

## **PREAMBLE**

The By-Laws of Putnam Hill Apartments, Inc., as originally adopted, were amended by resolution of the then-elected Board of Directors on July 2, 1997 (as so amended, the "By-Laws").

The Board of Directors, wishing to reflect the adoption by the Connecticut state legislature on July 8, 2009 of changes to the Common Interest Ownership Act which became effective on July 1, 2010, as well as subsequent amendments to said Act hereby amends and restates the By-Laws in their entirety, subject to approval of the Stockholders, effective as of July 1, 2010. Approval was granted by resolution adopted at the Annual Meeting of the Stockholders held on April 9, 2011.

### **BY-LAWS OF PUTNAM HILL APARTMENTS, INC. AS AMENDED AND RESTATED PURSUANT TO CONNECTICUT GENERAL STATUTES, SECTIONS 47-202, ET SEQ. EFFECTIVE AS OF JULY 1, 2010**

#### **ARTICLE I MEETINGS OF STOCKHOLDERS**

Section 1. ANNUAL MEETING. (a) The annual meeting of Stockholders of the Corporation shall be held at the principal office of the Corporation or at such other place, on a Saturday in the month of April on a date and at a time, all as may be determined by the Board of Directors.

(b) The Secretary shall serve personally, or by mail, or electronically, a written notice at least twenty (20) days before such meeting, addressed to each Stockholder at his or her last known address or at his or her address as it appears on the stock book or his or her last known electronic address; but at any meeting at which all Stockholders shall be present, or of which all not present have waived notice in writing, the giving of notice as above required may be dispensed with.

Section 2. SPECIAL MEETINGS. (a) Special meetings of Stockholders may be called at any time if the President, or a majority of the Board of Directors, or Stockholders having at least twenty percent (20%) of the votes of all the issued and outstanding shares in the Corporation request that the Secretary call the meeting. If the association does not notify unit owners of a special meeting within fifteen (15) days after the requisite number or percentage of Stockholders request the President to do so, the requesting Stockholders may directly notify all the Stockholders of the meeting;

(b) Notice of a special meeting shall be served personally or by mail or electronically, not less than ten (10) days before the date set for such meeting and shall state the place, day and hour of the meeting. If mailed, it shall be directed to each

Stockholder at his or her or her last known address or at his or her address as it appears on the stock book; if served electronically, then to the electronic address last provided by the Stockholder; but at any meeting at which all Stockholders shall be present, or of which Stockholders not present have waived notice in writing, the giving of notice as above described may be dispensed with. Attendance at a meeting for the express purpose of objecting that the meeting was not lawfully called or convened shall not, however, constitute a waiver of notice.

(c) The notice of any meeting shall state the time, date and place of the meeting and the items on the agenda, including (A) a statement of the general nature of any proposed amendment to the By-Laws, (B) any budget changes, and (C) any proposal to remove an officer or member of the Board of Directors. All notices shall be effective when sent, not when received.

(d) Except where otherwise provided by law, notice need not be given of any adjourned annual or special meeting of the Stockholders.

(e) No business other than that specified in the call for any meeting shall be transacted at any special meeting of the Stockholders.

(f) Stockholders shall be given a reasonable opportunity at any meeting to comment regarding any matter affecting the Putnam Hill common interest community or the Corporation; and

(g) Meetings of the Stockholders may not be conducted by means of telephonic, video or other conferencing process.

Section 3. QUORUM. A quorum is present throughout any Stockholders meeting if persons entitled to cast twenty per cent (20%) of the total issued and outstanding Stock of the Corporation are present in person or by proxy at the beginning of the meeting.

Section 4. VOTING. (a) Except as otherwise provided in the Certificate of Incorporation, the By-Laws, or the laws of the State of Connecticut, at every meeting of the Stockholders, each Stockholder of the Corporation entitled to vote at such meeting shall have, as to each matter submitted to a vote, one vote in person or by proxy for each share of stock having voting rights registered in his or her name on the books of the Corporation.

A Stockholder may vote his or her shares through a proxy appointed by a written instrument signed by the Stockholder or by his or her duly authorized attorney-in-fact and delivered to the Secretary of the meeting. Proxies may be directed or undirected. A proxy holder may not cast votes representing more than fifteen per cent (15%) of the total number of shares outstanding and entitled to vote on any matter involving the Corporation pursuant to an undirected proxy or proxies. If a unit is owned by more than one person, each owner of the unit may vote or register protest to the casting of votes by the other owners of the unit through a duly executed proxy. If only one of several owners of a unit is present at a meeting of the Corporation, that owner is entitled to cast

all the votes allocated to that unit. If more than one of the owners are present, the votes allocated to that unit may be cast only in accordance with the agreement of a majority in interest of the owners. There is majority agreement if any one of the owners casts the votes allocated to the unit without protest being made promptly to the person presiding over the meeting by any of the other owners of the unit. If the shares allocated to any unit are owned by more than one person, each Stockholder may vote or register protest to the casting of votes by the other Stockholders of the unit through a duly executed proxy. A Stockholder may revoke a proxy given under this Section 4 but only by actual notice of revocation to the person presiding over a meeting of the Corporation. A proxy is void if it is not dated or purports to be revocable without notice. A proxy shall terminate one year after its date, unless it specifies a shorter term.

(b) Except where otherwise provided by statute, a majority vote of those shares entitled to vote and represented at the meeting, shall be the act of the meeting; except, further, that in electing Directors a plurality of the votes cast shall elect.

(c) At all Stockholders meetings at which Directors are elected, the voting shall be by ballot unless all Stockholders voting agree otherwise. However, the Corporation may conduct a vote without a meeting subject to the following: (i) the Corporation shall notify the Stockholders that a vote will be taken by ballot; (ii) the Corporation shall deliver a paper or electronic ballot to every Stockholder entitled to vote on the matter; (iii) the ballot must set forth each proposed action to be considered or office to be filled and provide an opportunity to vote for or against the action(s) or candidate(s) for office; (iv) when it delivers the ballots the Corporation shall also: (A) indicate the number of responses needed to meet the quorum requirements; (B) state the percentage of votes necessary to approve each matter (other than the election of directors); (C) specify the time and date by which a ballot must be delivered back to the Corporation to be counted, which time and date may not be fewer than three (3) days after the date the Corporation delivers the ballots; and (D) describe the time, date and manner by which Stockholders wishing to deliver information to all Stockholders regarding the subject of the vote(s) may do so; and (v) except as otherwise provided in the By-Laws, a ballot is not revoked after delivery to the Corporation by death or disability or attempted revocation by the Stockholder who cast that vote.

Section 5. ORDER OF BUSINESS. The order of business at all meetings of the Stockholders shall be as follows:

1. Roll Call
2. Proof of notice of meeting or waiver of notice
3. Reading of minutes of preceding meeting
4. Reports of Officers
5. Reports of Committees
6. Election of Directors
7. Unfinished Business
8. New Business

## ARTICLE II DIRECTORS

### Section 1. NUMBER. QUALIFICATION, TERM, QUORUM, AND VACANCIES.

(a) The property, affairs and business of the Corporation shall be managed by a Board of Directors of seven members who shall be divided into three classes with respect to their respective terms of office; each class to contain, as near as may be, one third of the whole number of the Board. Of the first Board of Directors, the members of one class shall serve until the annual meeting of Stockholders held in the year following their election, the members of the second class shall serve until the annual meeting of the Stockholders held two years following their election, and the members of the third class shall serve until the annual meeting of Stockholders held three years following their election; provided, however, that in each case directors shall continue to serve until their successors shall be elected and qualify. At each annual meeting of Stockholders following election of the first Board of Directors, each new Director elected (other than a Director elected to fill a vacancy, whose term shall expire at the end of the term of his or her predecessor) shall be elected to serve until the annual meeting of Stockholders held three years next following and until his or her successors shall be elected and qualify. No Director shall serve more than two consecutive terms.

(b) The number of Directors may be increased or decreased from time to time by an amendment to these By-Laws. If the number is increased, any additional Directors shall be elected by the Stockholders at the next regular annual meeting or at a special meeting called for the purpose.

(c) All members of the Board must be residents of an apartment in Putnam Hill Apartments, Greenwich, Connecticut, and a majority of the members of the Board must also be Stockholders or the spouse, parent or child of a Stockholder.

(d) A majority of the Directors in office shall be necessary to constitute a quorum for the transaction of business. If, at any meeting of the Board of Directors, there shall be less than a quorum present, a majority of those present may adjourn the meeting, without further notice, from time to time until a quorum shall have been obtained. In case there are vacancies on the Board of Directors, other than vacancies created by the removal of a Director or Directors by the Stockholders or by an increase in the number of Directors, the remaining Directors, although less than a quorum, may by a majority vote elect a successor or successors for the unexpired term or terms.

(e) Meetings shall be open to the Stockholders and to a representative designated by any Stockholder except during executive sessions. The Board of Directors and any committees may hold an executive session only during a regular or special meeting of the Board or such committee. No final vote or action may be taken during an executive session. An executive session may be held only to: (A) consult with the association's attorney concerning legal matters; (B) discuss existing or potential litigation or mediation, arbitration or administrative proceedings; (C) discuss labor or personnel matters; (D) discuss contracts, leases and other commercial transactions to purchase or provide goods or services currently being negotiated, including the review

of bids or proposals, if premature general knowledge of those matters would place the association at a disadvantage; or (E) prevent public knowledge of the matter to be discussed if the executive board or committee determines that public knowledge would violate the privacy of any person.

Section 2. ANNUAL BUDGET. In furtherance of the definitions and provisions of the proprietary leases entered into between the Corporation and its Stockholders, the Board of Directors from time to time shall determine the cash requirements, as defined therein, and shall likewise fix the terms and times of payment of the rent due from Stockholders who are lessees under such proprietary leases. The Board of Directors shall have a discretionary power to prescribe the manner of maintaining and operating the premises acquired by the Corporation, and to determine the foregoing cash requirements. Every such determination by the Board shall be final and conclusive as to all Stockholders who are lessees under proprietary leases and any expenditures made by the Corporation's Officers or agents under the direction or with the approval of the Board shall, as against such Stockholders, be deemed necessarily and properly made for such purposes.

Section 3. HOUSE RULES. The Board of Directors shall have power to make and change house rules to encourage good neighborly practices and discourage behavior that is objectionable to neighbors, including but not limited to, excessive noise, floor coverings, garbage disposal, parking, use of porches and terraces, air pollutants, objectionable odors, second-hand smoke, pets, unauthorized occupants of apartments and any similar matters whenever they shall determine that the same is advisable. All house rules shall be of binding force upon all of the Stockholders, Tenants and occupants of the buildings owned by the Corporation.

Section 4. MEETINGS. All Board of Directors meetings shall be at Putnam Hill Apartments or at a nearby place convenient to the Directors and the Stockholders. At each Board of Directors meeting, the Board shall provide a reasonable opportunity for Putnam Hill Stockholders to comment regarding any matter affecting Putnam Hill Apartments and the Corporation. Unless the meeting is included in a schedule given to the Stockholders, or the meeting is called to deal with an emergency, the Secretary or other officer specified in the By-Laws shall give notice of each Board of Directors meeting to each Board member and to the Stockholders. The notice shall be given at least five (5) days before the meeting and shall state the time, date, place and agenda of the meeting. Notwithstanding the foregoing, the Secretary is specifically authorized to delegate to any duly appointed Managing Agent of any premises or building owned by the Corporation his or her responsibility above set forth, in which event, the Secretary shall not be responsible for carrying out those duties so delegated to such Managing Agent.

(a) Regular meetings of the Board of Directors shall be held at such times as are fixed from time to time by resolution of the Board, but shall include at least two meetings per year. Special meetings may be held at any time upon call of the President, or Vice President, or any two Directors. Notice need not be given to the Directors or the Stockholders of regular meetings of the Board of Directors held at times fixed by

resolution of the Board of Directors, which have been noticed to the Directors and the Stockholders, nor need notice be given of adjourned meetings.

(b) If any materials are distributed to the Board of Directors before the meeting, the Board, at the same time, shall make copies of those materials reasonably available to the Stockholders, except that the Board need not make available copies of unapproved minutes or materials that are to be considered in executive session.

(c) The Board of Directors may meet by telephonic, video or other conferencing process if (A) the meeting notice states the conferencing process to be used and provides information explaining how the Stockholders may participate in the conference directly or by meeting at a central location or conference connection; and (B) the process provides all Stockholders the opportunity to hear or perceive the discussion and offer comments.

(d) Instead of meeting in person, the Board of Directors, the Executive Committee and other committees of the Board may act by a vote of two thirds of its members. Said vote may be by written ballot or by email correspondence. The Secretary shall promptly give notice to all the Stockholders of any final action taken by a vote of a two thirds majority of the Board members in lieu of holding a meeting.

Section 5. EXECUTIVE COMMITTEE. The Board of Directors may by resolution appoint an Executive Committee to consist of three or more Directors of the Corporation. Such Committee shall have and may exercise all of the powers of the Board in the management of the business and affairs of the Corporation during the intervals between the meetings of the Board, so far as may be permitted by law, except that an Executive Committee shall not have power to determine the cash requirements defined in the proprietary leases, 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 6. RESIGNATION AND REMOVAL. (a) Any Director may resign at any time, by written notice delivered personally or sent by registered or certified mail, to the President or Secretary of the Corporation. Such resignation shall take effect at the time specified therein, and, unless specifically requested, acceptance of such resignation shall not be necessary to make it effective.

(b) At any meeting of the Stockholders, any Director or Directors may be removed from office, without assignment of any reason therefor, by a majority vote of the shares which elected the Director or Directors to be removed.

(c) When any Director or Directors are removed, new Directors may be elected at the same meeting of the Stockholders for the unexpired term of the Director or Directors removed. If the Stockholders fail to elect persons to fill the unexpired terms or terms of the Director or Directors removed, such unexpired terms shall be considered vacancies on the Board to be filled by the remaining Directors.

Section 7. INDEMNIFICATION. (a) The Corporation shall indemnify each of its Directors and Officers whether or not then in office (and the executors, administrators

and heirs of each such person), against all reasonable expenses actually and necessarily incurred by such person in connection with the defense of any litigation to which he or she may have been made a party because he or she is or was a Director or Officer of the Corporation. He or she shall have no right to reimbursement, however, in relation to matters as to which he or she has been adjudged liable to the Corporation for negligence or misconduct in the performance of his or her duties. The right to indemnity for expenses shall also apply to the expenses of suits, which are compromised or settled if the court having jurisdiction of the matter shall approve such settlement.

(b) The foregoing right of indemnification shall be in addition to, and not exclusive of, all other rights to which such Director or Officer may be entitled.

Section 8. RESERVE FOR WORKING CAPITAL. The Board of Directors may fix a sum which may be set aside or reserved over and above the paid-in capital of the Corporation for working capital or as a reserve for any proper purpose, and from time to time may increase, diminish and vary such fund in the Board's absolute judgment and discretion.

Section 9. COMPENSATION. No Director, by virtue of his or her position as such, nor for any other reason, at any time, shall receive any salary or compensation for his or her services as such Director, or otherwise, unless and until the same shall have been duly authorized in writing, or by affirmative vote taken at a duly held Stockholders' meeting by the record holders of at least two-thirds (2/3) of the then outstanding shares of stock of the Corporation.

### ARTICLE III OFFICERS

Section 1. NUMBER. The Officers of the Corporation shall be a President, a Vice President, a Treasurer and a Secretary. In addition, there may be such subordinate Officers as the Board of Directors may deem necessary and create and to whom duties shall be assigned by resolution. Any person may hold two, but not more than two, offices except that no person shall hold the offices of President and Secretary simultaneously.

Section 2. TERM OF OFFICE. The principal Officers shall be chosen annually by the Board of Directors at the first meeting of the Board following the Stockholders' annual meeting, or as soon thereafter as is conveniently possible. Subordinate Officers may be elected from time to time by resolution of the Board. Each Officer shall serve until his or her successor shall have been chosen and qualified, or until his or her death, resignation or removal.

Section 3. REMOVAL. Any Officer may be removed from office, with or without cause, at any time by the affirmative vote of a majority of the Board of Directors then in office.

Section 4. VACANCIES. Any vacancy in an office for any cause may be filled for the unexpired portion of the term by the Board of Directors.

Section 5. DUTIES. (a) The President shall preside at all meetings of the Stockholders and the Board of Directors. He or she shall have general supervision of the affairs of the Corporation, shall sign or countersign all certificates, contracts or other instruments of the Corporation as authorized by the Board of Directors, shall make reports to the Board of Directors and Stockholders, and shall perform such other duties as are incident to his or her office or are properly required of him by the Board of Directors.

(b) The Vice President shall assist the President in carrying out his or her duties and shall preside over meetings in the absence of the President.

(c) The Secretary shall keep and record, in proper books provided for the purpose, the minutes of meetings of the Board of Directors, the Executive Committee and of the Stockholders. He or she shall record all transfers of stock and cancel and preserve certificates of stock transferred, and he or she shall keep such other records as the Board shall require. He or she shall attend to the giving and serving of notices of the Corporation, he or she shall have custody of the Corporate Seal, and shall affix the same to certificates of stock and to written instruments required by law or otherwise authorized by the Board. He or she shall also perform all other duties incidental to his or her office. He or she shall keep a book, to be known as the stock book, containing the names, alphabetically arranged, of all persons who are Stockholders of the Corporation, showing their places of residence, the number of shares of stock held by them respectively, the amount paid thereon, and the denomination and amount of any stock transfer stamps affixed thereto, and such book shall be open for inspection as provided by law. Notwithstanding the foregoing, the Secretary is specifically authorized to delegate to any duly appointed Managing Agent of any premises or building owned by the Corporation his or her responsibility above set forth, in which event, the Secretary shall not be responsible for carrying out those duties so delegated to such Managing Agent.

(d) The Treasurer, subject to the control of the Board, shall have the care and custody of, and be responsible for, all funds and securities of the Corporation and shall keep the same in its name in such banks, trust companies, or safe deposit companies as the Board shall designate, and shall perform all other duties incidental to his or her office, or prescribed for him by these By-Laws or by the Board. Notwithstanding the foregoing, the Treasurer is specifically authorized to delegate to any duly appointed Managing Agent of any premises or building owned by the Corporation his or her responsibility above set forth, in which event, the Treasurer shall not be responsible for the care or custody of any funds or securities of the Corporation which have been placed in the care and custody of such Managing Agent. If so required by the Board, the Treasurer and any Managing Agent shall furnish to the Corporation a bond with a surety company as surety, in such form and amount as the Board, from time to time, shall determine. The premium upon such bond shall be paid by the Corporation. Within four months after the close of each year, the Treasurer shall furnish or cause to be furnished to each Stockholder who is a lessee under a proprietary lease then in force a statement



of the income, expenses, and paid-in surplus of the Corporation during such year; a statement indicating the portions of the rent paid by such Stockholder under his or her proprietary lease during such year which have been used by the Corporation for the payment of taxes on real estate and interest on its mortgage or other indebtedness; and including a balance sheet and statement of receipts and expenses certified by an independent certified public accountant.

(e) Other subordinate Officers appointed by the Board of Directors shall exercise such powers and perform such duties as may be delegated to them by the resolutions appointing them, or by subsequent resolutions adopted from time to time.

(f) In case of the absence or disability of any Officer of the Corporation and of any person hereby authorized to act in his or her place during such period of absence or disability, the Board of Directors may from time to time delegate the powers and duties of such Officer to any other Officer, or any Director, or any other person whom it may designate by resolution.

Section 6. COMPENSATION. No salary or other compensation for services shall be paid to any Officer of the Corporation for services rendered as such Officer, or otherwise, unless and until the same shall have been duly authorized in writing, or by affirmative vote taken at a duly held Stockholders' meeting, by the record holders of at least two-thirds (2/3) of the then outstanding shares of stock of the Corporation.

## ARTICLE IV

### SEAL

Section 1. SEAL. The seal of the Corporation shall be as follows:

## ARTICLE V

### PROPRIETARY LEASES

Section 1. FORM. The Board of Directors may adopt a form of proprietary lease to be used by the Corporation for the leasing of all apartments and extra servant's rooms, if any, in the apartment buildings to be leased to Stockholders under proprietary leases, other than the then existing form thereof, subject to any necessary approval or ratification by the affirmative vote of the Stockholders of at least two-thirds (2/3) in amount of the outstanding capital stock of the Corporation. Proprietary leases shall be for such terms, with or without provisions for renewals, and shall contain such restrictions, limitations and provisions in respect to the assignment thereof, the subletting of the premises demised thereby, and the sale or transfer of the shares of stock of the Corporation accompanying the same, and such other terms, provisions, conditions, and covenants as the Board deems advisable. 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 subsequently executed and delivered shall be

in the same form (except with respect to the statement as to the number of shares of stock owned by the lessee), unless the variation is approved by lessees owning at least two-thirds (2/3) of the shares of capital stock of the Corporation then owned by all the lessees under the proprietary leases then in force.

Section 2. ASSIGNMENT. Proprietary leases shall be assigned or transferred only in compliance with, and shall never be assigned or transferred in violation of the terms, conditions, and provisions of such proprietary leases. A duly executed counterpart of each proprietary lease shall always be kept on file in the office of the Corporation or with the Managing Agent of the buildings.

Section 3. ALLOCATION OF STOCK. The Board of Directors shall allocate to each apartment to be leased under a proprietary lease the number of shares of stock of the Corporation, which must be owned by the proprietary lessee thereof. If the size of any such apartment is changed from that shown on the typical plan thereof, the number of shares of stock so allocated to such apartment and to any other apartment affected by such change shall be ratably and correspondingly changed by the Board.

Section 4. RE-GROUPING 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 stock issued to accompany the same, in its discretion, at any time, may permit such owner or owners, at his or her or their own expense, (1) to subdivide or combine all of any portions of any such apartment or apartments into one or any desired number of apartments or extra servant's rooms, (2) to convert all or any portion of any such apartment into extra servant's rooms or into a suite or suites of extra servant's rooms, and (3) to re-allocate the stock issued to accompany the proprietary leases, in such proportions as such owners request and the Board approves, provided only that (a) the total number of the shares so re-allocated is not less than the shares previously allocated, and (b) the proprietary leases so affected and the accompanying certificates of stock are surrendered, and that there are executed and delivered in place thereof respectively, a new proprietary lease for each separate apartment, extra servant's room, or suite of extra servant's rooms so created, and a new certificate of stock for the number of shares so re-allocated to each new proprietary lease.

Section 5. FEES ON ASSIGNMENT. The President shall have authority, before an assignment of proprietary lease appurtenant to any unit takes effect as against the Corporation as lessor, to fix reasonable fees to cover the expenses of preparing a new lease and attorneys' fees incurred by the Corporation in connection with such proposed assignment.

Section 6. LOST PROPRIETARY LEASES. In the event that any proprietary lease in full force and effect 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, provisions, conditions, and limitations. 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 with such surety in such reasonable sum as it directs, to indemnify the Corporation.

Section 7. FINES. The Corporation may levy fines on Stockholders who are lessees under Proprietary Leases ("Stockholder/Lessees") for violations by the Stockholder/Lessee (or by other persons co-occupying the same apartment unit) of these By-Laws, the Proprietary Lease or the House Rules as amended from time to time. The dollar amounts and other details of the fines, notice and hearing requirements and the procedures to be followed by the officers and directors in levying fines are to be set forth clearly in the House Rules as amended from time to time.

## ARTICLE VI COMMON STOCK

Section 1. ISSUANCE OF STOCK. The shares of stock of the Corporation shall, prior to issuance, be allocated among apartments in the Corporation's property and issued only to lessees of apartments to which the shares are allocated. No shares of stock hereafter acquired by the Corporation shall be reissued except in connection with the execution by the Corporation of a proprietary lease of an apartment in the buildings owned by the Corporation. The ownership of stock shall entitle the holder thereof to occupy for dwelling purposes the apartment specified in the proprietary lease to which the stock is appurtenant, subject to the covenants, provisions, and agreements contained in such proprietary lease.

Section 2. FORM AND STOCK REGISTER. Certificates of the stock 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 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 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 holding the shares therein represented, the number of shares, and the date of issue. Each certificate exchanged or returned to the Corporation shall be canceled, 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. Notwithstanding the foregoing, the Secretary is specifically authorized to delegate to any duly appointed Managing Agent of any premises or building owned by the Corporation his or her responsibility above set forth, in which event, the Secretary shall not be responsible for carrying out those duties so delegated to such Managing Agent.

Section 3. PROCEDURE FOR TRANSFER. Transfers of shares shall be made only upon the books of the Corporation by the holder in person or by power of attorney, duly executed and witnessed and filed with the Secretary, and on the surrender of the certificate for 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 stock shall be valid as against the Corporation, its Stockholders, or others,

for any purpose, until it shall have been entered in the stock book by any entry showing from whom and to whom transferred.

Section 4. RESTRICTIONS ON TRANSFER. Shares of stock appurtenant to each proprietary lease shall be issued in the number allocated by the Board of Directors to the apartment or other space described in such proprietary lease. Unless and until all proprietary leases which have been executed by the Corporation shall have been terminated, the shares of stock which accompany each proprietary lease shall be represented by a single certificate and shall not be sold or transferred except to the Corporation or as an entirety to a person who has acquired such proprietary lease, or a new one in place thereof, after complying with and satisfying the requirements of such proprietary lease in respect to the assignment thereof.

Section 5. FEES ON TRANSFER. The President shall have authority, before the transfer of any stock, to fix reasonable fees to cover the expenses of processing the issuance of the new shares and attorneys' fees incurred by the Corporation in connection with such proposed transfer.

Section 6. CORPORATION LIEN. The Corporation shall at all times have a lien upon the shares of stock at any time owned by each Stockholder, to secure the payment by such Stockholder of all rent and additional rent payable by such Stockholder under the provisions of any proprietary lease issued by the Corporation and all fines, penalties, fees, charges and other indebtedness due from such Stockholder to the Corporation; and to secure the performance by the Stockholder of all the covenants and conditions of such proprietary lease to be performed or complied with by the Stockholder. Unless and until such Stockholder or lessee defaults in the payment of any such amount or the performance of any of such covenants or conditions, such shares shall continue to stand in the name of the Stockholder upon the books of the Corporation and the Stockholder shall be entitled to exercise the right to vote thereon. The Corporation shall have the right to issue to any purchaser of such shares upon the enforcement by the Corporation of such lien, or to the nominee of such purchaser, a certificate representing the shares of stock so purchased substantially of the tenor of the certificate issued to such defaulting Stockholder, and thereupon the certificate for such stock issued to such defaulting Stockholder shall become void and such defaulting Stockholder shall surrender the same to the Corporation on demand; provided, however, the failure of such defaulting Stockholder so to surrender such certificate shall not affect the validity of the new certificate issued in replacement thereof.

Section 7. LOST CERTIFICATES. In the event that any certificate of stock is lost, stolen, destroyed or mutilated, the Board of Directors may authorize the issuance of a new certificate of the same tenor and for the same number of shares in lieu thereof. The Board, in its discretion, before the issuance of such new certificate, may require the owner of the lost, stolen, destroyed, or mutilated certificate, or the legal representative of the owner, to make an affidavit or affirmation setting forth such facts as to the loss, destruction, or mutilation as it deems necessary, and to give the Corporation a bond with such surety and in such reasonable sum as it directs, to indemnify the Corporation.

Section 8. LEGEND AND NOTICE ON STOCK CERTIFICATES. Each Certificate representing shares of the Corporation shall bear a legend on the face thereof, and a Notice on the back thereof, containing the restrictions imposed by these By-Laws and the proprietary lease appurtenant to such shares, as they may be hereafter amended by the Board of Directors.

Section 9. NO DISTRIBUTION TO STOCKHOLDERS EXCEPT OUT OF EARNINGS, ETC. No Stockholder is entitled (either conditionally or unconditionally) to receive any distribution not out of earnings and profits of the Corporation except on a complete or partial liquidation of the Corporation. Any surplus funds of the Corporation remaining after payment of or provision for common expenses and any pre-payment of reserves in any year, may, in the sole discretion of the Board of Directors, either be paid to the Stockholders in proportion to their respective liabilities for common expenses or credited to them to reduce their future common expense assessments.

Section 10. AMENDMENT OF THIS ARTICLE. The provisions of this Article VI may be amended only by an affirmative vote of Stockholders holding two-thirds (2/3) of the total number of shares of capital stock entitled to vote, at an annual meeting or at a special meeting called for that purpose, provided that written notice shall have been sent to each Stockholder entitled to receive such notice at least ten (10) days prior to the meeting, which notice shall state the alterations, amendments or changes which are proposed to be made in this Article.

#### ARTICLE VII BILLS, NOTES, ETC.

Section 1. HOW MADE. All bills payable, notes, checks or other negotiable instruments of the Corporation shall be made in the name of the Corporation, and shall be signed by the President or by such other Officer or Officers or agent or agents as shall be specifically designated by Resolution of the Board of Directors. No Officer or agent of the Corporation, either singly or jointly with others, shall have the power to make any bills payable, note, check, draft or warrant or other negotiable instrument, or endorse the same in the name of the Corporation, or contract or cause to be contracted any debt or liability in the name or in behalf of the Corporation, except as herein expressly prescribed and provided.

#### ARTICLE VIII AMENDMENTS

Section 1. HOW AMENDED. Unless a greater vote is specifically provided by any provisions within these By-Laws, these By-Laws, may be altered, amended, repealed or added to by an affirmative vote of the Stockholders representing a majority of the capital stock entitled to vote, at an annual meeting or at a special meeting called for that purpose, or in the alternative these By-Laws may be altered, amended, repealed or added by an affirmative vote of a majority of the whole authorized number of Directors at a regular meeting or at a special meeting called for that purpose, provided that a written notice shall have been sent to each Stockholder or Director entitled to receive such notice, which notice shall state the alterations, amendments or changes

which are proposed to be made in such By-Laws. Only such changes as have been specified in the notice shall be made. If, however, all the Stockholders or all the Directors shall be present at any regular or special meeting, these By-Laws may be amended by unanimous vote of either, without any previous notice.

## ARTICLE IX

### INSURANCE

Section 1. The Corporation shall maintain, to the extent reasonably available and subject to reasonable deductibles, such property insurance, commercial general liability insurance and fidelity insurance as is required by Section 47-255 of the Connecticut General Statutes (as it may be amended from time to time) and as the Board of Directors shall, in its discretion, determine to be in the best interests of the Corporation and its Stockholders, covering all occurrences commonly insured against for bodily injury and property damage arising out of or in connection with the use, ownership or maintenance of the common elements, grounds and buildings owned by the Corporation and all the apartment units, including improvements and betterments installed therein by the Stockholders.

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