

BYLAWS
of
GREENE STREET ARTISTS CORPORATION

ARTICLE I

Name and Location of Corporation

The name of this non-profit corporation is the Greene Street Artist Corporation (the "Corporation"). Its principle office is located at 5225 Greene Street, Philadelphia, Pennsylvania.

ARTICLE II

Purpose

The purpose or purposes for which the Corporation is incorporated under the non-profit corporation law of the Commonwealth of Pennsylvania, as amended, is to manage and administer the business operations and affairs of the Greene Street Artist Corporation and to perform all of the acts which may be required to purchase, renovate, own and operate the Greene Street property into working and living space for the artists who are stockholders of the Corporation.

ARTICLE III

Membership

Section 3.1. Eligibility. Membership is open solely to active artists who are pursuing a career in their chosen medium (a "Member"), who own shares of stock in the Corporation (a "Membership Share") and who will have and maintain exclusive possession of a unit in the property owned by the Corporation under a proprietary lease as their primary residence. Membership lasts only as long as the Member owns his or her Membership Share and his or her Proprietary Lease Agreement has not been terminated

Section 3.2. Application for Membership. Application for membership shall be presented by the applicant on a form prescribed by and pursuant to the procedure adopted by the Board of Directors, and all such applications shall be acted upon promptly by the finance committee which shall report its decisions regarding membership qualifications to the membership committee.

Section 3.3. Members. Members shall consist of such subscribers as have been approved for membership by the finance committee and membership committee and who have paid for their membership and received a Membership Share reflecting their interest. The Corporation shall not discriminate or withhold its approval for any reason related to the sex, race, class, age, handicap, marital status, sexual preference, religion or national origin of the applicant and/or proposed occupant. The authorized membership of the Corporation shall consist of no more than 17 and no fewer than 12 regular memberships.

3.3.1 **Acquisition of additional units by members.** Members in good standing in GSAC may purchase additional units (but not additional shares) with the following restrictions: (i) No household may comprise more than 2,500 square feet (measured by the basic foot-print of each unit, excluding loft areas); (ii) Members may only purchase units that are contiguous with their existing space; (iii) No purchase that reduces the total number of households in the corporation to fewer than twelve (12) will be allowed.

3.3.2 **Resident members.** Individuals who are residents (roommates) but are not shareholding members are to have all rights and responsibilities of shareholders with the exception of voting as specified in Section 3.11 below.

Section 3.4. Membership Shares. Membership Shares shall state the Corporation is organized under the laws of the Commonwealth of Pennsylvania, the name of the registered holder of the membership represented thereby and shall be in such form as shall be approved by the Board of Directors. Membership Shares shall be consecutively numbered, bound in one or more books, and shall be issued therefrom upon certification as to full payment. Every Membership Share shall be signed by the President or Vice President, and the Secretary and shall be sealed with the corporate seal.

Section 3.5. Lien. The Corporation shall have a lien on the outstanding regular memberships in order to secure payment of any sums which shall be due or become due from the holders thereof for any reason whatsoever, including any sums due under any Proprietary Lease Agreement.

Section 3.6. Transfer of Membership. Except as provided herein, membership shall not be transferable.

(a) **Death of Member.** Upon the death of a Member, his or her membership in the Corporation shall be terminated unless such membership passes to a surviving resident spouse/partner or family member who applies for membership within one year from the date of death, and receives approval for membership from the Board. Should such non-member survivor be denied membership, the deceased Member's Share shall be sold to any artist eligible for membership and/or to the Corporation. In the event the surviving spouse is also a Member but does not wish to remain as a Member the Membership Share shall be sold by such surviving Member as set forth in this Section 3.6(a). In the event the deceased Member has no resident heirs, such Membership Share shall first be offered to the Corporation by the Member's personal representative pursuant to Section 3.6(f).

(b) **Divorce/Separation of Member.** Upon a Member's divorce or separation and subsequent vacation of the Unit, the remaining non-Member inhabitant of such Unit shall not be permitted to remain in the Unit and such Membership Share shall be sold to any artist eligible for membership and/or to the Corporation, unless a majority of the Board of Directors determines otherwise.

- (c) Default of Member. In the event the Corporation has terminated the rights of a Member under the Proprietary Lease as a result of an Event of Default, the Member shall be required to deliver promptly to the Corporation his or her Membership Share, and his or her Proprietary Lease Agreement, endorsed in such manner as may be required by the Corporation. The Corporation shall thereupon at its election either (a) repurchase said Membership Share at its transfer value or the amount the defaulting Member originally paid for the acquisition of his or her Membership Share, whichever is the lesser or (b) proceed with reasonable diligence to effect a sale of the Membership Share to a third party at a sales price acceptable to the Corporation. The defaulting Member shall be entitled to receive the amount so determined, less the following amounts (the determination of such amounts by the Corporation to be conclusive): (a) any amounts due to the Corporation from the Member under the Proprietary Lease Agreement including without limitation the Monthly Cash Requirement accrued since the Event of Default; (b) the cost or estimated cost of all deferred maintenance, including painting, floor finishing and such repairs and replacements as are deemed necessary by the Corporation to place the unit in suitable condition for another occupant; (c) legal and other expenses incurred by the Corporation in connection with the default of such Member; (d) liquidated damages in the fixed amount of six times the current Monthly Cash Requirement for time, work and expenses associated with the resale of his or her Membership Share and the re-renting of the Unit and (e) the standard transfer fee in the amount of the lesser of Five Hundred Dollars or 5% of the purchase price is being paid for the share by the Buyers to cover the Corporation's closing costs. In the event the defaulting Member for any reason shall fail for a period of ten days after demand to deliver to the Corporation his or her endorsed Membership Share said Membership Share shall forthwith be deemed to be cancelled and may be reissued by the Corporation to a new Member.
- (d) Termination. Membership shall be terminated upon the resale of a Member's Membership Share or default by a Member in the payment of sums due to the Corporation or in the performance of its covenants under the Proprietary Lease Agreement.
- (e) Sale of Membership Share. A Member may resell his or her "Membership Share" for its fair market value.
- (f) Right of First Offer. A Member must first offer his or her Membership Share to the Corporation at the price established by the Member pursuant to Section 3.6(e) (the "Right of First Offer") and he or she is free to sell it to another artist who would normally be eligible for membership only after the Corporation declines to purchase such Membership Share. The Corporation must exercise its right to purchase said Membership Share within fifteen (15) days of receipt of such Right of First Offer.

- (g) **Share Loans.** In the event of the transfer of the Membership Share to the Corporation pursuant to an Event of Default or Right of First Offer the outstanding balance of any loans secured by the Membership Share or Proprietary Lease Agreement shall be satisfied to the extent funds are available prior to the distribution of any proceeds to Member.

Section 3.7. Subleases by a Member. In the event a Member desires to sublease his or her Unit to another eligible artist, the following provisions must be fully complied with:

- (a) any sublease is limited to a maximum term of two (2) years;
- (b) the Member must reside and work in his or her Unit for a period of at least one (1) year prior to and between sublets;
- (c) priority must be given to sublet to an artist who intends to live and work in the Unit;
- (d) the proposed sublessee must be approved by the finance and membership committees just as if such sublessee were applying for membership in the Corporation; and
- (e) no more than three (3) subleases (or the number of income producing units constituting twenty (20%) of the total income, whichever is less) are permitted in the building at any one time by Members.

Section 3.8. Meetings. The annual meeting of the Members of the Corporation for, among other purposes, the election of directors, shall be held at such time and place as the Board may from time to time determine. Special meetings of the Members may be called at any time by the the President, the Board or at least one-third of the Members. Meetings of the Members may be held via a telephone conference or at any place within or without the Commonwealth of Pennsylvania.

Section 3.9. Notice. Written notice of the time and place of the annual meeting and all special meetings of the Members of the Corporation shall be delivered to each Member not less than ten (10) days prior to the date of such meeting (unless a longer period of notice is required by applicable law, by the Articles of Incorporation or by these Bylaws), and notice of all special meetings of the Members shall state the general nature of the business to be transacted. Any written notice shall be delivered personally to the Member's unit or by mail and posted prominently in the front and back entrance lobbies. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, postage prepaid, and addressed to the designated Member at such Member's most recent address listed in the records of the Corporation.

Section 3.10. Quorum. The presence in person or by proxy of the holders of a majority of the Members of the Corporation entitled to vote on a particular matter shall constitute

a quorum for the purpose of considering such matter. If the quorum is not present, unless otherwise provided by law, no business shall be transacted except to adjourn to a future time.

Section 3.11. Voting. Each residential unit shall have one vote and one Membership Share regardless of the number of proprietary lessees. If only one of the multiple proprietary lessees of a unit is present or represented by proxy at a meeting of the Membership, s/he is entitled to cast the vote allocated to the cooperative interest of which that unit is a part. If more than one of the multiple proprietary lessees are present, the vote allocated to that cooperative interest may be cast only in accordance with the agreement of a majority in interest of the multiple proprietary lessees. There is majority agreement if any one of the multiple proprietary lessees casts the votes allocated to that cooperative interest without protest being made promptly to the person presiding over the meeting by any of the other proprietary lessees of the cooperative interest.

ARTICLE IV

Board of Directors

Section 4.1. General Powers. The business and affairs of the Corporation shall be managed by the Board of Directors. In addition to the powers and authority expressly granted by these Bylaws, the Board may exercise all powers of the Corporation and do all acts that are not prohibited by applicable law, by the Articles of Incorporation or by these Bylaws. The Board may delegate the day to day operations of the Corporation, including rent collections and evictions, to a managing agent, if it deems appropriate.

Section 4.2. Number/Qualification. The Board shall consist of not fewer than seven (7) and not more than ten (10) directors as the Members may from time to time determine. Each director shall be a Resident of the Corporation and shall serve as an Officer or Chairperson of a Standing Committee. All Standing Committee Chairpersons shall serve on the Board of Directors by virtue of their positions.

Section 4.3. Term and Election.

- 4.3.1 At the date of adoption of these Bylaws, the directors shall consist of those persons elected by the Members and shall serve for terms specified by the Board.
- 4.3.2 At the first annual meeting of the Members following the adoption of these Bylaws and at each annual meeting thereafter, the directors shall be elected by the Members for terms of one year each.
- 4.3.3 All directors shall serve for a term of one year (or, when filling a vacancy, the unexpired portion of the term) or until their successors are elected and have qualified, provided that any director may be removed from office at any time, without assigning any cause, by the Members.
- 4.3.4 Vacancies in the Board may be filled by the remaining directors in their discretion.

Section 4.4. Meetings. Regular meetings of the Board shall be held at such time and place as the Board may from time to time determine. Special meetings of the Board may be called at any time by the President or at least one-third of all the directors. Meetings of the Board may be held at any location within or without the Commonwealth of Pennsylvania. All meetings of the full Board of Directors shall be open to all Corporation Residents and minutes of all Board meetings, general and special, shall be distributed to all Residents.

Section 4.5. Notice. Written notice of the time and place of all meetings of the Board shall be prominently posted at least five days prior to the date of such meeting (unless a longer period of notice is required by applicable law, by the Articles of Incorporation or by these Bylaws) and, in the case of special meetings, shall state the general nature of the business to be transacted, provided that no written notice is required in the case of regular meetings where the date, time and place has been determined in advance by the Board.

Section 4.6. Quorum. A majority of the directors then in office shall constitute a quorum for the transaction of business at any meeting of the Board, unless a greater proportion is required by applicable law, by the Articles of Incorporation or by these Bylaws.

Section 4.7. Voting. Each director shall be entitled to one vote on any matter submitted to a vote of the Board. The acts approved by the affirmative vote of a majority of the directors present at a meeting at which a quorum is present shall be acts of the Board, unless a greater proportion of affirmative votes is required by applicable law, by the Articles of Incorporation or by these Bylaws.

Section 4.8. Limitation on Liability. A director shall not be personally liable for monetary damages for any action taken, or any failure to take any action, unless (i) the director has breached or failed to perform the duties of his office under Section 8363 of the Pennsylvania Directors Liability Act (relating to standard of care and justifiable reliance) and (ii) the breach or failure to perform constitutes self-dealing, willful misconduct or recklessness. The provisions of this Section 4.8 shall not apply to (i) the responsibility or liability of a director pursuant to any criminal statute or (ii) the liability of a director for the payment of taxes pursuant to local, state or federal law. Any repeal or modification of this Section 4.8 shall be prospective only, and shall not affect, to the detriment of any director, any limitation on the personal liability of a director of the Corporation existing at the time of such repeal or modification.

ARTICLE V

Officers

Section 5.1. Officers Generally; Election. The officers of the Corporation shall be a President, Vice President, a Secretary and a Treasurer (Finance Chair) and such other officers as the Board deems desirable. In addition to the powers and duties set forth in these Bylaws, each officer shall have such powers and duties as are usually related to his office and as the Board shall determine by resolution. All officers, except the President, shall be elected by the Membership and hold office for a term of one year (or such other term as the Board shall

determine for any office from time to time) or until their successors are elected and have qualified, unless sooner removed by the Board. After serving for one year the Vice-President shall assume the office of President by automatic succession.

Section 5.2. President. The President shall be the chief executive officer of the Corporation and shall control and manage its business and affairs, subject to the policies and directions of the Board. The President shall preside at all meetings of the Board and the Membership when present. The President, with the assistance of the Secretary may prepare, execute, certify and record amendments to the Declaration of the Corporation.

Section 5.3. The Vice President. The Vice-President shall exercise the duties of the President during his/her absence and shall have such other duties as defined by the President or the Board of Directors. She or he will assume the Presidency for the year following serving as Vice President.

Section 5.4. Secretary. The Secretary shall keep the minutes of all meetings of the Board and shall have charge and custody of the seal and records of the Board and the Corporation.

Section 5.5. Treasurer. The Treasurer shall have charge and custody of all funds of the Corporation, shall oversee an accurate accounting system and shall present financial reports to the Board in such manner and form as the Board may from time to time determine. The Treasurer shall also serve as chair of the Finance Committee.

ARTICLE VI

Committees

Section 6.1. Standing Committees. There shall be standing committees for Finance, Maintenance, Membership and Community Relations. There shall also be such other standing committees as the Board appoints from time to time.

Section 6.2. Other Committees. Other committees not having and exercising the authority of the Board of Directors in the management of the Corporation may be designated by a resolution adopted by a majority of the directors present at a meeting at which a quorum is present. Except as otherwise provided in such resolution, the President of the Corporation shall appoint the chairperson thereof who shall be authorized to appoint members thereto. Any member thereof may be removed by the person or persons authorized to appoint such member whenever in their judgment the best interests of the Corporation shall be served by such removal.

Section 6.3. Term of Office. Each member of a committee shall continue as such until the next annual meeting of the directors of the Corporation and until his successor is appointed unless the committee shall be sooner terminated, or unless such member be removed from such committee.

Section 6.4. Vacancies. Vacancies in the membership of any committee may be filled by appointments made in the same manner as provided in the case of the original appointments.

Section 6.5. Quorum. Unless otherwise provided in the resolution of the Board of Directors designating a committee, a majority of the whole committee shall constitute a quorum and the act of a majority of the members present at a meeting at which a quorum is present shall be the act of the committee.

ARTICLE VII

Indemnification

Section 7.1. Right to Indemnification. The Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason or the fact that such person is or was a director or officer of the Corporation, or, while a director or officer of the Corporation, is or was serving at the request of the Corporation as a director or officer of another corporation, partnership, joint venture, trust or other enterprise, including an employee benefit plan, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit, or proceeding, whether or not the indemnified liability arises or arose from any threatened, pending or completed action by or in the right of the Corporation, to the extent that such person is otherwise indemnified and to the extent that such indemnification is prohibited by applicable law.

Section 7.2. Advance of Expenses. Expenses incurred by a director or officer in defending a civil or criminal action, suit or proceeding shall be paid by the Corporation in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of the director or officer to repay such amount if it shall ultimately be determined that such person is not entitled to be indemnified by the Corporation.

Section 7.3. Procedure for Determining Permissibility. To determine whether any indemnification or advance of expenses under this Article VII is permissible, the Board of Directors by a majority vote of a quorum consisting of directors not parties to such action, suit or proceeding may, and on request of any person seeking indemnification or advance of expenses shall be required to, determine in each case whether the applicable standards in any applicable statute have been met, or such determination shall be made by independent legal counsel if such quorum is not obtainable, or, even if obtainable, a majority vote of a quorum of disinterested directors so directs. The reasonable expenses of any director or officer in prosecuting a successful claim for indemnification, and the fees and expenses of any special legal counsel engaged to determine permissibility of indemnification or advance of expenses, shall be borne by the Corporation.

Section 7.4. Contractual Obligation. The obligations of the Corporation to indemnify a director or officer under this Article VII, including the duty to advance expenses,

shall be considered a contract between the Corporation and such director or officer, and no modification or repeal of any provision of this Article VII shall affect, to the detriment of the director or officer, such obligations of the Corporation in connection with a claim based on any act or failure to act occurring before such modification or repeal.

Section 7.5. Indemnification Not Exclusive; Inuring of Benefit. The indemnification and advancement of expenses provided by this Article VII shall not be deemed exclusive of any other right to which one indemnified may be entitled under any agreement, vote of members or directors or otherwise, both as to action in such person's official capacity and as to action in another capacity while holding such office, and shall inure to the benefit of the heirs, executors and administrators of any such person.

Section 7.6. Insurance, Security and Other Indemnification. The Board of Directors shall have the power to (i) authorize the Corporation to purchase and maintain, at the Corporation's expense, insurance on behalf of the Corporation and others to the extent that power to do so has not been prohibited by applicable law, (ii) create any fund of any nature, whether or not under the control of a trustee, or otherwise secure any of its indemnification obligations and (iii) give other indemnification to the extent not prohibited by statute.

ARTICLE VIII

Miscellaneous Provisions

Section 8.1. Fiscal Year. The fiscal year of the Corporation shall be the calendar year as fixed by resolution of the Board of Directors.

Section 8.2. Audit. The Board shall require the Finance Committee to provide a full annual report each year to all Members. The Board shall appoint an independent public accountant to audit the books and accounts of the Corporation as deemed appropriate by the President, the Board, or one third of the Membership.

Section 8.3. Rules and Regulations. The Board of Directors shall adopt and implement a set of rules and regulations for the Members to follow. Called the Handbook / Guidelines, it shall be amended as needed.

ARTICLE IX

Amendment of Bylaws

Section 9.1. Amendments. These Bylaws may be altered, amended or repealed or new bylaws may be adopted by the Members at any meeting of the Members called for this purpose with at least five (5) days advance notice to the Membership. The notice shall contain the proposed wording of the Bylaw change which may be modified before final approval at the meeting.

ARTICLE X

Termination

Section 10.1. Dissolution. Termination of the cooperative ownership of the property shall be approved at a meeting of the Membership and by vote in person or by proxy of eighty (80%) per cent of the votes in the Corporation.

Section 10.2. Distribution. No stockholder shall be entitled to receive any distribution not out of earnings and profits of the Corporation except on a complete or partial liquidation of the Corporation.