

# By-Laws

## ARTICLE I

### Office and Seal

SECTION 1. The initial registered office of the Corporation in the Commonwealth of Pennsylvania shall be located at No. 1018 Frick building, in the City of Pittsburgh. Thereafter, the registered office shall be located at such address in the City of Pittsburgh as the Board of Directors may from time to time determine.

SECTION 2. The corporate seal of the Corporation shall have inscribed thereon the name of the Corporation, the year of its incorporation and the words, "Corporate Seal" and "Pennsylvania".

## ARTICLE II

### Shareholders' Meetings

SECTION 1. An Annual Meeting of the shareholders shall be held each year within five months after the end of the fiscal year of the Corporation on such day and at such time and place as may be designated by the Board of Directors, or if not so designated, on the first Monday of April in each year if not a legal holiday, and if a legal holiday then on the next business day following, at 8 P.M., local time, at the principal office of the Corporation. Written notice of the Annual Meeting shall be given at least ten calendar days prior to the meeting to each shareholder entitled to vote thereat. At the Annual Meeting the shareholders shall elect a Board of Directors, and may transact any other business, irrespective of whether the notice of such meeting contains a reference thereto, except as otherwise expressly required herein or by law.

SECTION 2. Written notice of such regular Annual Meeting shall be mailed or delivered to each shareholder, at such address as appears for such shareholder on the books of the Corporation, at least ten day prior to the date of the meeting. The mailing or delivery of a notice in the manner provided in this Section shall be considered notice served.

SECTION 3. Special meetings of the shareholders, for any purpose or purposes, may, unless otherwise provided by law, be called at any time by the President, or by the Secretary at the request of a majority of the Board of Directors or at the request of twenty (20%) per cent of all the shareholders, or at the request of the holders of the Preferred Stock, said request to be delivered in writing to the Secretary of the Corporation. Such request shall state the purpose or the purposes of the proposed meeting. Special meetings of the shareholders shall be held at its registered office or at such other place within the City of Pittsburgh as a majority of the Directors may from time to time designate. At any time, upon written request of any person or persons entitled to call a special meeting, it shall be the duty of the Secretary to call a special meeting of the shareholders to be held at such time as the Secretary may fix, but not less than ten nor more than thirty days after the receipt of the request. If the Secretary shall neglect or refuse to issue such call, the person or persons making the request may do so.

SECTION 4. The business to be transacted at any special meeting shall be confined to the purpose stated in the call for the meeting and matters germane thereto.

SECTION 5. Written notice of any special meeting of shareholder, stating the place, day and hour, and the general nature of the business to be transacted thereat, shall be mailed, postage prepaid, to each shareholder of the Corporation, at such address as appears from such shareholder on the books of the Corporation, at least five days before such meeting, unless a greater period of notice is required by law in a particular case. The mailing of a notice in the manner provided in this Section shall be considered notice served.

SECTION 6. Either before or after any meeting, a shareholder may, in writing, waive notice of such meeting. Such waiver of notice in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice. Except in the case of a special meeting, neither the business to be transacted at, nor the purpose of, the meeting need be specified in the waiver of notice of such meeting.

SECTION 7. Attendance of a person, either in person or by proxy, at any meeting shall constitute a waiver of notice of such meeting, except where a person attends a meeting for the express purpose of objecting to the transaction of any business because the meeting was not lawfully called or convened.

SECTION 8. The presence, either in person or by proxy, of 40% of the outstanding shares of voting common stock of the Corporation shall be requisite for, and shall constitute, a quorum for the transaction of business at all meetings of the shareholders. If, however, any meeting of shareholders who are present, in person or by proxy, may, except as otherwise provided by law, adjourn the meeting to such time and place as they may determine, and the case of any meeting those who attend the second of such adjourned meetings, although less than a quorum, shall nevertheless constitute a quorum for the purpose or purposes of said meeting.

SECTION 9. At every meeting of the shareholders, each shareholder present, in person or by proxy, shall have the right to cast one vote, without regard to the amount of share of stock standing in the name of the shareholder on the books of the Corporation. The vote of the majority of those present, in person or by proxy, shall decide any question brought before such meeting, unless the question is one upon which, by express provision of statute or of the Articles of Incorporation or of these By-Laws, a different vote is require, in which case such express provision shall govern and control.

SECTION 10. In all elections of Directors, each shareholder shall have the right, in person or by proxy, to multiply the number of votes to which he may be entitled by the number of Directors to be elected, and he may cast the whole number of said votes for one candidate or he may distribute them among any two or more candidates. The candidates receiving the highest number of votes up to the number of Directors to be elected shall be elected.

SECTION 11. A shareholder may appoint any person as a proxy. However, no person may have more than one proxy.

SECTION 12. For all purposes in these By-Laws, the term "shareholder" or "shareholders" shall mean the individual registered holder or holders of share of stock without regard to the amount of share of stock standing in the name of the shareholder or shareholders. Where shares of stock are issued in joint names, the joined holders shall be considered as one shareholder and entitled to one vote.

SECTION 13. The order of business at all meetings of the shareholders shall be as follows:

- (a) Roll Call.
- (b) Proof of notice of meeting or waiver of notice.
- (c) Reading of minutes of preceding meeting.
- (d) Reports of officers.
- (e) Reports of committees.
- (f) Election of inspectors of election.
- (g) Election of directors.
- (h) Unfinished business.
- (i) New business

ARTICLE III  
Informal Action by Shareholders

SECTION 1. Except for actions which, by express provision of statute or of the Articles of Incorporation or of these By-Laws, require a formal meeting of the shareholders, any action by the shareholders may be taken without a meeting, if a consent or consents in writing, setting forth the action so taken shall be signed by all of the shareholders of the Corporation and shall be filed with the Secretary of the Corporation.

ARTICLE IV  
Directors

SECTION 1. The business and affairs of the Corporation shall be managed by a Board of five Directors, all of whom shall be shareholders in the Corporation and reside in the dwelling units leased to them by the Corporation.

SECTION 2. Each Director named in the Articles of Incorporation shall hold office until the annual meeting of the shareholders in the year 1956 and until his successor shall have been elected and qualified.

SECTION 3. At the annual meeting of the shareholders in the year 1956, the term of office of two Directors shall be for three years; the term of office of two Directors shall be for two years; and the term of office of one Director shall be for one year. At the expiration of the term of office of each respective Director, his successor shall be elected to serve a term of three year. The Directors shall hold office until their successors have been elected and qualified.

SECTION 4. Vacancies in the Board of Directors shall be filled by a majority of the remaining members of the Board, though less than a quorum, prior to further actions by the Board of Directors, and each person so elected shall be a Director until his successor is elected by the shareholders, who may make such election at the next annual meeting of the shareholders or at any special meeting duly called for that purpose and held prior to such next annual meeting.

SECTION 5. Any one or more of the Directors may be removed with or without cause at any time by a vote of the majority of the shareholders at any regular or special meeting duly called, and a successor may be elected to fill the vacancy thus created.

SECTION 6. The board of Directors may exercise all such powers of the Corporation, and may do all such acts and things, as are not by law or by these By-Laws directed or required to be exercised and done by the shareholders.

SECTION 7. It shall be the duty of the Board of Directors to see to it that all sums received on account of stock subscriptions prior to the closing of the mortgage transaction covering the housing project of the Corporation, are deposited and withdrawn only in the manner provided for in the Subscription Agreements.

SECTION 8. The Board of Directors shall require that all officers and employees of the Corporation handling corporate funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be paid by the Corporation.

SECTION 9. Meetings of the board of Directors may be held at such place within the City of Pittsburgh as a majority of the Directors may from time to time designate or as may be designated in the notice calling the meeting.

SECTION 10. The first meeting of each newly elected Board of Directors may be held at such time and place as shall be fixed by the shareholders at the meeting at which such Directors were elected and no notice shall be necessary to the newly elected Directors in order legally to constitute such meeting, providing a majority of the whole Board shall be present, or such newly elected Board may convene at such time and place as may be fixed by the consent in writing of all the Directors.

SECTION 11. Regular meeting of the Board of Directors may be held at such time and place as shall be determined, from time to time, by a majority of the Directors. Notice of regular meetings of the Board of Directors shall be given to each Director, personal or by mail or by telegraph, at least three days prior to the day named for such meeting.

SECTION 12. Special meetings of the Board of Directors may be called by the President on three days' notice to each Director, either personally or by mail or by telegraph, which notice shall state the time, place (as hereinabove provided) and purposes of the meetings. Special meeting of the board of Directors shall be called by the President or Secretary in like manner and on like notice on the written request of at least three Directors.

SECTION 13. Either before or after any meeting of the Board of Directors, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the board shall be a waiver by him of notice of the time and place thereof. If all the Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

SECTION 14. At all meetings of the Board of Directors, a majority of the Directors in office shall be necessary to constitute a quorum for the transaction of business, and the acts of the majority of the Director present at a meeting at which a quorum is present shall be the acts of the Board of Directors. If, at any meeting of the Board of Directors, there be less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

SECTION 15. If all the directors shall severally or collectively consent in writing duly filed with the Secretary to any action to be taken by the Corporation, such action shall be a valid corporate action as though it had been authorized at a meeting of the Board of Directors.

SECTION 16. The Directors, by resolution adopted by the majority of the entire Board, may at any time elect two or more of their number as an executive committee or other committee, which shall, in the interval between meetings of the Board of Directors, exercise such powers and perform such duties as may from time to time be prescribed by the Board of Directors. Any such committee shall be subject at all time to the control of the Board of Directors. Unless otherwise ordered by the Board of Directors, any such committee may act by a unanimous vote of its members at a meeting or by a writing signed by all its members. An act, or authorization of an act, by any such committee within the scope of the power delegated to it, shall be as effective for all purposes as the act or authorization of the Board of Directors. The committees shall keep regular minutes of their proceedings and report the same to the Board when required.

ARTICLE V  
Officers

SECTION 1. The executive officers of the Corporation shall be a President, a Vice-President, a Secretary, an Assistant Secretary, a Treasurer, and an Assistant Treasurer, all of whom shall be elected by the Board of Directors. The offices of Treasurer and Secretary and the offices of Assistant Treasurer and Assistant Secretary may be filled by the same person. It shall not be necessary for any officer to be a Director or shareholder of the Corporation except as hereinafter provided.

SECTION 2. The election of officers shall take place at the first meeting of the Board of Directors after each annual meeting of the shareholder.

SECTION 3. The officers of the Corporation shall hold office until their respective successors are chosen and have qualified. Any officer elected by the Board of Directors may be removed by the Board of Directors whenever, in its judgment, the best interests of the Corporation will be served thereby. If the office of any officer shall become vacant for any reason, the vacancy shall be filled by the Board of Directors.

SECTION 4. The Corporation shall indemnify or reimburse each director, officer, employee or agent of the Corporation against any and all liabilities and expenses that may be incurred by or imposed upon such person in connection with or resulting from any claim, action, suit or proceeding (whether brought by or in the right of the Corporation), civil or criminal, or in connection with an appeal relating thereto, in which he or she may become involved, as a party or otherwise, by reason of such person's being or having been a director, officer, employee or agent of the Corporation or by reason of past or future action taken or not taken in her or his capacity as such director, officer, employee or agent whether or not he or she continues to be such at the time such liability or expense is incurred, provided such person acted in good faith in what he or she believed to be the best interests of the Corporation, and with such care, including reasonable inquiry, skill and diligence, as a person of ordinary prudence would use under similar circumstances, and has no reasonable cause to believe that his or her conduct constituted self-dealing, willful misconduct or recklessness, and in addition in the case of any criminal action or proceeding, had no reasonable cause to believe that his or her conduct was unlawful. As used in this Article, the terms "liability" and "expense" shall include but not be limited to, counsel fees and disbursements and amounts of judgments, fines, or penalties against, and amounts paid in settlement by a director, officer, employee or agent, other than amounts paid to the Corporation itself. The termination of any claim, action, suit, or proceeding, civil or criminal, by judgment, settlement (whether with or without court approval) or conviction or upon a plea of guilty or nolo contendere, or its equivalent, shall not create a presumption that a director, officer, employee or agent did not meet the standards of conduct set forth in the first sentence of this Article, except where there shall have been judgment rendered specifically finding that the action or conduct of such director, officer, employee or agent constituted self-dealing, willful misconduct or recklessness. Any such director, officer, employee or agent referred to in this Article who has been wholly successful, on the merits or otherwise, with respect to any claim, action, suit or proceeding of the character described herein shall be entitled to indemnification as of right. Otherwise, the Corporation shall reimburse or indemnify such person only if the Board of Directors acting by a quorum consisting of directors who are not parties to (or have been wholly successful with respect to) such claim, action, suit or proceeding, shall find that such person has met the standards set forth in the first sentence of this Article. Expenses incurred with respect to any such claim, action, suit, or proceeding may be advanced by the Corporation prior to the final disposition thereof upon receipt of an undertaking by or on behalf of the recipient to repay such amount if it shall ultimately be determined that such person is not entitled to indemnification under this Article. The rights of indemnification provided in the Article shall be in addition to any rights to which any person concerned may otherwise be entitled by contract or as a matter of law, and shall inure to the benefit of the heirs, executors and administrators of any such person. The Corporation shall have the power to purchase and maintain insurance on behalf of any authorized representative of the Corporation against any liability

asserted against or incurred by such person in such capacity whether or not the Corporation would have the power to indemnify such person against such liability.

#### ARTICLE VI President

SECTION 1. The President must be a Director and shareholder of the Corporation.

SECTION 2. The President shall be the chief executive officer of the Corporation. He shall preside at all meetings of the shareholders and of the Board of Directors. He shall have general and active management of the business of the Corporation. He shall have all of the general powers and duties which are usually vested in the office of President of a Corporation.

#### ARTICLE VII Vice-President

SECTION 1. The vice-President must be a Director and shareholder of the Corporation.

SECTION 2. The vice-President shall, in the absence or disability of the President, perform the duties and exercise the powers of the President. He shall also perform such other duties as shall from time to time be imposed upon him by the Board of Directors.

#### ARTICLE VIII Secretary and Assistant Secretary

SECTION 1. The Secretary shall keep the minutes of all meetings of the Board of Directors and the minutes of all meetings of the shareholders of the Corporation; the Secretary shall have custody of the seal of the Corporation; the Secretary shall have charge of such of the books and papers as the Board of Directors may direct, all of which shall, at all reasonable times, be open to the examination of any shareholder or Director, upon application at the office of the Corporation during business hours; and the Secretary shall, in general, perform all the duties incident to the office.

SECTION 2. The Assistant Secretary shall, in the absence or disability of the Secretary, perform the duties and exercise the powers of the Secretary. The Assistant Secretary shall also perform such other duties as shall from time to time be imposed upon the Assistant Secretary by the Board of Directors.

#### ARTICLE IX Treasurer and Assistant Treasurer

SECTION 1. The Treasurer shall have custody of the Corporation funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Corporation. The Treasurer shall deposit all moneys and other valuable effects in the name, and to the credit, of the Corporation in such depositories as may from time to time be designated by the Board of Directors.

SECTION 2. The Assistant Treasurer shall, in the absence or disability of the Treasurer, perform the duties and exercise the powers of the Treasurer. The Assistant Treasurer shall also perform such other duties as shall from time to time be imposed upon the Assistant Treasurer by the Board of Directors.

ARTICLE X  
Compensation of Directors,  
Officers and Employees

SECTION 1. The Directors and officers shall receive such salary or compensation as may be determined by the Board of Directors, provided, however, that the prior written approval of the holders of the Preferred Stock is obtained.

SECTION 2. Any other employee of the Corporation shall receive such salary, wage, or compensation, as the President shall determine, provided, however, that no salary, wage, or compensation in excess of Four Thousand (\$4,000.00) Dollars per annum shall be paid to any employee unless the prior written approval of the holders of the Preferred Stock is obtained; and further provided that during the period between initial and final endorsement for mortgage insurance no compensation or fee shall be paid except with the prior written approval of the holders of the Preferred Stock.

ARTICLE XI  
Share Certificates

SECTION 1. Each share certificate shall state that the Corporation is organized under the laws of the Commonwealth of Pennsylvania, the name of the registered holder of the shares represented thereby; the number of shares represented by such certificates and the par value of each share and the preferences and restrictions applicable thereto which may be in summary form. In all other respects, the share certificates of the Corporation shall be in such form as shall be approved by the Board of Directors.

SECTION 2. Every share certificate shall be signed by the President, or Vice-President, and by the Secretary, and shall be sealed with the corporate seal.

SECTION 3. The Corporation shall have a lien on the shares of Common Stock which it has issued in order to secure payment of any sums which shall be due or become due from the shareholders for any reason whatsoever, including, without limiting the generality of the foregoing, any sums due under any Occupancy agreements approved by the Federal Housing Commission entered into between the shareholders and the Corporation. Said lien may be foreclosed by the Corporation.

SECTION 4. The stock of the Corporation shall be assigned and transferable on the books of the Corporation only by the person in whose name it appears on said books, or by his legal representative, subject to the following conditions:

(a) If, upon the death of a shareholder, stock in the Corporation passes by will or intestate distribution to a member of his immediate family, such legatee or distributee may, by assuming in writing the terms of the occupancy agreement in effect between the deceased shareholder and the Corporation within sixty (60) days after the shareholder's death, and by paying all the amounts due under said occupancy agreement become the transferee and record holder of the stock. If, upon the death of the stockholder, the occupancy agreement between the shareholder and the Corporation is not assumed in accordance with the foregoing, then the legal representative of the deceased shareholder may sell all of the stock of the deceased shareholder in accordance with the provisions set forth in subsection (b) of this Section 4 with references to the shareholder therein to be construed as references to the legal representative of the deceased shareholder.

(b) The shareholder may sell all, but not less than all, of this stock to any person who shall become an occupant of the project, provided that the purchaser shall have been approved by the Board of Directors of the Corporation. The shareholder shall provide the Directors with notice of his intent to sell the stock in the form of a signed agreement of sale between the shareholder and the proposed purchaser and a completed signed application from the proposed purchaser in the form authorized by the Board of Directors. The Directors of the Corporation shall have sixty (60) days from the receipt by them of such written notice by said shareholder within which to approve or reject the purchaser. In the event the Directors fail to act within said sixty (60) day period, then, and in such event, the purchase shall be

considered to have been approved by the Directors and the transfer of stock shall take place forthwith, provided all obligations of the shareholder to the Corporation shall have been discharged by him. The Corporation may refuse to transfer such stock unless all monies due to the Corporation have been paid. In order to establish standards by which the Board of Directors shall approve the transfer of stock and the assignment of an occupancy agreement, it is to be understood that all transfers and assignments must be for residential use only and not for investment purposes and that the purchaser must meet reasonable standards of financial stability and suitable character as established from time to time by the Board of Directors.

(c) If the Corporation shall have sufficient reserve funds, it may, by the determination of the Board of Directors, purchase or recall stock of an expelled shareholder at the book value of such stock, less any moneys due to the Corporation.

(d) In the event the Corporation has, pursuant to the provisions of Article 13 of the occupancy agreement, hereinabove referred to in these By-Laws, terminated the rights of a shareholder under said occupancy agreement and repossessed the dwelling unit, the shareholder shall be required to deliver promptly to the Corporation his share or shares of stock and his occupancy agreement, both endorsed in such manner as may be required by the Corporation. The Corporation shall thereupon at its election either (1) repurchase said stock at its book value as determined by the Corporation, or (2) proceed with reasonable diligence to effect a sale of the shareholder's rights under such share or shares of stock to a purchaser and at a sales price acceptable to the Corporation. The retiring shareholder shall be entitled to receive the book value (if the Corporation has exercised election (1) above) or sales price (if the Corporation has exercised election (2) above), but in either case less the following amounts (the determination of such amounts by the Corporation to be conclusive); (1) any amounts due to the Corporation from the shareholder under the occupancy agreement; (2) the cost or estimated cost of all deferred maintenance, including painting, redecorating, floor finishing, and such repairs and replacements as are deemed necessary by the Corporation to place the dwelling unit in suitable condition for another occupant; (3) legal and other expenses incurred by the Corporation in connection with the default of such shareholder and the resale of his stock.

(c) In case of transfer by attorney, the power of attorney shall be deposited with the Secretary. In all cases of transfer, the former certificates must be surrendered and canceled before a new certificate may be issued. No transfer shall be made upon the books of the Corporation within ten days next preceding the annual meeting of the shareholders

(f) Notwithstanding anything contained herein to the contrary, each occupant of the Corporation's project must be an owner of Common Stock of the Corporation, and the ownership of stock of the Corporation shall be restricted to occupants of the project who shall have been approved by the Board of Directors of the Corporation.

(g) "Book value" as used in these By-Laws and in the occupancy agreement is an accounting valuation of the net worth of the Corporation. For the purposes of this computation, net worth consists of the share capital paid in by the shareholders and the reserve and surplus accounts listed under the capital account classification on the most recent balance sheet prepared in accordance with the FHA Uniform System of Accounts. The book value of each individual share of stock is the proportionate share of the net worth applicable to such share of stock as determined by the Board of Directors.



ARTICLE XI  
Lost Certificates

SECTION 1. The Board of Directors may direct a new certificate or certificates to be issued in place of any certificate or certificates theretofore issued by the Corporation and alleged to have been destroyed or lost, upon the making of an affidavit of that fact by the person claiming the share certificate to be lost or destroyed. When authorizing such issuance of a new certificate or certificates, the Board of Directors may, in its discretion, and as a condition precedent to the issuance thereof, require the owner of such lost or destroyed certificate or certificates, or his legal representative, to advertise the same in such manner as the Board of Directors shall require and/or to give the Corporation a bond in such sum as the Board of Directors may require as indemnity against any claim that may be made against the Corporation.

ARTICLE XIII  
Dividends

SECTION 1. The receipts of the Corporation during each fiscal year shall be first applied to the payment of sums falling due on its mortgage loan indebtedness and its operating expenses, including, without limitation, wages, salaries, taxes, maintenance, repairs, replacements, insurance, and interest and all other expenses and obligations of the Corporation, as they become due. Reserves for depreciation and operating reserves shall be established as required by the Articles of Incorporation.

SECTION 2. The profits of the Corporation available for distribution in the form of dividends shall be allocated to holders of the Common Stock on the basis of their shareholders and their occupancy of units in the housing project owned by the Corporation within sixty days after the close of the fiscal year.

SECTION 3. In lieu of declaring a dividend, the Board of Directors, in its discretion, may credit any profit available for dividends to the monthly occupancy charges of the common shareholders who are occupants of the housing project at the date of the declaration of such dividend.

SECTION 4. Anything in this Article to the contrary notwithstanding, the common shareholders, by majority vote, may dispose of profits available for dividends from the business operations of the Corporation in such manner as to lower its occupancy charges or prices or otherwise further the common benefit of the common shareholder occupants of the project and may adopt a system for deferment for a fixed period of dividends which would otherwise be distributed.

ARTICLE XIV  
Bills, Notes, Contracts, Etc.

SECTION 1. All bills payable, notes, checks, or other negotiable instruments, and all contracts of the Corporation shall be made in the name of the Corporation, and shall be executed by (1) the President or Vice-President and (2) the Secretary or Treasurer.

ARTICLE XV  
Annual Report

SECTION 1. The Board of Directors shall make, or cause to be made, a comprehensive report of the condition of the Corporation, including a financial report as of the closing date of the preceding fiscal year, which shall be presented at the annual meeting of the shareholders. The financial report shall follow the requirements of Section 318 of the Pennsylvania Business Corporation Law except that the accountant or accounting firm to be used shall be chosen by the Directors of the Corporation. A copy of the financial report shall be sent to every shareholder within sixty (60) days following the close of the preceding fiscal year.

SECTION 2. The Board of Directors shall make, or cause to be made, a proposed budget or an estimate of income and expense for the ensuing year and shall deliver or mail a copy of the budget or estimate to the shareholders by October 15 of each year.

ARTICLE XVI  
Fiscal Year

SECTION 1. The fiscal year of the Corporation shall begin on the first day of January of every year except that the first fiscal year of the Corporation shall begin at the date of Incorporation.

ARTICLE XVII  
Amendments

SECTION 1. These By-Laws may be altered, amended or repealed, but only with the prior written approval of holders of the Preferred Stock. At any regular or special meeting of the shareholders by the vote of the majority of the shareholders present, in person or by proxy, at such meeting; but no alteration, amendment or repeal shall be made at a special meeting unless the notice of such meeting shall specify the proposed alteration, amendment or repeal as the purpose, or one of the purposes, of the meeting.

ARTICLE XVIII

SECTION 1. In the event of any conflict or inconsistency between these By-Laws and the Articles of Incorporation of this Corporation, the Articles of Incorporation shall control.

ARTICLE XIX  
Liability of Directors

SECTION 1. A director of the Corporation shall not be personally liable for monetary damages as a result of any action taken or any failure to take any action, unless the director has breached or failed to perform the duties of his or her office in accordance with the standard of care and justifiable reliance as set forth in the Directors' Liability Act, 42 Pa. C.S.A. Section 8363, its amendments or any successor statutes in effect at the time of the breach or failure to perform, and the breach or failure to perform constitutes self-dealing, willful misconduct or recklessness; this exemption from liability shall not apply to the responsibility or liability of a director pursuant to any criminal statute or the liability of a director for the payment of taxes pursuant to local, state or federal law.

ARTICLE XX  
Share Mortgages

SECTION 1. No shareholder may mortgage, pledge, hypothecate, lien, grant a security interest in or otherwise encumber any or all of such shareholder's stock in the Corporation and/or his/her associated occupancy agreement, other than in favor of the Corporation: provided, however, that a shareholder may do so either:

(a) As part of an agreement for financing a portion of the purchase price of such stock and occupancy agreement at the time of their acquisition if, but only if, (1) the principal amount of such acquisition loan secured by a lien or encumbrance on such stock and/or occupancy agreement does not exceed seventy percent (70%) of the lesser of (i) the fair market value of such stock and occupancy agreement or (ii) the purchase price of such stock and occupancy agreement, and (2) the acquisition loan shall provide for its full amortization in substantially equal monthly installments of principal and interest over a term of not more than fifteen (15) years, or

(b) As part of an arrangement for obtaining a home equity loan or home equity line of credit if, but only if, (1) the aggregate of such principal and interest at any time outstanding in respect of such

financing secured by a lien or encumbrance on such stock and/or occupancy agreement does not exceed (i) equal to seventy percent (70%) of the value of the shareholder's net equity in such stock and occupancy agreement, or not to exceed a loan amount of Thirty Thousand dollars (\$30,000.00) and (2) the loan shall provide for its full amortization in monthly installments of principal and interest over a term of not more than fifteen (15) years.

In the case of any financing arrangement permitted by clauses (a) and (b) above, all documents creating such a lien or encumbrance shall be in form and shall contain such terms as may be approved by the Board of Directors and shall, pursuant to applicable law, permit such lien or encumbrance to be prior to any lien that might attach to such stock and/or occupancy agreement in favor of the Corporation pursuant to these By-Laws, the Articles of Incorporation, such shareholder's occupancy agreement, or otherwise. At the request of the shareholder and the lending institution making such loan, and upon the approval of the Board of Directors, the Corporation shall have the power and shall be authorized to enter into one or more agreements with such lending institution setting out rights and obligations of the Corporation and such lending institution in respect of the shareholder's loan or financing arrangement, his/her stock and his/her occupancy agreement, on such terms and conditions as the Board of Directors shall deem appropriate. Notwithstanding anything to the contrary contained in this subsection, in any such agreement with such lending institution or elsewhere, neither the shareholder nor such lending institution shall be permitted to lease or sublease the premises contemplated by such occupancy agreement in violation of the Articles of Incorporation, these By-Laws or such occupancy agreement.

As amended to July 28, 2009