

BY-LAWS
OF
DAHILL GARDENS APT. INC.

ARTICLE I
Purpose of Business

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

ARTICLE II
Meetings of Shareholders

Section 1: Annual Meetings: The first annual meeting of the shareholders of the Corporation, for the election of directors and for such other business as may properly come before said meeting, shall be held within 30 days after the closing under the Plan of Cooperative Organization for the Corporation, and subsequent annual meetings shall be held on the 1st day of May in each year, commencing with the year following the year in which the first annual meeting is held. Such meetings shall be in the State of New York, at such time and place as shall be determined by the Board of Directors. Written notice of each meeting shall be given to all shareholders.

Section 2: Special Meetings: Special Meetings of shareholders, may be called at any time by the president or secretary or by a majority of the Board of Directors. It shall also be the duty of the secretary to call such meetings whenever requested in writing so to do by shareholders owning at least twenty-five percent of the outstanding shares of the Corporation. The secretary shall cause a notice of such special meeting stating the time, place and object thereof and the officer or other persons by whom the meeting is called, to be delivered personally

or mailed as provided in Section 1 of this Article to each shareholder of record of the Corporation.

Section 3: Waiver of Notices: The notice provided for in the two foregoing sections is not indispensable but any shareholders' meeting shall be valid for all purposes if all the outstanding shares of the Corporation are represented there at in person or by proxy, or if a quorum is present, and waiver of notice of such meeting shall be duly executed in writing by such shareholders as are not so represented and were not given such notice.

Section 4: Quorum: At each meeting of shareholders, shareholders, in person or by proxy, holding a majority of the shares then issued and outstanding shall constitute a quorum. In case a quorum shall not be present at any meeting, the holders of a majority of the shares represented may adjourn the meeting to some future time and place. No notice of the time and place of the adjourned meeting need be given other than by announcement of the meeting.

Section 5: Voting: At each meeting of shareholders each shareholder present in person or by proxy shall be entitled to one vote for each share registered in his name. The proxies shall be in writing duly signed by the shareholder. Voting by shareholders shall be voice vote unless any shareholder present at the meeting, in person or by proxy, demands a vote by written ballot, in which case the voting shall be by ballot.

Section 6: Inspectors of Election: Inspectors of election shall not be required to be appointed at any meeting of shareholders unless requested by a shareholder.

Section 7: Order of Business: So far as consistent with the purpose of the meeting, the order of business of each meeting of shareholders shall be as follows:

1. Call to order.
2. Presentation of proofs of due calling of the meeting.
3. Roll call and presentation and examination of proxies.
4. Reading of minutes of previous meeting or meetings, unless waived.
5. Reports of officers and committees.

6. Appointment or election of inspectors of election, if requested.
7. If the annual meeting or a special meeting called for that purpose, the election of directors.
8. Unfinished business.
9. New business.
10. Adjournment.

ARTICLE III
Directors

Section 1: Number: The number of the Directors of the Corporation shall be not less than three not more than nine, commencing with the first election of Directors by tenant-shareholders of the Corporation. At such time as the "Unsold Shares" (as defined in the proprietary lease of the Corporation) constitute less than 50% of all the shares of the Corporation issued and outstanding, but in no event later than the fifth anniversary of the date the Corporation acquires title to the building, not less than a majority of Directors to be elected at all subsequent annual meetings of shareholders shall be resident tenant/shareholders of the building of the Corporation.

Section 2: Election: The Directors shall be elected at the annual meeting of shareholders or at a special meeting called for that purpose by a plurality of votes cast at such meeting, and thereafter until their respective successors are elected and qualify. It shall not be necessary for a director of this Corporation to be a shareholder.

Section 3: Quorum: A majority of the Directors shall constitute a quorum.

Section 4: Vacancies: Vacancies in the Board of Directors resulting from death, resignation or otherwise may be filled without notice to any of the shareholders by a vote of a majority of the remaining directors present at the meeting at which such election is held even though no quorum is present, which may be at any regular meeting of the Board of Directors or any special meeting thereof called for such purpose.

Section 5: Meetings: The Board of Directors shall meet immediately after the annual meeting of shareholders and also whenever called by any officer of the Corporation or

upon the written request of any two directors, upon notice give to each director, by delivering personally, mailing or telegraphing the same to him at least two days prior to such meeting at the last address furnished by him to the Corporation. Regular meetings may be held without notice at such times and places as the Board of Directors may determine. Meetings of directors may be held at the principal office of the Corporation or as designated by the Board of Directors by resolution. At all meetings of the Board of Directors, each director shall be entitled to one vote. The vote of a majority of the Board of Directors present at the time of a vote shall be the act of the Board of Directors.

Section 6: Resignation and Removal: Any director may resign at any time by written notice delivered in person or sent by certified or registered mail to the president or secretary of the Corporation. Such resignation shall take effect at the time specified therein.

Any director may be removed from office without cause by a majority of all the shareholders of the Corporation at a meeting duly called for that purpose.

Section 7: Annual Cash Requirements: The Board of Directors shall, from time to time, determine the cash requirements as defined in the Corporation's proprietary lease. The Board of Directors shall have discretionary power to prescribe the manner of maintaining and operating the property of the Corporation. Every such determination by the Board of Directors shall be final and conclusive as to all shareholder-tenants.

Section 8: House Rules: The Board of Directors may from time to time, adopt and amend such house rules as it may deem necessary in respect to the building of the Corporation for the health, safety and convenience of the shareholder-tenants. Copies thereof and of changes therein shall be furnished to each shareholder-tenant.

Section 9: Executive Committee and Other Committees: The Board of Directors may by resolution appoint an Executive Committee, and such other committees as it may deem appropriate, each to consist of one or more directors of the Corporation. Such committees shall have such of the powers of the Board in the management of the business and affairs of the Corporation as may be established by

resolution of the Board of Directors, except that no committee shall have power to determine the cash requirements defined in the proprietary lease, or to fix the rent to be paid under the proprietary leases, or to vary the terms of payment thereof as fixed by the Board.

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

ARTICLE IV Officers

Section 1: Election and Removal: The officers of the Corporation shall be a president, one or more vice presidents, a secretary and a treasurer. Such officers shall be elected by the Board of Directors and shall serve until removed or until their successors shall have been elected. The Board of Directors may from time to time appoint one or more assistant secretaries and one or more assistant treasurers to hold office at the pleasure of the Board. Any officer may be removed at any time, with or without cause, by the affirmative vote of a majority of the directors.

Section 2: Duties of the President and Vice President: The president shall preside at all meetings of the stockholders a Of the Board of Directors. Any officer shall sign in the name of the Corporation all contracts, leases and other instruments which are authorized from time to time by the Board of Directors. The president shall perform all the duties incidental to the office. In the absence or inability of the president to act, any vice president shall have the powers and perform the duties of the president.

Section 3: Duties of the Treasurer: The treasure shall have the care and custody of all funds and securities of the Corporation, and shall deposit such funds in the name of the Corporation in such bank or trust companies as the directors may determine, and he shall perform all other duties incidental to his office.

Within three months after the end of each fiscal year, the treasurer shall cause to be transmitted to each shareholder-tenant an annual report of operations and

balance sheet of the Corporation which shall be certified by an independent Certified Public Accountant.

In the absence or inability of the treasurer, the assistant treasurer if any, shall have all the powers and perform all the duties of the treasurer.

Section 4: Duties of Secretary: The secretary shall keep the minutes of the meetings of the Board of Directors and of the meetings of shareholders; he shall attend to the giving and serving of all notices of the Corporation and shall be empowered to affix the corporate seal to all written instruments authorized by the Board of Directors or these By-Laws. He shall also perform all other duties incidental to his office.

ARTICLE V Proprietary Leases

Section 1: Form of Lease: The Board of Directors shall adopt a form of proprietary lease to be used by the Corporation for the leasing of all units and other space in the building of the Corporation to be leased to shareholder-tenants.

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

Section 2: Assignment: Proprietary leases shall be assigned or transferred only in compliance with the terms, conditions or provisions of such proprietary leases. A duplicate original of each proprietary lease shall be kept on file in the principal office of the corporation or with the managing agent. Following any assignment of shares and the proprietary lease allocated thereto for an apartment occupied by a non-purchasing tenant in occupancy prior to the date of presentation of the offering plan to convert the building to cooperative ownership, the Secretary of the Apartment Corporation shall serve the non-purchasing tenant

with notice advising such tenant of the assignment of the shares and proprietary lease for his or her apartment including the identity of the purchaser of the shares.

Section 3: Allocation of Shares: The Board of Directors shall allocate to each unit or other space in the building of the Corporation the number of shares of the Corporation which must be owned by the proprietary lessee of such unit or other space.

Section 4: Assignment of Lease and Transfer of Shares: No assignment of any lease or transfer of shares of the Corporation shall take effect until a proper assignment has been delivered to the Corporation; the assignee has assumed and agreed to perform and comply with all the covenants and conditions of the assigned lease or has entered into a new lease for the remainder of the term; all shares of the Corporation appurtenant to the lease have been transferred to the assignee all sums due have been paid to the Corporation; and all necessary consents have been properly obtained. The action of the Board of Directors with respect to the written application for consent of a proposed assignment or subletting must be made within 15 days after receipt of said written application.

Where the Sponsor named in the Plan of Cooperative Organization or a nominee of the Sponsor or a Holder of Unsold Shares or a purchaser for investment or resale is a lessee, then consent to an assignment or transfer of his lease and the shares appurtenant thereto will not be required.

Section 5: Fees on Assignment: The Board of Directors shall have authority before an assignment or sublet of a proprietary lease or reallocation of shares takes effect as lessor, to fix a reasonable fee to cover actual expenses and attorneys fees of the Corporation, a service fee of the Corporation and such other conditions and it may determine, in connection with each such proposed assignment or sublet. This provision shall not apply to the Sponsor or a nominee of the Sponsor or a Holder of Unsold Shares.

Section 6: 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 terms. The Board may, in its

discretion, require the owner thereof to make an affidavit setting forth such facts as to the loss, destruction or mutilation as it deems necessary, and give the Corporation a bond in such reasonable sum as it directs, to indemnify the Corporation.

Section 7: Regrouping of Space: The Board of Directors, upon the written request of the owner of one or more proprietary leases covering one or more units in the building and of the shares issued to accompany the same, may in its discretion, permit such owner at his expense A: (1) to subdivide any unit; (2) to combine any such units into one unit; and (3) to reallocate the shares issued to accompany the proprietary lease, but the total number of shares so reallocated shall not be less than the number of shares previously allocated to the unit or units involved; and, in connection with any such regrouping, the Board of Directors may require that the number of shares allocated to the resulting unit or units be greater than the number of shares allocated to the original unit or units, and may authorize the issuance of shares from its treasury for such purpose; or B: to incorporate one or more rooms, or other spaces in the building not covered by any proprietary lease, into one or more units covered by a proprietary lease, and in allocating shares to any such resulting unit, shall determine the number of shares from its treasury to be issued and allocated in connection with the appropriation of such additional space.

In respect of units for which the proprietary lease and shares issued are owned by the Sponsor named in the Plan of Cooperative Organization or the Sponsor's Nominee or the Sponsor's Assignee (who while entitled to occupy any such units for his personal use does not do so), such Sponsor, Nominee, or Assignee may change the number of such units by increasing or decreasing their size, or change the size, layout or location of any such unit: and such Sponsor, Nominee, or Assignee shall have the right to reallocate the shares allocated to any of the units offered for sale under said Plan provided that such reallocation does not cause any increase or decrease in the total number of shares attributable to the unit or units, or the total number of shares attributable to all of the units as reflected in said Plan.

Upon any regrouping of space in the building, the proprietary leases so affected and the accompanying share

certificates shall be surrendered, and there shall be executed and delivered in place thereof, respectively, a new proprietary lease for each separate unit involved, and a new certificate for the number of shares so reallocated to each new proprietary lease.

ARTICLE VI Capital Shares

Section 1: Shares: No shares shall be issued except with the delivery by the Corporation of a proprietary lease of a unit in the building owned by the Corporation. The ownership of shares shall entitle the holder thereof to occupy the unit, subject to the provisions contained in the proprietary lease appurtenant thereto.

Section 2: Form and Share Register: Certificates of the shares of the Corporation shall be in the form adopted by the Board of Directors, and shall be signed by the president or a vice president and the secretary or an assistant secretary or the treasurer or an assistant treasurer, and sealed with the seal of the Corporation, and shall be numbered in the order in which issued. Certificates shall be issued in consecutive order and there shall be recorded the name of the person holding the shares, the number of shares and the date of issue. Each certificate exchanged or returned to the corporation shall be cancelled, and the date of cancellation shall be indicated thereon and such certificates shall be retained in the Corporate records.

Section 3: Issuance of Certificates: Shares shall be issued in the amount allocated by the Board of Directors to the unit or other space described in such proprietary lease and shall be represented by a single certificate.

Section 4: Transfers: Transfers of shares shall be made upon the books of the Corporation ally by the holder in person or by power of attorney, and on the surrender of the certificate for such shares, except that shares sold by the Corporation to satisfy any lien which it or any secured party holds thereon may be transferred without the surrender of the certificate representing such shares.

Section 5: Units of Issuance: Except as otherwise provided in Article V, Section 7, the shares appurtenant to

each proprietary lease shall not be sold or assigned except as an entirety.

Section 6: Corporation's Lien: The Corporation shall at all times have a first lien upon the shares owned by each shareholder for all indebtedness and obligations owing and to be owing by such shareholder to the Corporation. The Corporation may refuse to consent to the transfer of shares of any shareholder indebted to the Corporation unless and until such indebtedness is paid.

ARTICLE VII

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

Nothing contained in this provision shall limit any right to indemnification to which any director or any officer may be entitled by contract or under any law now or hereinafter enacted.

ARTICLE VIII

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

ARTICLE IX

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

ARTICLE X

Section 1: Salaries: No salary or other compensation for services shall be paid to any director or officer of the Corporation for services rendered by him, unless authorized in writing or by affirmative vote, taken at a duly held meeting of shareholders, by shareholder owning at least a majority of the then outstanding shares of the Corporation.

ARTICLE XI

Section 1: Amendments: These By-taws may be amended, at any shareholders' meeting by vote of shareholders owning two-thirds of the amount of the outstanding shares, except that as long as any shares of the Corporation are held by holders of "Unsold Shares", these By-laws may not be amended without the consent of all holders of "Unsold Shares".