forth the action taken, shall be signed either before or after such action by all of the members of the committee. Such consent shall have the same force and effect as a unanimous vote.

ARTICLE 5

Liabilities, Responsibilities and Compensation of the Corporation and its Officers

Section 5.1. Indemnification of Officers: Insurance.

(a) The Corporation shall indemnify any Person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, arbitratve or investigative (other than an action by or in the right of the Corporation) by reason of the fact that he is or was an Officer of the Corporation, or is or was serving at the request of the Corporation as a director or officer of another corporation or other entity, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Corporation, and with respect to any criminal action of proceeding, had no reasonable cause to believe his conduct was unlawful.

(b) The Corporation shall indemnify any Person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that he is or was an officer of the Corporation, or is or was serving at the request of the Corporation as a director or officer of another corporation or entity against expenses (including attorneys' fees) actually and reasonably incurred by him in connection with defense or settlement of such action or suit if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Corporation, except that no indemnification shall be made in respect if any claim, issue or matter as to which such Person shall have been adjudged to be liable for gross negligence or willful misconduct in the performance of his duty to the Corporation unless and only to the extent that the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all circumstances of the case, *such* Person is fairly and reasonably entitled to indemnity for such expenses which such court shall deem proper.

(c) To the extent that an Officer, employee or agent of the Corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in subsections (a) and (b), or in defense of any claim, issue or matter therein, he shall be indemnified by the Corporation against expenses (including attorneys' fees) actually and reasonably incurred by him in connection therewith.

(d) Any indemnification under subsections (a)

and (b) (unless ordered by a court) shall be made by the Corporation only as authorized in the specific case upon a determination that indemnification of the Officer, employee or agent is proper in the circumstances because he has met the applicable standard of conduct set forth in subsections (a) and (b). Such determination shall be made (1) by the Board of Directors by a majority vote of a quorum consisting of Directors who were not parties to such action, suit or proceeding, or (2) if such quorum is not obtainable, or even if obtainable, a quorum of disinterested Directors so directs, by independent legal counsel in a written opinion, or (3) by the Shareholders.

(e) Expenses (including attorneys' fees) incurred in defending an action, suit or proceeding, whether civil, criminal, administrative, arbitrative or investigative, may be paid by the Corporation in advance of the final disposition of such action, suitor proceeding as authorized in the manner provided in subsection (d) upon receipt of an undertaking by or on behalf of the Officer, employee or agent to repay such amount unless it shall ultimately be determined that he is entitled to be indemnified by the Corporation as authorized in this section.

(f) The Corporation shall have power to make any other or further indemnity, including criminal proceedings, to any Person referred to in this section that may be authorized by any Bylaw made by the Shareholders or any resolution adopted, before or after the event, by the Shareholders, except an indemnity against any such Person's gross negligence or willful misconduct. Each such indemnity may continue as to a Person who has ceased to have the capacity referred to above and may inure to the benefit of the heirs, executors and administrators of such a Person.

(g) The Corporation shall have power to purchase and maintain insurance on behalf of any person who is or was an officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation or other entity, against any liability asserted against him and incurred by him in any such capacity or arising out of his status as such, whether or not the Corporation would have the power to indemnify him against such liability under the provisions of this section.

(h) For the purpose of this section, references to the "Corporation" include all constituent corporations absorbed in consolidation or merger as well as the resulting or surviving corporation, so that any Person who is or was a director, officer, employee or agent of such a constituent corporation or is or was serving at the request of such constituent corporation as a director, officer, employee or agent of another corporation, partnership or other entity shall stand in the same position under the provisions of this section with respect to the resulting or surviving corporation as he would if he had served the resulting or surviving corporation in the same capacity.

AMENDED 3-20-91 Section 5.2. Conflicts of Interest. (a) No

member of the Board of Directors shall obtain or have a contract or other profit making relationship with the East Corporation. A member of the East Board of Directors obtaining such a contract shall be deemed to have resigned his membership on the East Board of Directors.

Section 5.3. Nonliability of the Corporation.

The Corporation shall not be liable for any failure of water supply or other utilities or services of any nature to be obtained or paid for by the Corporation, or for injury or damage to any Person or property caused by natural elements or by any Shareholder or other Person, or resulting from electricity, water, snow or ice which may leak or flow from any portion of the Common Elements or from any pipe, drain, conduit, structure or other apparatus. No diminution or abatement of any assessment for Common Expenses shall be claimed or allowed for any reason whatsoever, including (without limitation) inconvenience or discomfort arising from improper Upkeep or lack of Upkeep, of the Common Elements or from any action taken by the Corporation, any Officer(s), the Managing Agent or any Shareholder(s) to comply with any law, ordinance or other governmental regulation or order.

Section 5.4. Disclaimer of Bailee Liability.

Neither the corporation, the Board of Directors, any other Officer(s), the Managing Agent, nor any Shareholder(s) shall be considered as a bailee of any personal property placed anywhere within the Cooperative and shall not be responsible for the security of such personal property or for any loss thereof or damage thereto from any cause, whether or not attributable to negligence, except to the extent covered by insurance in excess of applicable deductible.

AMENDED 1-16-91 Section 5.5. Compensation of Officers.

No salary or other compensation (other than reimbursement of properly documented authorized expenses) shall be paid to any Officer of the Corporation for serving or acting as such.

ARTICLE 6

Managing Agent

Section 6.1. Selection. The Board of Directors may, but shall not be obligated to, employ on behalf of the Corporation a Managing Agent. If, at any given time, no such Managing Agent is so employed or employed pursuant to Section 6.1 of the Bylaws of River Place Owners' Association, then any fiscal agent or in-house accounting staff shall comply with the standards prescribed in Section 6.4 hereof, except as otherwise prescribed by the Board of Directors.

Section 6.2. Requirements. Any Managing Agent employed pursuant to Section 6.1 of these Bylaws shall be a bona fide business enterprise which manages common interest residential communities. The contract with the Managing Agent must have a term not in excess of one (1) year and must provide that it may be terminated, without payment of a termination fee or cancellation charge, without cause on no more than ninety (90) days' written notice and with cause on no more than thirty (30) days' written notice.

Section 6.3. Powers and Duties. Subject to Section 3.8.(c) of these Bylaws, any Managing Agent shall have such powers and duties as may be delegated to it or imposed upon it by the Board of Directors pursuant to the Managing Agent's contract.

Section 6.4. Standards. The Board of Directors may impose appropriate standards of performance upon a Managing Agent employed pursuant to Section 6.1 of these Bylaws and, unless instructed otherwise by the Board, the Managing Agent shall:

- (1) employ the accrual method of accounting;
- (2) designate two or more individuals to be responsible for handling cash to maintain adequate financial control procedures;
- (3) not commingle cash accounts of the Corporation with any other accounts;
- (4) not accept any remuneration from any third Persons providing goods or services to the Corporation, whether in the form of commissions, finder's fees, service fees or otherwise, and shall credit to the benefit of the Corporation any discounts obtained.
- (5) disclose in advance to the Board of Directors any financial or other interest which the Managing Agent may have in any Person providing goods or services to the Corporation;

(6) prepare an annual budget for each fiscal year of the Corporation on an accrual basis with a twelve-month cash flow projection;

(7) prepare monthly financial reports for the Board of Directors containing:

(i) an Income Statement reflecting all income and expense activity for the preceding month on an accrual basis, and separately accounting for the capital contributions of each Shareholder to the Corporation;

(ii) an Account Activity Statement reflecting all receipts and disbursements for the preceding month on a cash basis;

(iii) an Account Status Report reflecting the status of all accounts in an "actual" (versus "projected") budget format;

(iv) a Balance Sheet reflecting the financial condition of the Corporation on an unaudited basis;

(v) a Budget Report reflecting any actual or pending obligations which are in excess of budgeted amounts by an amount exceeding the operating reserves or ten percent (10%) of a major budget category (as distinct from a specific line item in an expanded chart of accounts); and

(vi) a Delinquency Report listing all Shareholders who are delinquent in paying assessments made by the Corporation and describing the status of any actions to collect such assessments.

ARTICLE 7

Operation of the Property

Section 7.1. Fiscal Year. The first fiscal year of the Corporation shall begin on the date of its incorporation and end on the last day of December. Each subsequent fiscal year shall coincide with the fiscal year of River Place Owners' Association, its successors and assigns.

Section 7.2. Determination of Common Expenses and Assessments Against Shareholders.

AMENDED 4-20-92 (a) Preparation and Approval of Budget. Before each annual meeting of the Shareholders, the Board of Directors shall adopt a budget for the Corporation containing an estimate of the total amount considered necessary for the next fiscal year to pay the Common Expenses, including (without limitation) reasonable amounts necessary to provide working capital, a general operating reserve, and reserves for contingencies and replacements. The budget shall be presented and may be modified at the annual meeting of the Shareholders. Within twenty (20) days after each annual meeting, the Secretary shall send to each Shareholder a copy of the budget in a reasonably itemized form setting forth the amount of the Common Expenses and the amounts and due dates of the assessments (and installments thereof) payable by that Shareholder for the shares owned by him. The determination of such Common Expense assessments and the amounts of the assessments payable as aforesaid shall constitute the determination for all purposes under the Governing Documents of the annual cash requirements and rent payable pursuant to Article 1 of the Proprietary Lease.

(b) Reallocation of Assessments. Within thirty (30) days after any change in the number of Apartments in the Cooperative, the Board of Directors shall adjust the budget, allocating assessments against all the outstanding shares, and the Secretary shall send to each Shareholder a copy of the adjusted budget reflecting the liability of all Shareholders for Common Expenses for the remainder of the fiscal year; provided, however, that if the assessments necessary to fund the budget will not be modified as to any particular Shareholders, such notification need not be given to them. The amount of assessment attributable to each Shareholder shall thereafter be the amount specified in the adjusted budget until a new budget shall have been adopted by the Board of Directors.

(c) Assessment and Payment of Common Expenses. Subject to the provisions of Section 12.1 (a) of these Bylaws, the total amount of the estimated funds required from assessments to pay the Common Expenses as set forth in any budget or adjusted budget adopted by the Board of Directors shall be assessed against each Shareholder in the proportion to the number of his shares. On or before the first day of each fiscal year, and the first day of each of the succeeding eleven (11) months in such fiscal year, each

Shareholder shall remit to the Treasurer or the Managing Agent (as determined by the Board of Directors) one-twelfth (1/12) of such assessment. Within thirty (30) days after the end of each fiscal year, the Person who served as Treasurer during that fiscal year shall supply to all Shareholders an itemized accounting of the Common Expenses for such fiscal year actually paid, together with a tabulation of the amounts collected for such fiscal year, and showing the net amount over or short of the actual expenditures plus reserves. Any amount accumulated in excess of the amount required for actual expenses and reserves shall be credited to the Shareholders, in proportion to the number of shares owned by each, against the next monthly installments due from each. Any net shortage shall promptly be assessed against the Shareholders in proportion to the number of shares owned by each, and shall be due either in full with the next monthly assessment due or, if the Board of Directors so determines, in a number of equal monthly installments sufficient to make up the shortage within a period ending not later than the end of the then current fiscal year.

(d) Reserves. The Corporation shall accumulate and maintain reasonable reserves for working capital, operations, contingencies and replacements. Extraordinary expenditures not originally included in the annual budget which may become necessary during the year shall be charged first against such reserves. If the reserves are inadequate for any reason, including (without limitation) the nonpayment of any assessments, the Board of Directors may at any time levy a further assessment, which shall be assessed against the Shareholders in proportion to the number of shares owned by each, and which shall be payable in a lump sum or in installments as the Board may determine. The Secretary shall give notice of any such further assessment to each Shareholder, giving the reason(s) therefore. All Shareholders shall be obligated to pay such further assessment either in full with the next monthly installment due or, if the Board of Directors so determines, in a number of equal monthly installments sufficient to make up the shortage within a period ending not later than the end of the then current fiscal year.

(e) Initial Assessments and Capital Contributions. (1) Upon taking office, the first Board of Directors designated pursuant to these Bylaws shall determine the Budget of the Corporation for the remainder of the fiscal year in which such designation occurs. Assessments made against the Shareholders pursuant to this subsection shall become due during such period as provided in subsection (c) of this section, except that the assessments made as provided in this paragraph shall be due and payable in equal monthly installments on the first day of each month remaining in that fiscal year.

(2) The Sponsor, as the agent of the Corporation, shall collect from the first Proprietary Lessee (other than the Sponsor) of each Apartment at the time of settlement an "initial capital contribution" equivalent to twice the monthly installment payment for the annual Common Expense

assessment against such Proprietary Lessee's shares, based either on the assessments for the then current year or, if the sponsor's contract of sale if the purchaser so provided, on the assessments for the fiscal year in which the contract was made. The Sponsor shall deliver the funds so collected to the Board to provide working capital for the Corporation. Such funds may be allocated to reserves or used for such other Common Expenses the Board may determine.

(f) Effect of Failure to Prepare or Adopt Budget. Failure or delay in preparing or adopting a budget for any fiscal year shall not constitute a waiver or release in any manner of a Shareholder's obligation to pay his share of the Common Expenses whenever the same shall be determined and, in the absence of any budget for the then current fiscal year, each Shareholder shall continue to pay monthly installments at the rate established for the previous fiscal year until delivery of the new monthly installment schedule.

(g) Assessments to Constitute a Lien. All amounts assessed against or otherwise due from a Shareholder shall constitute a lien against that Shareholder's shares as provided in Section 12.2 of these Bylaws.

Section 7.3. Liability for Assessments. Each Shareholder shall be personally liable for all assessments against him or his shares. No Shareholder may avoid liability for any assessment by waiver, non-use or abandonment of any right or real estate. The new Proprietary Lessee of an Apartment shall be jointly and severally liable with the former Proprietary Lessee thereof for all unpaid assessments against that Proprietary Lessee or his shares which became due before the new Proprietary Lessee acquired ownership thereof, without prejudice to any right of a successor in ownership to recover from any of his predecessors in ownership of any amount for which any of the latter was liable.

Section 7.4. Nonliability for Assessments. No Person shall have any liability with respect to assessments or installments thereof becoming due as to any shares after he has ceased to be the Shareholder thereof.

Section 7.5. Certificate as to Status of Payment. Upon written request of any Shareholder, the Treasurer shall furnish or make available within five (5) business days to such Shareholder a dated certificate setting forth the amount of any unpaid assessments or installments thereof that have become due as to the shares owned by him as of the date of that certificate. A charge may be fixed from time to time by resolution of the Board of Directors for the issuance of such certificates. Notwithstanding any other provision of these Bylaws, a bona fide purchaser of shares who has relied upon such a certificate shall not be liable for any assessments or installments thereof which became due before the date of that certificate and which are not reflected thereon.

Section 7.6. Collection of Assessments. The Board of Directors, or the Managing Agent or any Officer(s) at the request of the Board, shall take prompt action to collect any assessments for Common Expenses due from any Shareholder which remain unpaid for more than thirty (30) days from the due date thereof.

Section 7.7. Upkeep of the Building.

(a) Upkeep by the Corporation. Subject to paragraph (2) of subsection (b) of this section, the Corporation (acting through the Board of Directors and/or the Managing Agent) shall be responsible for the Upkeep of all Common Elements, and the cost of such Upkeep shall be a Common Expense.

(b) Upkeep by the Shareholder.

(1) Each Shareholder shall be responsible for the Upkeep of his Apartment, including keeping it and its equipment, appliances and appurtenances in good order, condition and repairs and in a clean and sanitary condition, and shall do all redecorating, painting and varnishing which may at any time be necessary to maintain the good appearance and condition of his Apartment. In addition, each Shareholder shall be responsible for all damage to any other Apartment or to any Common Element resulting from his failure to perform any of the Upkeep required by this section. Each Shareholder shall perform his responsibility in such manner as shall not unreasonably disturb or interfere with the other Shareholders. Each Shareholder shall promptly report to a Director or the Managing Agent any defect or need for Upkeep for which the Corporation is responsible.

(2) Any Shareholder who has been granted an exclusive license for the use of a designated Common Element shall be responsible for keeping it in a clean and sanitary condition and for abiding by the Rules and Regulations applicable thereto.

(c) Chart of Upkeep Responsibilities. Notwithstanding the provisions of subsections (a) and (b), specific Upkeep responsibilities shall, to the extent set forth thereon, be governed by the Chart of Upkeep Responsibilities set forth as Schedule A hereto.

(d) Manner of Repair and Replacement. All repairs and replacements shall be substantially similar to the original construction and installation and shall be of the same or better quality.

Section 7.8. Personnel and Equipment. The Board of Directors, and the Managing Agent and any Officer(s) to the extent authorized by the Board, may, on behalf of the Corporation in connection with the operation and Upkeep of the Common Elements and the operation of the Corporation, employ and

dismiss any Persons and purchase any equipment, supplies or material. Such equipment, supplies and material, shall be the property of the Corporation.

AMENDED 3-22-06 Section 7.9. Additions, Alterations or Improvements by Board of Directors. Whenever in the judgment of the Board of Directors it is desirable to make additions, alterations or improvements to the Common Elements costing in the aggregate more than Three Hundred Thousand Dollars (\$300,000.00) during any period of twelve consecutive months, the making of such additions, alterations or improvements shall be approved by a Majority Vote at a meeting of the Shareholders. The dollar limitation fixed by this section shall increase annually by a percentage equal to the percentage increase in the annual budget of the Association. Notwithstanding the foregoing, if the Board determines that additions, alterations or improvements to the Common Elements are exclusively or substantially exclusively for the benefit of the Shareholders requesting the same, the cost thereof shall be assessed exclusively such requesting Shareholders in such proportions as they jointly approve or, if they are unable to agree thereon, in such proportions as may be determined by the Board.

Section 7.10. Additions, Alterations or Improvements by the Shareholders. No Shareholder shall make any structural addition, alteration or improvement in or to his Apartment, or any addition, alteration or improvement in or to any mechanical, electrical, plumbing or other system, without the prior written consent of the Board of Directors. No Shareholder shall paint or alter the exterior of his Apartment, including (without limitation) the doors and windows thereof, nor shall any Shareholder paint or alter any Common Element, without the prior written consent of the Board. The Board shall answer any written request by a Shareholder for approval of a proposed structural addition, alteration or improvement to such Shareholder's Apartment within sixty (60) days after receipt of such request. If any application to any governmental authority for a permit to make any such addition, alteration or improvement in or to any Apartment requires execution by or on behalf of the Corporation, and provided consent has been given by the Board, then the application shall be executed on behalf of the Corporation only by the President or such other Officer as the Board may by resolution designate, without, however, incurring any liability on the part of the Corporation or any Officer(s) to any contractor, subcontractor or materialman on account of such addition, alteration or improvement, or to any Person having claim for personal injury or property damage arising therefrom. Subject to the approval of the Board and the Proprietary Lessee(s) of the affected Apartment(s), any Apartment may be subdivided or the boundaries between adjoining Apartments may be relocated, in either of which cases the Corporation and the Proprietary Lessee(s) involved shall execute (a) new Proprietary

Lease(s) for the resulting Apartment(s) .

Section 7.11. Execution of Documents. All agreements, contracts, deeds, leases, checks, and other instruments of the Association for expenditures or obligations shall be executed by the President, the Treasurer, or by any other Officer(s) designated from time to time by resolutions of the Board of Directors. The Board may require that instruments involving more than a specified amount of money be signed by two different Officers. The Board may authorize instruments involving less than a specified amount of money to be signed by Persons designated by the Managing Agent.

Section 7.12. Restrictions on Use of Apartments and Common Elements.

(a) Each Apartment and each Common Elements shall be used for residential purposes only except that (i) the Board of Directors may permit reasonable, temporary, non-residential uses in designated Apartments and/or Common Elements from time to time, and (ii) the Sponsor shall have the right to use any Apartments for which no Proprietary Leases have been issued or for which it holds the Proprietary Leases as sales offices or model units, and to use the Common Elements for sales purposes, including (without limitation) the posting of signs.

(b) Nothing shall be done or kept in any Apartment or the Common Elements which will increase the rate of insurance for the Building except pursuant to a prior resolution of the Board of Directors. No Shareholder shall permit anything to be done or kept in his Apartment or in the Common Elements which could result in the cancellation of insurance on the Building or any part thereof, or which would be in violation of any applicable law, ordinance, or other governmental regulation. No waste shall be committed in any Apartment or in the Common Elements.

(c) No improper, offensive or unlawful use shall be made of any Apartment or other part of the Building, and all applicable laws, ordinances and other governmental regulations shall be complied with by and at the sole expense of the Shareholder(s) and/or the Corporation having responsibility for Upkeep of the affected portion(s) of the Building.

(d) The Common Elements shall be used only for the furnishing of the services and facilities for which the same are reasonably suited and which are incident to the use and occupancy of the Apartments.

(e) No Person shall obstruct any of the Common Elements, nor shall any Person store anything upon any of the Common Elements except within any areas designated for such storage by resolution of the Board of Directors. Nothing shall

be constructed or altered in, or removed from, the Common Elements except in accordance with the Rules and Regulations of other resolutions of the Board of Directors.

AMENDED 5-11-00 (f) No apartment shall be rented or leased for transient or hotel purposes or in any event for an initial period of less than six (6) months unless such apartment shall be rented or leased fully furnished, in which case an initial lease period is required of no less than three (3) months. No portion of any Apartment (other than the entire Apartment) shall be rented or leased for any period. No Shareholder shall rent or lease an Apartment other than on a written form of lease providing that failure of the lessee to comply with the Governing Documents shall constitute a default under the lease and that, in the event of such default, the Board of Directors or any Officer designated by the Board shall have the power as attorney-in-fact for the Shareholder to terminate the lease and bring summary eviction proceedings against the tenant if such default is not cured within seven (7) days of sending written notice of the default to the Shareholder. The Board of Directors may provide a suggested standard form lease for use by Shareholders. Each Shareholder shall, promptly following the execution of any lease of an Apartment, forward a conformed copy thereof to the Secretary. The provisions of this subsection, except the restriction against use for hotel or transient purposes and the restriction against renting or leasing a portion of an Apartment, shall not apply to the Sponsor or to a Mortgagee in possession of an Apartment as a result of foreclosure or deed or assignment in lieu of foreclosure.

(g) Except for such signs as may be posted by the Sponsor while the Sponsor is a Shareholder, no signs shall be posted in any place within the Building visible from any interior or exterior portion of the Common Elements except pursuant to a prior resolution of the Board of Directors.

Section 7.13. Right of Access. There is hereby reserved a right of access through each Apartment for the benefit of the Board of Directors, the Managing Agent, any Person(s) authorized by the Board or the Managing Agent, and any group of the foregoing, for the purpose of enabling the exercise and discharge of their and the Corporation's powers and duties including (without limitation) making inspections, correcting any condition originating in an Apartment and threatening another Apartment or any Common Element, Upkeep of the Common Elements within an Apartment or elsewhere in the Building, and correcting any condition which violates any provision of the Governing Documents or of any mortgage or deed of trust encumbering all of the Apartments. Requests for entry shall be made in advance, and any such entry shall be made at a time reasonably convenient to the Shareholder, provided, however, that in case of an emergency such right of entry shall be

immediate, whether the Shareholder is present at the time or not, and no notice or permission shall be necessary.

ARTICLE 8

Insurance

Section 8.1. Authority to Purchase.

(a) Except as otherwise provided in the Bylaws of River Place Owners' Association or in Section 8.5 of these Bylaws, all insurance policies relating to the Building shall be purchased by or on behalf of the Corporation. Neither the Corporation, any Officer(s), the Managing Agent, nor the Sponsor shall be liable for failure to obtain any coverages required by this Article if such failure is due to the unavailability of such coverages from reputable insurance companies, or if such coverages are so available only at demonstrably unreasonable cost. The Secretary shall promptly furnish to each Shareholder written notice of the procurement, subsequent changes in, and the termination of all insurance coverage obtained on behalf of the Corporation.

(b) Each such policy shall provide, to the extent reasonably available at reasonable rates, that:

(1) the insurer waives any right to claim by way of subrogation against the Sponsor, the Corporation, the Officers, the Managing Agent, the Shareholders, and their respective agents, employees and invitees, and, in the case of the Shareholders, the members of their households;

(2) such policy shall not be cancelled, invalidated or suspended due to the conduct of any Officer(s), Shareholder(s), Managing Agent, or any invitee, agent, officer, or employee of any of the foregoing without a prior demand in writing to the Board of Directors or the Managing Agent (whichever is applicable) that the defect be cured, followed by failure to so cure the defect within sixty (60) days after such demand; and

(3) such policy shall not be cancelled or substantially modified for any reason (including nonpayment of premium) without at least sixty (60) days' prior written notice to the Board of Directors and the Managing Agent.

(c) All policies of insurance shall be written by reputable companies licensed to do business in the Commonwealth of Virginia.

Section 8.2. Physical Damage Insurance.

(a) The Board of Directors shall obtain and maintain blanket, "all-risk" form policy of fire insurance with extended coverage, vandalism, malicious mischief, windstorm, debris removal, cost of demolition and water damage endorsements, insuring all of the Apartments and the bathroom and kitchen fixtures, service machinery, and other appliances and apparatuses installed

therein by the Sponsor, and all of the Common Element improvements (other than improvements and other items not normally insured). Such insurance shall cover the interest of the Corporation, the Board of Directors and all Shareholders, as their interest may appear (subject, however, to the loss payment and adjustment provision in favor of the Board of Directors as Insurance Trustee contained in Sections 8.6 and 8.7 of these Bylaws), and shall be in an amount equal to one hundred percent (100%) of the then current replacement cost of the Building (exclusive of foundations and other items normally excluded from such coverage), without deduction for depreciation, such amount to be determined annually by the Board of Directors with the assistance of the Managing Agent, the insurance company affording such coverage, and (if the Board so resolves) a qualified appraiser of real estate.

(b) Such policy shall also provide:

(1) a waiver of any right of the insurer to repair, rebuild or replace any damage or destruction if a decision is made pursuant to Section 9.5 of these Bylaws not to do so and, in such event, that the insurer shall pay on the basis of the agreed amount endorsement;

(2) the following endorsements (or equivalent) : (i) "no control" (to the effect that coverage shall not be prejudiced by any act or neglect of any Shareholder, occupant, or other Person if such act or neglect is not within the control of the insured, nor by any failure of the insured or any other Person to comply with any warranty or condition concerning any portion of the Building not controlled by the insured); (ii) "contingent liability from operation of building laws or codes"; (iii) "increased cost of construction" or "cooperative replacement cost"; and (iv) "agreed amount" or limitation of co-insurance clause;

(3) that any "no other insurance" clause excludes individual Shareholders' policies from its operation so that the physical damage policy purchased on behalf of the Corporation shall be deemed primary coverage and any individual Shareholders' policies shall be deemed excess coverage, and in no event shall the insurance coverage obtained and maintained on behalf of the Corporation hereunder be brought into contribution with insurance purchased by individual Shareholders or their Mortgagees unless otherwise required by law; and

(4) that a duplicate original of such policy, all renewals thereof, and any subpolicies or certificates and endorsements issued thereunder, together with proof of payment of premiums, shall be delivered by the insurer to any Mortgagee whose request therefor is received by the insurer at least thirty (30) days prior to expiration of the then current policy.

Section 8.3. Liability Insurance. The Board of

Directors shall obtain and maintain comprehensive general liability insurance (including without limitation coverage of all officers against libel, slander, false arrest, invasion of privacy, and errors and omissions) and property damage insurance in such limits as the Board may from time to time determine, insuring the Corporation, each officer, the Managing Agent, each Shareholder and the Sponsor against any liability to the public or to the Shareholders (and their invitees, agents employees and members of their households) arising out of or incident to the ownership and/or use of the Building. Such insurance shall be issued on a comprehensive liability basis and shall contain: (i) a cross liability endorsement under which the rights of a named insured shall not be prejudiced with respect to his action against another named insured; (ii) hired and non-owned vehicle coverage; (iii) host liquor liability coverage with respect to events sponsored by the Corporation; (iv) deletion of the normal products exclusion with respect to events sponsored by the Corporation; and (v) a "severability of interest" endorsement which shall preclude the insurer from denying liability to a Shareholder because of negligent acts or omission of the Corporation, any Officer(s), or any other Shareholder(s).

The Board shall review such limits once a year, but in no events shall such insurance be less than One Million Dollars (\$1,000,000.00) covering all claims for bodily injury or property damage arising out of one occurrence. Reasonable amounts of "umbrella" liability insurance in excess of the primary limits shall also be obtained in an amount not less than Three Million Dollars (\$3,000,000.00).

Section 8.4. Other Insurance. The Board of Directors shall obtain and maintain:

(a) adequate fidelity coverage to protect against dishonest acts on the part of Officers, agents and employees of the Corporation and all others who handle or are responsible for handling funds of the Corporation. Such fidelity bonds shall: (i) name the Corporation as an obligee; (ii) be written in an amount not less than one-half (1/2) of the total annual assessments for Common Expenses for the then current fiscal year; and (iii) contain waiver of any defense based upon the exclusion of Persons who serve without compensation from any definition of "employee" or similar expression;

(b) if required by any governmental or quasigovernmental agency, flood insurance in accordance with the then applicable regulation of such agency;

(c) workmen's compensation insurance if and to the extent necessary to meet the requirements of law;

(d) such other insurance as the Board of Directors may determine or as may be required from time to time by resolutions of the Corporation.

Section 8.5. Separate Insurance. Each Shareholder

shall have the right, at his own expense, to obtain insurance for his own Apartment and for his own benefit, including insurance coverage on his personal property, for his personal liability, and on any improvements made by him to his Apartment under coverage normally called "tenant's improvements and betterments coverage"; provided, however, that no Shareholder shall acquire or maintain insurance coverage so as to decrease the amount which the Corporation may realize under any insurance policy, or to cause any insurance coverage in favor of the Corporation to be brought into contribution with insurance coverage obtained by a Shareholder. All policies obtained by Shareholders individually shall contain waivers of subrogation. No Shareholder shall obtain separate insurance of the Building except as provided in this section.

Section 8.6. Insurance Trustee. All physical damage insurance policies purchased by or on behalf of the Corporation shall be for the benefit of the Corporation and the Shareholders, as their respective interests may appear, and shall provide that all proceeds of such policies shall be paid in trust to the Board. of Directors as Insurance Trustee to be applied pursuant to the terms of Article 9 of these Bylaws. The sole duty of the Board of Directors as Insurance Trustee shall be to receive such proceeds as are paid to it and to hold the same in trust for the purposes stated in Article 9 of these Bylaws, for the benefit of the insureds and their beneficiaries thereunder.

Section 8.7. Board of Directors as Agent. The Board of Directors as Insurance Trustee is hereby irrevocably constituted as agent for the Corporation, each Shareholder, other named insureds and their beneficiaries, and any other holder of a lien or other interest in the Building, to adjust and settle all claims arising under insurance policies purchased by the Board and to execute and deliver releases upon the payment of claims.

ARTICLE 9

Repair and Reconstruction After Fire or Other Casualty

Section 9.1. When Repair and Reconstruction are Required. Except as otherwise provided in Section 9.5 of these Bylaws, in the event of damage to the Building as a result of fire or other casualty, the Board of Directors shall arrange for and supervise the prompt repair and restoration thereof, including any damaged Apartments and everything installed therein by the Sponsor but not including anything installed in any Apartment by any Shareholder other than the Sponsor. Any such repair and restoration shall be substantially in accordance with the original construction and installation, subject to any modifications required by changes in applicable laws, ordinances, and other governmental regulations, and using to the extent feasible such contemporary materials and technology as may then be available. Notwithstanding the foregoing, each Shareholder shall have the right to supervise the redecorating of his own Apartment.

Section 9.2. Cost Estimates. Immediately after a fire or other casualty causing damage to the Building, the Board of Directors shall obtain reliable and detailed estimates of the costs of the repair and restoration contemplated by Section 9.1 of these Bylaws to a condition as good as that existing before such casualty. Such cost shall include professional fees and premiums for such bonds as the Board of Directors as Insurance Trustee may determine to be necessary.

Section 9.3. Insufficiency of Insurance Proceeds. If the proceeds of insurance are not sufficient to defray such estimated costs of reconstruction and repair, or if upon completion of reconstruction and repair the insurance proceeds are insufficient for the payment of the costs thereof, the amount necessary to complete such reconstruction and repair may be obtained from the appropriate reserve for replacements and/or a special assessment therefore may be levied, as the Board of Directors shall decide.

Section 9.4. Disbursements of Construction Funds.

(a) Construction Fund and Disbursement Thereof. Any proceeds of insurance collected on account of any casualty, any sums appropriated by the Board of Directors from reserves, and any sums received from collections of special assessments on account of such casualty, shall constitute a construction fund which shall be disbursed in payment of the costs of repair and reconstruction in the following manner:

- (1) If the estimated cost of reconstruction

and repair is less than Forty Thousand Dollars (\$40,000.00), the construction fund shall be disbursed in payment of such costs upon resolutions of the Board of Directors.

(2) If the estimated cost of reconstruction and repair is Forty Thousand Dollars (\$40,000.00) or more, then the construction fund shall be disbursed in payment of such costs upon resolutions of the Board following or contingent upon approval of an architect qualified to practice in Virginia and employed by the Board to supervise such work, payment to be made from time to time as the work progresses. The architect shall be required to furnish a certificate giving a brief description of the services and materials furnished by various contractors, subcontractors, materialmen, the architect and other Persons who have rendered services or furnished materials in connection with the work, and stating that: (i) the sums requested in payment are justly due and owing to the Persons requesting them, and such sums do not exceed the value of the services and materials furnished; (ii) there is no other outstanding indebtedness known to such architect for the services and materials described; and (iii) the cost as estimated by such architect for the work remaining to be done subsequent to the date of such certificate does not exceed the amount of the construction fund remaining after payment of the requested sums.

(b) Surplus. If there is a balance in the construction fund after the payment of all of the costs of the repairs and reconstruction for which the construction fund is established, such balance shall be credited to all Shareholders in proportion to the number of shares owned by each against their respective liabilities for assessments then due or thereafter becoming due.

(c) Priority of Common Elements Over Apartments. If the damage is to both Common Elements and Apartments, the construction fund shall be applied first to the cost of repairing those portions of the Common Elements which enclose and service the Apartments, then to the cost of repairing the other Common Elements, and thereafter to the cost of repairing the Apartments.

(d) Certificate. The Board of Directors as Insurance Trustee shall be entitled to rely upon a certificate executed by the President or Vice President, and the Secretary certifying: (1) whether the damaged property is required to be repaired or reconstructed; (2) the name of the payee and the amount to be paid with respect to each disbursement from the construction fund; and (3) all other matters concerning the holding and disbursing of any construction fund. Any such certificate shall be delivered to the Board of Directors as Insurance Trustee promptly upon request.

Section 9.5. When Repair or Reconstruction Is Not Required. If the Board of Directors resolves not to repair insubstantial damage to the Common Elements, the Board of Directors shall cause to be removed all debris, with the site of

the damage restored to a condition compatible to the extent feasible with the remainder of the Building, and the balance of any insurance proceeds received on account of such damage shall be credited to all Shareholders in proportion to the number of shares owned by each against their respective liabilities for assessments then due or thereafter becoming due.

ARTICLE 10

Proprietary Leases

Section 10.1. Form of Lease. The Board of Directors shall adopt a form of Proprietary Lease to be used by the Corporation for the leasing to Shareholders of all Apartments. Subject to the other provisions of these Bylaws, such Proprietary Leases shall be on such terms and shall contain such conditions, covenants, restrictions and other provisions as the Board may determine. After a Proprietary Lease in the form so adopted by the Board shall have been executed and delivered by the Corporation, all Proprietary Leases subsequently executed and delivered shall be the same (except with respect to the statement as to the number of shares owned by the lessee), unless variations for subsequent use are approved by the holders of a majority of the outstanding shares of stock of the Corporation.

Section 10.2. Allocation of Shares. The Board of Directors shall allocate to each Apartment to be leased to Shareholders under Proprietary Leases the number of shares of the Corporation that must be owned by the Proprietary Lessee of such Apartment.

Section 10.3. 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 and of the Shares issued in connection with the same, may in its discretion, at any time, permit such owner or owners, at his or their own expense, to subdivide or combine all or any portions of any such Apartment or Apartments into one or any desired number of Apartments and to reallocate the shares issued to accompany the Proprietary Leases, in any such proportions as such owners request and the Board approves, provided only that (a) the total number of the shares so reallocated is not less than the shares previously allocated, and (b) the Proprietary Leases so affected and the accompanying share certificates are surrendered, and that there are executed and delivered in place thereof, respectively, a new Proprietary Lease for each Apartment so created and a new share certificate for the number of shares so reallocated to each such new Proprietary Lease.

The reallocation of shares shall be based on the fair market value of the equity in the Building attributable to the subdivided or combined Apartment(s), but in any event, the total number of shares so reallocated shall remain the same. Notwithstanding any other provision of this section, the consent of the Managing Agent rather than the Board of Directors shall alone be required for any such subdivision or combination and

reallocation in the case of Apartments as to which the Sponsor owns the allocable shares.

Section 10.4. Lost Proprietary Leases. In the event that any Proprietary Lease is lost, stolen, destroyed or mutilated, the Board of Directors may authorize the issuance of a new Proprietary Lease in lieu thereof, in the same form and with the same conditions, covenants, restrictions and other provisions. The Board may, in its discretion, before the issuance of such new Proprietary Lease, require the owner of the lost, stolen, destroyed, or mutilated Proprietary Lease, or the legal representative of the owner, to make an affidavit or affirmation setting forth such facts as to the loss, destruction, or mutilation as it deems necessary, and to give the Corporation a bond in such reasonable sum as it directs, to indemnify the Corporation.

ARTICLE 11

Corporate Shares

Section 11.1. Share Certificates.

Certificates for the shares of the Corporation shall be in the form prescribed by the Board of Directors, and shall be signed by the President or Vice President and by the Secretary or Assistant Secretary and shall be numbered in the order in which issued. Certificates shall be bound in a book and issued in consecutive order therefrom, and in the margin or stub thereof shall be entered the name of the Person owning the shares therein represented, 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 by the Secretary and such certificate shall be immediately pasted in the certificate book opposite the memorandum of its issue.

AMENDED 3-22-06 Section 11.2. Transfer of Shares. Transfer of shares shall be made only upon the books of the Corporation by the Shareholder in person or by power of attorney, duly executed and witnessed and filed with the Secretary, and only on the surrender of the certificate of such shares except that shares sold by the Corporation to satisfy any lien which it holds thereon may be transferred without the surrender of such certificate. No transfer of shares shall be valid as against the Corporation, its Shareholders or its creditors for any purpose until it shall have been entered in the stock transfer books. Any valid transfer of shares shall entitle the transferee thereof to a Proprietary Lease of the Apartment to which such shares are allocated.

(1) In the event a non-person applies to become a shareholder and/or submits an application to the Board of Directors for approval for the acquisition of a unit, said application must identify the stockholders/owners (beneficial and of record)/members (collectively referred to as "Owners") of the non-person entity in the necessary documents submitted and attached with the application before the application of the non-person will be voted on by the Board of Directors for approval; or approved by the Board of Directors as shareholders of stock in the Corporation. The identified Owners of the non-person entity will be jointly and severally responsible for any and all matters involving the non-person entity with the Corporation, including, but not limited to, fees, rules and regulations regarding the operating documents of the Corporation and the River Place Complex, and any and all assessments by the Corporation against the Owner by virtue of its ownership in the Corporation.

AMENDED 6-10-85 Section 11.3., Transfer or Pledge of

Shares. The execution and delivery of a leasehold mortgage or deed of trust and/or the creation of a security interest in a proprietary lease and the shares to which that lease is appurtenant is permissible as provided in Section 17 of the Proprietary Leases, but it shall be the obligation of each Shareholder to notify the Corporation of any pledge of shares, including the date thereof and the name and address of the parties secured thereby, and the Corporation shall maintain a registry in which all such information shall be maintained. Each Shareholder shall be entitled to assign, transfer or otherwise dispose of his interest as a shareholder in the Corporation only in conformity with the following rules: (1) except as contemplated by Section 10.3 of these Bylaws, shares and the Proprietary Lease associated with such shares cannot be separated or otherwise divided and can be assigned, transferred or otherwise disposed of only as a single unit; and (2) shares and the Proprietary Lease associated with such shares shall not be transferred, assigned or otherwise disposed of without the prior written consent of the Board of Directors (or its duly authorized representative), which consent shall be denied only if the Board of Directors (or its representative) determines that the proposed assignee, if not a natural person, would jeopardize the Corporation's status as cooperative housing corporation under Section 216 of the Internal Revenue Code of 1954 as amended from time to time.

Section 11.4. Fees on Transfer or Reallocation of Shares. The Board of Directors shall have authority to fix by resolution and to collect, before any transfer of a Proprietary Lease or any reallocation of shares takes effect, the Corporation's expenses and attorneys' fees in connection with such proposed assignment or reallocation, or both, as the case may be.

ARTICLE 12

Compliance and Default

Section 12.1. Relief. Each Shareholder shall comply with all provisions of the Governing Documents as any of the same may be amended from time to time. In the event of any lack of such compliance, the Corporation, acting on its own behalf or through any of its officers or the Managing Agent, shall be entitled to the following relief:

(a) Additional Liability. Each Shareholder shall be liable for the expense of all Upkeep by the Corporation rendered necessary by his act, neglect or carelessness or the act, neglect or carelessness of any member of his family or any of his employees, agents or licensees, but only to the extent that such expense is not covered by the proceeds of insurance maintained by or on behalf of the Corporation. Such liability shall include any increase in casualty insurance rates occasioned by use, misuse, occupancy or abandonment of any Apartment or its appurtenances. Nothing contained herein, however, shall be construed as modifying any waiver by any insurance company of its rights of subrogation. Each Shareholder shall also be liable for all expenses incurred by the Corporation in bringing eviction proceedings against such Shareholder's tenant(s) pursuant to Section 7.12(f) of these Bylaws.

(b) Costs and Attorneys' Fees. In any proceeding arising out of any alleged default by a Shareholder, the prevailing party shall be entitled to recover the costs of such proceeding and such reasonable attorneys' fees as may be determined by the court.

(c) No Waiver of Rights. The failure of the Corporation, any Officer(s), or any Shareholder(s) to enforce any provision of the Governing Documents shall not constitute a waiver of the right of the Corporation, any officer, or any Shareholder to enforce such provision in the future. All rights, remedies and privileges granted to the Corporation, any Officer(s), or any Shareholder(s) pursuant to any provision of the Governing Documents shall be deemed to be cumulative, and the exercise of any one or more thereof shall not be deemed to constitute an election of remedies, nor shall it preclude the Person(s) exercising the same from exercising such other rights, remedies and privileges as may be granted to such Person(s) by the Governing Documents or by law.

AMENDED 4-23-90 (d) Interest and Late Charges. If a Shareholder fails to pay in full any assessment for a period in excess of fifteen (15) days from the due date, a late fee of Fifty Dollars (\$50.00) be imposed on the sixteenth (16th) day of any given month, that an additional charge of Fifty Dollars (\$50.00) be imposed on the last given day of any given month

plus eighteen percent (18%) interest and reasonable attorneys' fees.

(e) Abating Violation Within Apartments. Any violation of any provision of the Governing Documents shall give the Corporation, the Board of Directors, the Managing Agent, any Person(s) authorized by the Board or the Managing Agent, and any group of the foregoing, the right, in accordance with Section 7.13 of these Bylaws, to enter the Apartment in which, or as to which, such violation exists and summarily to abate and remove at the expense of the Proprietary Lessee thereof, any condition that may exist therein constituting such a violation.

(f) Legal Proceedings. Violation of any provision of the Governing Documents shall be grounds for relief, including (without limitation) an action or suit: (i) to recover any sums due, (ii) for damages, (iii) for injunctive relief, (iv) to foreclose the lien for assessments, (v) any other relief provided for by the Governing Documents, (vi) for any other remedy available at law or in equity, and (vii) for any combination of any of the foregoing; all of which relief may be sought by the Corporation, any Officer(s), the Managing Agent and in any appropriate case, by any aggrieved Shareholder(s), and shall not constitute an election of remedies.

Section 12.2. Lien for Assessments.

(a) Every assessment made against shares or the Shareholder thereof pursuant to these Bylaws is a lien against those shares, which lien shall be effective as of the date such assessment is made. Any Officer or the Managing Agent may file or record such other or further notice of such lien or such other document with respect thereto as may be required by law to confirm the establishment and priority of such lien.

(b) in any case where an assessment against a Shareholder is payable in installments, upon a default by such Shareholder in the timely payment of any two (2) installments, the maturity of the remaining total of the unpaid installments of such assessments may be accelerated at the option of the Board of Directors, and the entire balance of that assessment may thereupon be declared due and payable in full by the service of notice to that effect upon the defaulting Shareholder by any Officer or by the Managing Agent.

(c) The lien for assessments may be enforced and foreclosed in any manner provided by law by any proceeding in the name of the Corporation, or by any Officer(s) or the Managing Agent acting on behalf of the Corporation. During the pendency of such proceeding the Shareholder shall be charged by the Corporation with a reasonable rental for the Apartment for the period from the initiation of such proceeding until satisfaction of or sale pursuant to any judgment or order obtained in such proceeding. The plaintiff in such proceeding shall have the right to the appointment of a receiver if

available under law.

ARTICLE 13

Miscellaneous

Section 13.1. Notices. All notices, demands, requests, bills, statements or other communications contemplated by these Bylaws shall be in writing and shall be deemed to have been duly given or served when delivered personally or deposited in the United States mail, postage prepaid, or, if notification is of a default or lien, sent by registered or certified United States mail, return receipt requested, postage prepaid (i) if to a Shareholder, at the address which appears on the stock transfer books of the Corporation, or (ii) if to the Corporation, the Board of Directors or to the Managing Agent, at the principal office of the Managing Agent or at such other address as shall be designated by notice in writing to the Shareholders pursuant to this section.

Section 13.2. Method of Amendment. These Bylaws may be amended at any meeting of the Shareholders provided that the proposed amendment has been inserted in the notice of meeting or that all of the Shareholders are present in person or by proxy. These Bylaws may also be amended at any meeting of the Board of Directors provided that the proposed amendment has been inserted in the notice of the meeting and provided at least two-thirds (2/3) of the total number of Directors shall be present at such meeting. Any amendment adopted by the Board may at any time be rescinded, repealed, or amended by the Shareholders. Notwithstanding the foregoing, the real estate owned by the Corporation shall not be subjected to a mortgage or deed of trust without the consent of the holders of ninety percent (90%) of the issued and outstanding shares of the Corporation; nor this section be amended without such consent.

WE, the initial Directors of the Corporation, joined by all of the Shareholders thereof, have adopted these Bylaws this day of _____ as evidenced by our signatures hereto.

Richard L. Poole

Theresa L. Rebhorn

Steven R. Lueben

MONUMENT ASSOCIATES

By _____ General Partner

By _____ President