

EXHIBIT E
DECLARATION OF CONDOMINIUM

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DECLARATION OF CONDOMINIUM

Establishing a Plan for Condominium Ownership
of the Premises known as
The Deuce Condominium
534 West 42nd Street
New York, New York 10036
Pursuant to Article 9-B of the Real Property
Law of the State of New York

Name: The Deuce Condominium

Declarant: Shao Lin Operating LLC
2025 Broadway
Suite 21 JK
New York, New York 10023

Date of Declaration: _____, 2008.

Prepared by: Jeffrey S. Greener, Esq.
Rivkin Radler LLP
926 RexCorp Plaza
Uniondale, New York 11556

The land affected by the within instrument
lies in Block 1070 and Lot 49 on the Tax Map of the
Borough of Manhattan, City, County and State of New York.

Record and Return to:

Jeffrey S. Greener, Esq.
Rivkin Radler LLP
Attorney for Sponsor
926 RexCorp Plaza
Uniondale, New York 11556

PLAN OF CONDOMINIUM UNIT OWNERSHIP

Declaration of SHAO LIN OPERATING LLC.

Pursuant to Article 9-B of the
Real Property Law of the State of New York

In the Borough of Manhattan, County, City and State of New York, on this ____ day of _____, 2008, SHAO LIN OPERATING LLC, organized and existing under the Laws of State of New York, with an office address c/o Rivkin Radler LLP, 926 Reckson Plaza, Uniondale, New York 11556, hereinafter referred to as the "Sponsor," represented in the Declaration by Gary B. Schaeffer, Manager, who is fully empowered and qualified to execute this Declaration on behalf of the Sponsor, does hereby state:

Article 1 Definitions

Exhibit C annexed hereto contains the definitions for the capitalized terms contained in this Declaration.

Article 2 Submission of the Property

By this Declaration, the Sponsor submits the property described in this Declaration to the provisions of Article 9-B of the Real Property Law of the State of New York.

Article 3 Name of the Condominium

The name of the Condominium shall be the Deuce Condominium.

Article 4 The Land

The Land, which is located in the Borough of Manhattan in the City, County and State of New York and is more particularly described in Exhibit A annexed hereto and made part hereof, is owned by Declarant in fee simple absolute and has an area of approximately 2,000 square feet.

Article 5

The Building

The Building is being constructed on property owned by the Sponsor which was known by the street addresses of 534 West 42nd Street, New York, New York 10036 as Lot 49 of Block 1070 on the official tax map of the City of New York. In order to develop the Condominium, Sponsor intends to construct a new building, resulting in 7 residential units (the "Residential Units"), containing approximately 10,000 square feet of residential condominium space and 8 Storage Units. The Residential Units will be located on floors 2 through 9. 1 Residential Unit per floor will be built on floors 2, 3, 4, 5, 6, 7 and a duplex unit will be built on floors 8 and 9. The residential lobby and elevator ("Residential Lobby") will be located on street level. The Condominium shall also include a commercial unit (the "Commercial Unit"). The Commercial Unit will be located on Floor 1.

The Building will be a Class 1-C Fire Protected Structure. The Building will have a concrete foundation and footings, a superstructure of precast concrete slabs on masonry load bearing walls. Access to the Residential Units is through a single lobby containing one passenger elevator. The Commercial Unit will have direct access to the street.

Article 6

The Units

(a) Exhibit B annexed hereto sets forth the following data with respect to each Unit necessary for the proper identification thereof: (i) its designation number; (ii) its tax lot number; (iii) its approximate location in the Building; (iv) its approximate area; (v) the portions of the Common Elements, Residential Common Elements or Limited Residential Common Elements to which such Unit has immediate access; and (vi) the Common Interest appurtenant to such Unit. The precise location of each Unit within the Building is shown on the Floor Plans.

(b) Residential Units. The approximate physical dimensions of each Residential Unit shall consist of the area measured from the exterior side of the exterior walls (mechanical pipes/ducts/shafts have not been deducted from the calculation) to the midpoint of the interior walls and partitions separating one Unit from another Unit, or separating a Unit from public corridors, stairs, elevators and other mechanical equipment spaces or any Common Elements, Residential Common Elements or Limited Residential Common Elements. Any Common Elements or Residential Common Elements located within a Unit shall not be considered a part of such Unit. As is customary in New York City, these square foot areas exceed the usable floor area of each Unit.

Measured vertically, each Residential Unit will consist of the volume of the top of the composite concrete on metal deck (located under the finished flooring and sub-floor material) to the underside of the pre-cast concrete plank of the floor above.

Each Residential Unit includes: (i) all doors located within the Unit, except all doors opening from the Unit to exit stairs, the elevator door; (ii) any interior walls, partitions, floors and floor

coverings and gypsum board ceilings affixed, attached or appurtenant to such Unit, except where designated as a Common Element; (iii) all windows (including, without limitation, their panes, sashes hardware and frames) located within, or opening from such Unit; (iv) all branch piping, wiring, conduits or ducts serving only that Unit; (v) any and all equipment, fixtures and appliances affixed, attached, appurtenant to or exclusively serving such Unit regardless of the location of such equipment, fixtures and appliances; and (vi) all other facilities affixed, attached, appurtenant to such Unit and benefitting only that Unit.

However, any Common Element located within a Unit shall not be part of such Unit.

(c) Commercial Unit. The approximate physical dimensions of the Commercial Unit shall consist of the area measured from the exterior side of the exterior walls (mechanical pipes/ducts/shafts have not been deducted from the calculation) to the midpoint of the interior walls and partitions separating one Unit from another Unit, or separating a Unit from public corridors, stairs, elevators and other mechanical equipment spaces or any Common Elements, Residential Common Elements or Limited Residential Common Elements. Any Common Elements located within a Unit shall not be considered a part of such Unit. As is customary in New York City, these square foot areas exceed the usable floor area of the Unit.

Measured vertically, the Commercial Unit will consist of the volume from the top of the existing concrete foundation mat to the Unit side of the pre-cast concrete plank of the second floor.

The Commercial Unit includes: (i) the front entrance and any other doors located within or opening from such Unit, except doors providing access to stairs and lobbies; (ii) any interior walls, partitions, floors and floor covering and gypsum board ceilings affixed, attached or appurtenant to such Unit, except where designated as a Common Element, Residential Common Element or a Limited Commercial Common Elements; (iii) all windows (including, without limitation, their panes, sashes, hardware and frames) located within, or opening from such Unit; (iv) all branch piping, wiring, conduits, or ducts serving only that Unit; (v) any and all equipment, fixtures and appliances affixed, attached, appurtenant to or exclusively serving such Unit regardless of the location of such equipment, fixtures, and appliances; and (vi) all other facilities affixed, attached, appurtenant to the Unit.

(d) Notwithstanding anything contained in this Article 6 to the contrary, each Unit Owner shall have the right, exercisable at any time and from time to time, to install, at such Unit Owner's sole cost and expense, such decorations, fixtures and coverings (including, without limitation, painting, finishing, wall papering, carpeting, pictures, mirrors, shelving and lighting fixtures) on the surfaces of the walls, ceilings and floors that face the interior of such Unit Owner's Unit and to a depth of one inch behind such surfaces for the purposes of installing nails, screws, bolts and the like, and to install pipes and wiring within the walls enclosing the Unit provided that no such installation shall impair the structural integrity of the Unit or of the Building or any Common Element in terms of structure or compliance with applicable Codes, Laws, or regulatory requirements.

Article 7
Common Elements

(a) The Common Elements shall remain undivided and no Unit Owner or any other Person shall bring, or shall have the right to bring, any action for partition or division thereof, except as is expressly permitted pursuant to the terms of Article 15 hereof and Section 5.5 of the By-Laws.

(b) Generally, the Common Elements consist of all Common Elements, other than any Residential Common Elements, Limited Residential Common Elements and Limited Commercial Common Elements, if any, and include the following:

(i) the Land (as more particularly described in Exhibit A hereto), together with all consents, rights and privileges appurtenant thereto;

(ii) all foundations, footings, columns, concrete floor slabs and ceilings (except to the extent included as Residential Common Elements or Limited Residential Common Elements, Limited Commercial Common Elements or part of any Unit), beams, supports, and any load bearing walls, together with those portions of the exterior walls of the Building beyond the Unit side face of the gypsum board and the Unit side face of the glass or concealed block work or concealed steel structural members of those walls;

(iii) corridors and all fire staircases, landings and stairs which are not Residential Common Elements, Limited Residential Common Elements, Limited Commercial Common Elements or part of any Unit;

(iv) boiler room, electrical room, telephone room, gas meter room and fire pump room;

(v) general illumination fixtures and security systems;

(vi) all passages, hallways, stairs, corridors, mechanical and other rooms, areas and spaces located in the Building serving both the Residential Units and the Commercial Unit, which are not Residential Common Elements, Limited Residential Common Elements or part of any Unit.

(vii) the roof over the floor of the Building (except to the extent that a portion of the roof is comprised of a Residential Common Element or Limited Residential Common Element); and

(viii) all other parts of the Building and the apparatus, installations, systems, equipment and facilities in the Building (including pipes, shafts, wires, ducts,

vents, cables, conduits and lines) which serve or benefit or are necessary or convenient for the existence, maintenance of safety of both the Commercial Unit and the Residential Units and which are not owned by another entity such as a supplier, servicer or installer of the systems.

(c) The Residential Common Elements include following:

- (i) the passenger elevator (including the elevator shafts, pits, machinery and appurtenant facilities);
- (ii) the residential lobby and entrance on the first floor of the Building;
- (iii) passages, hallways, stairs and corridors to the extent any of same are for the exclusive use of the Residential Unit Owners;
- (iv) the laundry and refuse room;
- (v) electric panels, closets, feeders and risers serving the Residential Units exclusively;
- (vii) all mechanical space and other rooms, areas and spaces located in the Building serving exclusively the Residential Units, the Residential Common Elements and the Limited Residential Common Elements and which are not Common Elements, Limited Residential Common Elements or a part of any Unit; and
- (viii) all other apparatus, installations, systems, equipment and facilities in the Building (including pipes, shafts, wires, ducts, vents, cables, conduits and lines) which serve or benefit exclusively the Residential Units and which are not owned by another entity such as a supplier, servicer or installer of the systems.

(d) The Limited Residential Common Elements include those portions of the Building available for the exclusive use of some but not all Residential Unit Owners and include the following:

- (i) balconies appurtenant to Units 3, 4, 5, 6, 7 and Duplex 8/9.
- (ii) terraces appurtenant to Unit 2 and Duplex 8/9.
- (iii) roof appurtenant to the Duplex.
- (iv) stairway to roof appurtenant to the Duplex.

- (e) The Limited Commercial Common Elements serve the Commercial Unit collectively and indivisibly and consist of the following:

- (i) All facilities which may in the future be located in or on the Property to serve or benefit the Commercial Unit exclusively.

Article 8

Determination of Common Interests

The percentage interest in the Common Elements of each Unit has been determined based upon the approximate proportion that the floor area of the Unit bears to the aggregate floor area of all Units, but reflecting the substantially exclusive advantages enjoyed by one or more but not all Units in a part or parts of the Common Elements on the date of filing the Declaration, the overall dimensions of such Unit, its uniqueness and location.

Article 9

Use of Units

- (a) Each Unit may be used subject to the following limitations:

- (i) Sponsor or its designee shall have the right, without permission of the Board or payment of a fee, to use any one or more of its Unsold Units as model units and offices for selling, renting, management, operation and promotion of the Unsold Units owned by it or for any other lawful purpose, subject only to compliance with the Law, which right includes changing the use of a Unit (i.e. residential to commercial and vice-versa) as long as the zoning for the Property and the then existing certificate of occupancy permit the proposed use or Sponsor or its designee obtains a zoning variance or other zoning relief and/or a new or amended certificate of occupancy to authorize such proposed use. However, no Unsold Unit shall be used as an adult entertainment establishment as defined in the New York City Zoning Resolution or for illegal, noxious or immoral purposes.

- (b) (i) Within thirty (30) days after a person, other than natural person, becomes the owner of a Residential Unit, such non-individual owner shall notify the Managing Agent, in writing, of the name of the officer, director, stockholder, partner or individual designated by such owner to occupy its Residential Unit. The non-individual owner may change such designee from time to time by similar written notice to the Managing Agent. All designees must be bona fide officers, directors, stockholders, partners or employees of such owner and, under no circumstance, may more than one family occupy a Residential Unit at one time.

- (ii) The limitations contained in this paragraph (b) do not apply to Unsold Units or to the Commercial Unit or the owners thereof. Such units may be leased to any persons (whether individuals, corporation, partnerships, fiduciaries, sovereign government, consulates or other

entities) and, in the case of Unsold Units, occupied by any person authorized by such lessee and approved by the owner of such Unsold Units, who is not required to comply with the designation notice requirement set forth in the preceding paragraph.

(c) The Commercial Unit may be used for any purpose permitted under the Law, provided such use is not an adult entertainment, discotheque or dance club use or is not illegal, noxious or immoral. The owner(s) of the Commercial Unit shall have the right to change the use thereof as long as the zoning for the Property and the then existing certificate of occupancy permit the proposed use or a zoning variance, other zoning approval, and/or a new or amended certificate of occupancy is obtained at the Commercial Unit Owner's sole cost and expense to permit the proposed use.

Article 10

Easements for the Enjoyment of the Common Elements

(a) Subject to the terms of the By-Laws and the Rules and Regulations, the Unit Owners (including Sponsor or its designee, as long as it owns any Unit), all other permitted tenants and occupants of the Building, the Selling Agent, the Managing Agent, the Condominium Board, and all officers, partners, employees, agents, guests, invitees and licensees of the foregoing, shall have, in common with all of the others, an easement for ingress and egress through, as well as for the use and enjoyment of, all of the Common Elements, and the Common Elements shall be subject to such easement. Notwithstanding the foregoing, no person shall use or enjoy the Common Elements except in accordance with the reasonable purposes for which they are intended and without encroaching upon the rights of other persons to do so.

(b) Notwithstanding anything to the contrary contained in paragraph (a) hereof, Sponsor and its successors, assignees, invitees, licensees, contractors, employees, agents and tenants shall have an easement in, over, under, through and upon the Common Elements to use the same, without being subject to any fee or charge, for all purposes and activities in connection with the sale of renting of the Unsold Units. In addition, Sponsor shall have the right, to the extent not prohibited by Law, to use one or more portions of the Common Elements, as designated by Sponsor, in its sole discretion, for sales, rental, or display purposes which right shall include, without limitation, the right to place "for sale," "for rent" and other signs and promotional materials, of such size and content as Sponsor shall determine, in, on, about and adjacent to the Building (including on the exterior walls thereof) and the Property.

(c) The Commercial Unit Owner (including the Sponsor or its designee) shall have an easement, to the extent permitted by Law, to erect, maintain, repair and replace, from time to time, one or more signs and/or canopies, of such size and content as the Commercial Unit Owner shall determine, on, about, or adjacent to the Property (including on the exterior walls of the Building) for the purpose of advertising the name of the tenant or occupant or the business conducted in the

Commercial Unit and/or any portion thereof, provided all necessary approvals for signage have been obtained.

(d) The Owners of Units PHA, PHB and 3-A shall have an exclusive easement to use and enjoy those portions of the Building roof surface that are designated for such use on the Floor Plans.

Article 11 Other Easements

(a) Subject to the terms of the By-Laws and the Rules and Regulations and to the terms of this Declaration, each Unit Owners shall have, in common with all other Unit Owners, an easement to use any of the Common Elements and all pipes, wires, ducts, cables, conduits, public utility lines and all other utility distribution systems, whether or not Common Elements, located in, over, under, through, adjacent to, or upon any other Unit or the Common Elements to the extent that such Common Elements and utility distribution system serves, or is necessary to the service of, such owner's Unit, and each Unit and all of the Common Elements shall be subject to such easement. In addition, the Condominium Board shall have an easement and a right of access to each Unit and to the Common Elements to inspect the same, to remove violations therefrom and to install, operate, maintain, repair, alter, rebuild, restore and replace any of the Common Elements located in, over, under, through, adjacent to, or upon the same, and each Unit and the Common Elements shall be subject to such easement and right of access. The easements and the rights of access granted in this paragraph shall be exercised in such a manner as will not unreasonably interfere with the use of the Unit for their permitted purposes or the business of any tenants or occupants of the Commercial Unit.

Such entry shall be permitted on not less than one day's notice, except that no such notice shall be necessary in the event of repairs or replacements immediately necessary or required for the preservation or safety of the Building, for the safety of the occupants of the Building or other Persons, or to avoid the suspension of any necessary service in the Building.

(b) Subject to the terms of the By-Laws and the Rules and Regulations and to the terms of this Declaration, each Unit Owner shall have, in common with all other Unit Owners, an easement to use any of the Residential Common Elements and all pipes, wires, ducts, cables, conduits, public utility lines and all other utility distribution systems, whether or not the Residential Common Elements, are located in, over, under, through, adjacent to, or upon any other Unit or the Residential Common Elements to the extent that such Residential Common Elements and utility distribution systems serves, or is necessary to the service of, such owner's Unit, and each Residential Unit and all of the Residential Common Elements shall be subject to such easement. In addition, the Condominium Board shall have an easement and a right of access to each Residential Unit and to the Residential Common Elements to inspect the same, to remove violations therefrom and to install, operate, maintain, repair, alter, rebuild, restore and replace any of the Residential Common Elements located in, over, under, through, adjacent to, or upon the same, and each Residential Unit and the Residential Common Elements shall be subject to such easement and right of access. The easements and the rights of access granted in this paragraph shall be exercised in such a manner as will not

unreasonably interfere with the use of the Residential Units for their permitted purposes. Such entry shall be permitted on not less than one day's notice, except that no such notice shall be necessary in the event of repairs or replacements immediately necessary or required for the preservation or safety of the Building, for the safety of the occupants of the Building or other Persons, or to avoid the suspension of any necessary service in the Building.

(c) Sponsor or its designee (for so long as either owns any Unit) reserves for itself and to the Commercial Unit Owner (as to the Commercial Unit), and grants to the Condominium Board, on behalf of all Unit Owners, the right to grant such additional electric, gas, telephone, water, storm drainage, sewer and other utility easements in, or to relocate any existing utility easements to, any portion of the Property as Sponsor or its designee, the Commercial Unit Owner, or the Condominium Board, as the case may be, shall deem necessary or desirable for the proper operation and maintenance of the Building or any portion thereof including (as to the Commercial Unit Owner) the Commercial Unit or for the general health or welfare of the owners, tenants and occupants of the appropriate Units, provided, however, that the grant of such additional utility easements, or the relocation of existing utility easements, shall not unreasonably interfere with the use of the Units for their permitted purposes. Any utility company, as well as its officers, employees and agents, shall have a right of access to each Unit and to the Common Elements in furtherance of such easement. However, such right of access shall be exercised in such a manner as will not unreasonably interfere with the use of the Units for their permitted purposes.

(d) Each Unit, the Common Elements and the Residential Common Elements shall have easements of subadjacency, support and necessity, and the same shall be subject to such easements in favor of all of the other Units, the Common Elements and the Residential Common Elements.

(e) If (i) any portion of the Common Elements or Residential Common Elements now encroaches upon any Unit or upon any other portion of the Common Elements or the Residential Common Elements, (ii) any Unit now encroaches upon any other Unit or upon any portion of the Common Elements or the Residential Common Elements, or (iii) any such encroachment shall hereafter occur as a result of (x) the settling or shifting of the Building, (y) any repair or alteration made to the Common Elements or the Residential Common Elements in accordance with the terms of this Declaration and the By-Laws by, or with the consent of, the Condominium Board, by Sponsor or Sponsor's designee or by the Commercial Unit Owner or (z) any repair or restoration made to the Building or any portion thereof, to any Unit, or the Common Elements or to the Residential Common Elements, in accordance with the terms of this Declaration and the By-Laws after damage by fire or other casualty or after any taking by condemnation or eminent domain proceedings, then, in any such event, a valid easement shall exist for such encroachment and for the maintenance of the same for so long as the Building, the affected Unit, the Common Elements or the Residential Common Elements, shall stand.

(f) In addition to the specific easements set forth in Article 10 and in this Article 11 hereof, the Property and every portion thereof shall be subject to all easements and rights of access prescribed in the Condominium Act.

Article 12

Changes in Units

(a) Sponsor or its designee shall have the right, to the extent not prohibited by Law, without obtaining the consent or approval of the Condominium Board, the Unit Owners, or mortgage representatives (if any):

(i) to make alterations, additions and/or improvements (whether structural or nonstructural, interior or exterior, ordinary or extraordinary) in, to and upon the Unsold Units, provided and on condition that:

(A) no physical modification shall be made to any other Units and Common Interests and interior dimensions of any other Units shall not be changed by reason thereof, unless the owner of any such other affected Unit shall consent thereto;

(B) Sponsor or its designee (as the case may be) shall comply with the Law;

(C) Sponsor or such designee (as the case may be) shall indemnify and hold harmless the Condominium Board and all other Unit Owners from any liability arising therefrom; and

(D) such alteration, addition or improvement shall not jeopardize the soundness or structural integrity of any part of the Building or the safety of any tenant or other Persons at the Property;

(ii) to change the layout, or number of rooms in, any Unsold Unit, provided and on condition that:

(A) Sponsor or its designee (as the case may be) shall comply with the Law; and

(B) Sponsor or its designee (as the case may be) shall indemnify and hold harmless the Condominium Board and all other Unit Owners from any liability arising therefrom; and

(iii) to change the size and/or number of Unsold Units by (w) further subdividing

one or more Unsold Units into two or more Unsold Units, (x) combining two or more separate Unsold Units (including, without limitation, those resulting from such subdivision or otherwise) into one or more Unsold Units, (y) altering the boundary walls of any Unsold Unit (including, without limitation, incorporating in the Unsold Unit a wall, space, hallway or other area forming a part of the Common Elements or the Residential Common Elements which services or benefits only such Unsold Unit and does not affect access to or egress any other Unit), or (z) otherwise, provided and on condition that the Plan is amended and:

(A) the Common Interest of any Unsold Unit affected by a change in size or number as a result of a combination of Unsold Units or subdivision of an Unsold Unit shall be appropriately reapportioned in accordance with the formula set forth in this Declaration (however, the Common Interest shall not change if any Unsold Unit's size is changed by altering its boundary walls);

(B) the Declaration and Floor Plans shall be appropriately amended to reflect the changes made to such affected Unsold Units and the reapportionment of the Common Interest for each, all in accordance with the Condominium Act;

(C) Sponsor or its designees (as the case may be) shall comply with the Law;

(D) Sponsor or its designee (as the case may be) shall indemnify and hold harmless the Condominium Board and all other Unit Owners from any liability arising therefrom;

(E) if required by Section 339-(i) of the Condominium Act, the consent of all Unit Owners affected by such changes is obtained; and

(F) the total Common Interests of all Unsold Units shall remain unchanged, the Common Interest of any other Unit not owned by Sponsor or its designee shall not be changed without such Unit Owner's consent and the Common Interests of all Unit shall total 100%.

(b) the Commercial Unit Owner (including Sponsor or its designee) shall have the right, to the extent not prohibited by Law, without obtaining the consent or approval of the Condominium Board, other Unit Owners, or Mortgage Representatives (if any),

(i) to make alterations, additions and/or improvements (whether structural or nonstructural, interior or exterior, ordinary or extraordinary) in and to the Commercial Unit, provided and on condition that:

(A) no physical modification shall be made to any other Units and the

Common Interests and interior dimensions of any other Unit shall not be changed by reason thereof, unless the owner of any such other affected Unit shall consent thereto:

(B) the owner of the subject Commercial Unit shall comply with the Law;

(C) the owner of the subject Commercial Unit shall indemnify and hold harmless the Condominium Board and all other Unit Owners from any liability arising therefrom;

(D) such alteration, addition or improvement shall not jeopardize the soundness or structural integrity of any part of the Building or the safety of any tenant or other Persons at the Property; and

(E) no such alterations shall affect the exterior of the Building;

(ii) to change the layout of, or number of rooms in, the Commercial Unit, provided and on condition that:

(A) the owner of the subject Commercial Unit shall comply with the Law; and

(B) the owner of the subject Commercial Unit shall indemnify and hold harmless the Condominium Board and all other Unit Owners from any liability arising therefrom; and

(iii) to change the size and/or number of the Commercial Unit by (a) subdividing such Commercial Unit into additional Commercial Units, (b) altering the boundary walls of the Commercial Unit (including, without limitation, incorporating in such Commercial Unit a wall, space, hallway or other area forming a part of the Common Elements if such incorporation does not affect access to any other Unit), or otherwise, provided and on condition that:

(A) the Common Interest of any Commercial Unit affected by such change in size or number shall be appropriately reapportioned in accordance with the formula set forth in this Declaration; however, the Common Interest shall not change if such Commercial Unit's size is changed by altering its boundary walls as described above;

(B) the Common Interests of all newly established Commercial Units shall equal the Common Interest of the original Commercial Unit being so subdivided;

(C) the Common Interest of the other Units shall not be changed by reason thereof without the consent of the affected other Unit Owners;

(D) the Common Interest of all Units shall equal 100%;

(E) the Declaration and Floor Plans shall be appropriately amended to reflect the changes made to such affected Commercial Unit and the reapportionment of the Common Interest for each, all in accordance with the Condominium Act;

(F) the subject Commercial Unit Owner shall comply with the Law;

(G) the subject Commercial Unit Owner shall indemnify and hold harmless the Condominium Board and all other Unit Owner from any liability arising therefrom; and

(H) if required by Section 339-(i) of the Condominium Act, the consent of all Unit Owners affected by such changes is obtained.

Article 13

Acquisition of Units by the Condominium Board

If (i) any Unit Owner surrenders his Unit, together with its undivided interest in the Common Elements appurtenant thereto, the interest of such Unit Owner in any Unit therefore acquired by the Condominium Board or the proceeds of the sale or lease hereof and such Unit Owner's interest, if any, in a Limited Residential Common Element, to the Condominium Board pursuant to the terms of the By-laws or of Section 339-x of the Condominium Act (collectively, the "Appurtenant Interests") or (ii) the Condominium Board, pursuant to the terms of the By-Laws or otherwise, either (x) acquires a Unit, together with its Appurtenant Interests, or (y) purchases a Unit, together with its Appurtenant Interests, at a foreclosure or other similar sale, then, in any such event, title to such Unit and such Appurtenant Interests shall be held by the Condominium Board or its designee, corporate or otherwise, on behalf of all Unit Owners, in proportion to their respective Common Interests. Any lease or sublease of any Unit owned or leased by the Condominium Board or its designee, corporate or otherwise, shall be held by the Condominium Board or such designee on behalf of all Unit Owners, in proportion to their respective Common Interests.

Article 14

Power of Attorney to Sponsor and the Condominium Board

(a) Each Unit Owner, by acceptance of a deed or otherwise succeeding to title to a Unit, shall be deemed to have irrevocably nominated, constituted and appointed as such Unit Owner's attorney-in-fact, coupled with an interest and with power of substitution, (i) Sponsor or its designee, to amend the Condominium Documents pursuant to the terms of Article 18 hereof and (ii) the Persons who shall from time to time constitute the Condominium Board, jointly:

(i) (a) to acquire any Unit, together with its Appurtenant Interests, whose owner elects to surrender the same pursuant to the terms of paragraph (C) of Section 6.2 of the By-Laws, (b) to acquire any Unit, together with its Appurtenant Interests, that becomes the subject of a foreclosure or other similar sale, (c) to acquire a Unit, together with its Appurtenant Interests, for the use and

occupancy of a superintendent or otherwise, (d) to acquire or lease a Unit pursuant to the terms of Article 7 of the By-Laws, and (e) to acquire or lease any Unit, together with its Appurtenant Interest, in accordance with Section 2.4(xv) of Article 2 of the By-Laws, all on such terms, including (without limit) price or rental (with respect to any transfer pursuant to the terms of subdivision (b), (c), (d) or (e) of this paragraph) as said attorneys-in-fact shall deem proper, and thereafter to convey, sell, lease, mortgage, or otherwise deal with (but not vote the interest appurtenant to) any such Unit so acquired by them, or to sublease any Unit so leased by them, on such terms as said attorneys-on-fact may determine, granting to said attorneys-in-fact the power to do all things in said premises that the undersigned could do if the undersigned were personally present; and

(ii) to execute, acknowledge and deliver, and, if necessary, to cause to be recorded in the Office of the Register of New York County, (a) any declaration or other instrument affecting the Condominium that the Condominium Board deems necessary appropriate to comply with any law, ordinance, regulation, zoning resolution, or requirement of the Department of Buildings, the City Planning Commission, the Board of Standard and Appeals, or any other public authority, applicable to the maintenance, demolition, construction, alteration, repair, or restoration of the Condominium or (b) any agreement, consent, covenant, restriction, easement or declaration, or any amendment thereto, affecting the Condominium or the Common Elements that the Condominium Board deems necessary or appropriate.

The acts of a majority of the Persons constituting the Condominium Board shall constitute the acts of such attorneys-in-fact.

(b) In confirmation of the foregoing power of attorney, each Unit Owner, upon the request of either Sponsor or the Condominium Board, shall duly execute, acknowledge and deliver to the requesting party, for recording in the Register's Office, a Unit Owner's Power of Attorney in the form set forth as Exhibit E to this Declaration.

Article 15

Termination of Condominium

The Condominium shall continue until terminated by (i) casualty, loss, condemnation, or eminent domain, as more particularly provided in the By-Laws or (ii) withdrawal of the Property from the provisions of the Condominium Act by a vote of at least eighty percent (80%) of all Unit Owners, both in number and in aggregate Common Interests. No such vote under clause (ii) in the preceding sentence shall be effective without the written consent of the Mortgage Representatives, if any, which consent shall not be unreasonably withheld or delayed. Sponsor will not vote the aggregate Common Interest appurtenant to the Unsold Units for such withdrawal unless at least eighty percent (80%), both in number and in aggregate Common Interests, of all other Unit Owners so elect for such withdrawal, at which time Sponsor may choose to vote either in favor of, or against, withdrawal from condominium ownership, as it sees fit. In the event that said withdrawal is authorized as aforesaid, but only in such event, the Property shall be subject to an action for partition

by an Unit Owner or lienor as if owned in common, in which event the new proceeds of sale shall be divided among all Unit Owners in proportion to their respective Common Interests, provided, however, that no payment shall be made to a Unit Owner until there has first been paid, out of such Unit Owner's share of such net proceeds, all liens on the Unit Owner's Unit, in the order of priority of such liens.

Article 16

Covenant of Further Assurance

(a) Any Person subject to the terms of this Declaration, whether such Person is a Unit Owner, a lessee or a sublessee of a Unit Owner, an occupant of a Unit, a member of the Condominium Board, an officer of the Condominium, the Sponsor or otherwise, shall, at the expense of any such other Person requesting the same, execute, acknowledge and deliver to such other Person such instruments, in addition to those specifically provided for herein, and take such other action, as such other Person may reasonably request to effectuate the provisions of this Declaration or of any transaction contemplated herein or to confirm or perfect any right to be created or transferred hereunder or pursuant to any such transaction.

(b) If any Unit Owner or any other Person who is subject to the terms of this Declaration fails or refuses to execute, acknowledge, or deliver any instrument, or fails or refuses, within ten days after request therefor, to take any action that such Unit Owner or Person is required to take pursuant to this Declaration, then the Condominium Board is hereby authorized as attorney-in-fact for such Unit Owner or other Person, which power shall be deemed to be coupled with an interest, to execute, acknowledge and deliver such instrument, or to take such action, in the name of such Unit Owner or other Person, and such document or action shall be binding on such Unit Owner or other Person.

(c) If any Unit Owner or the Condominium Board or any other Person who is subject to the terms of this Declaration fails or refuses to execute, acknowledge, or deliver any instrument, or fails or refuses, within ten days after request therefor, to take any action that the Condominium Board, Unit Owner, or other Person is required to take pursuant to this Declaration at the request of Sponsor or its designee, then Sponsor or its designee is hereby authorized as attorney-in-fact for the Condominium Board, such Unit Owner, or other Person, which power shall be deemed to be coupled with an interest, to execute, acknowledge and deliver such instrument, or to take such action, in the name of the Condominium Board, such Unit Owner, or other Person, and such document or action shall be binding on the Condominium Board, such Unit Owner, or other Person, as the case may be.

(d) Nothing contained in this Article 16 shall be in derogation of Section 339-(i) of the Condominium Act.

Article 17
Covenants to Run With the Land

(a) All provisions of this Declaration, the By-Laws and the Rules and Regulations, including, without limitation, the provisions of this Article 17, shall to the extent applicable and unless otherwise expressly herein or therein provided to the contrary, be perpetual and be construed to be covenants running with the Land and with every part thereof and interest therein, and all of the provisions thereof shall be binding upon and shall inure to the benefit of, the owner of all or any part thereof, or interest therein, and his heirs, executors, administrators, legal representatives, successors and assigns, but the same are not intended to create, nor shall they be construed as creating, any rights in, or for the benefit of, the general public. All present and future owners, tenants and occupants of Units shall be subject to, and shall comply with, the provisions of this Declaration, the By-Laws and the Rules and Regulations, as they may be amended from time to time. The acceptance of a deed or conveyance or the succeeding to title, the entering into a lease, or the entering into occupancy of any Unit shall constitute an agreement that the provisions of this Declaration, the By-Laws and the Rules and Regulations, as they may be amended from time to time, are accepted and ratified by such owner, tenant, or occupant, and all of such provisions shall be deemed and taken to be covenants running with the Land and shall bind any person having, at any time, any interest or estate in such Unit as though such provisions were recited and stipulated at length in each and every deed, conveyance, or lease.

(b) If any provision of this Declaration or of the By-laws is invalid under, or would cause this Declaration and the By-Laws to be insufficient to submit the Property to, the provisions of the Condominium Act, such provision shall be deemed deleted from this Declaration or the By-Laws, as the case may be, for the purpose of submitting the Property to the provisions of the Condominium Act, but shall nevertheless be valid and binding upon, and shall inure to the benefit of, the owners of the Property and their heirs, executors, administrators, legal representatives, successors and assigns, as covenants running with the Land and with every part thereof and interest therein under other applicable Law to the extent permitted under such applicable Law with the same force and effect as if, immediately after the recording of this Declaration and the By-Laws, all Unit Owners had signed and recorded an instrument agreeing to each such provision as a covenant running with the Land. If any provision that is necessary to cause this Declaration and the By-Laws to be sufficient to submit the Property to the provisions of the Condominium Act is missing from this Declaration or the By-Laws, then such provision shall be deemed included as a part of this Declaration or the By-Laws, as the case may be, for the purposes of submitting the Property to the provisions of the Condominium Act.

(c) Subject to the terms of paragraph (b) of this Article 17, if this Declaration and the By-laws are insufficient to submit the Property to the provisions of the Condominium Act, the provisions of this Declaration and the By-Laws shall be nevertheless be valid and binding upon, and shall inure to the benefit of, the owners of the Property and their heirs, executors, administrators, legal representatives, successors and assigns, as covenants running with the Land and with every part

thereof and interest herein under other applicable Law to the extent permitted under such applicable Law with the same force and effect as if, immediately after the recording of this Declaration and the By-Laws, all Unit Owners had signed and recorded an instrument agreeing to each such provision as a covenant running with the Land.

Article 18

Amendments to this Declaration

(a) Subject to the provision contained herein or in the By-Laws with respect to amendments, modifications, additions or deletions affecting Sponsor or its designee or any Unsold Units, or the Commercial Unit Owner, (a) any provision of this Declaration may be added to, amended, modified or deleted by the vote of at least 66 2/3% in number and in Common Interest of all Unit Owners taken in accordance with the provisions of the By-Laws, (b) any provision of this Declaration affecting only the Unit Owners other than the Commercial Unit Owner may be added to, amended, modified or deleted by vote of at least 66 2/3% in number and in Common Interest of all Unit Owners other than the Commercial Unit Owner taken in accordance with the provisions of the By-Laws, provided, however, that the Common Interest appurtenant to each Unit as expressed in this Declaration shall not be altered without the written consent of all Unit Owners affected and (c) any provision of this Declaration affecting only the Commercial Unit or the Commercial Unit Owner may be added to, amended, modified or deleted by the Commercial Unit Owner. Subject to the provisions contained herein or in the By-Laws with respect to amendments, modifications, additions or deletions pursuant to the provisions of clause (a) above shall be effective without the written consent (which consent shall not be unreasonably withheld or delayed) of the Mortgage Representatives, if any; no amendment, modification, addition or deletion pursuant to the provisions of clause (b) above shall be effective without the written consent (which consent shall not be unreasonably withheld or delayed) of the Mortgage Representatives, if any; and no amendment, modification, addition or deletion pursuant to the provision of clause (c) above shall be effective without the written consent (which consent shall not be unreasonably withheld or delayed) of the Commercial Unit Mortgage Representatives, if any. No such amendment, modification, addition or deletion shall be effective until recorded in the City Register's Office. Subject to the provisions contained herein or in the By-Laws with respect to amendments, modifications, additions or deletions affecting Sponsor or its designee or any Unsold Units or the Commercial Unit Owner, any such amendment, modification, addition or deletion shall be executed by either (1) a member of the Board, (other than the members designated by the Commercial Unit Owner, hereinafter the "Residential Board") as attorney-in-fact for the Unit Owners, coupled with an interest, which Residential Board is hereby authorized by such Unit Owners so to act as their attorney-in-fact or (2) the members of the Board representing the Commercial Unit Owner (the "Commercial Board"), as the case may be. Subject to the rights of Sponsor or its designee under Articles 9, 10, 11, 12, 14, 15 and 16 of this Declaration and the Commercial Unit Owner under Articles 9, 10 and 12 of this Declaration, and subject further to obtaining the consent of Sponsor or its designee or the Commercial Unit Owner as provided in subparagraph (d) of this Article, Article 9, 10, 11, 12, 14, 15 and 16 of this Declaration may not be amended, modified, added to, or deleted unless (in addition to

the consent, if required, of the Mortgage Representatives, if any, as set forth above) eighty (80%) percent, both in number and in aggregate Common Interests, of all Unit Owners affected thereby approve such amendment, modification, addition, or deletion.

(b) If the number of rooms in an Unsold Residential Unit is changed, or the size and/or number of Unsold Residential Units is changed (whether as a result of a subdivision or combination of Unsold Residential Units or alteration of boundary walls between Unsold Residential Units, or otherwise) and the appurtenant percentage interest in the Common Elements is reapportioned as a result thereof, all in accordance with Article 12 hereof, the Sponsor or its designee shall have the right to execute, or (upon request) to require any other Unit Owner or any Board to execute, and record in the City Register's Office and elsewhere, if required by law, an amendment to this Declaration (together with such order documents as Sponsor or its designee deems appropriate to effectuate the same) reflecting such change in the number of rooms in an Unsold Residential Unit or in the size and/or number of Unsold Residential Units (whether as a result of said subdivision, combination, alteration or otherwise) and the reapportionment of the percentage interests in the Common Elements resulting therefrom, all without the approval of the Residential Board or the Condominium Board, the Unit Owners or the Mortgage Representatives, if any.

(c) If (a) the number of rooms in or the size of the Commercial Unit is changed and the percentage interest in the Common Elements appurtenant to the Commercial Unit is reapportioned among newly created commercial condominium Units resulting from any subdivision of the Commercial Unit (or any combining of newly created Commercial Unit) or (b) a Limited Commercial Common Element is designated as part of a newly created Commercial Unit or part of a Commercial Unit is designated as a newly created Limited Commercial Common Element, all in accordance with Article 12 hereof, then the Commercial Unit Owner shall have the right execute, or (upon their request) to require any other unit Owner or wither Board to execute, and record in the City Register's Office, and elsewhere, if required by law, an amendment to this Declaration (together with such other documents as the subject Commercial Unit Owner deems appropriate to effectuate the same) reflecting (i) such change in the number of rooms in the Commercial Unit, the size of the Commercial Unit or the subdivision of the Commercial Unit into separate commercial condominium units (or the subsequent combination of such newly created commercial condominium units) and the reapportionment of the percentage interest in the Common Elements among such newly created commercial condominium units or (ii) such designation of a Commercial Limited Common Element as a newly created commercial condominium unit or such designation of part of a Commercial Unit as a newly created Commercial Limited Common Element, all without the approval of the Condominium Board, the Unit Owners or the Mortgage Representative, if any.

(d) Amendments, modifications, additions or deletions of or to this Declaration, the By-Laws and the Rules and Regulations may be necessary, appropriate or desirable in connection with the operation of the Commercial Unit or the subdivision of the Commercial Unit into separate commercial condominium units and/or the offering for sale or lease of all or any portion of the Commercial Units and it is contemplated that in connection therewith the Commercial Unit Owner

will cause this Declaration, the By-Laws and the Rules and Regulations to be so amended, modified, added to or deleted from and that the resulting provision thereof may be similar or dissimilar to those affecting the other Units or other Unit Owners. In the case of any such amendment, modification, addition or deletion which does not adversely affect the other Units or the other Unit Owners, the Commercial Unit Owner shall be the attorney-in-fact for the other Unit Owners, coupled with an interest, for the purpose of approving and executing any instrument affecting such amendment, modification, addition or deletion.

(e) The provisions of (a) and (b) may not be modified, amended, added to or deleted, in whole or in part, without the consent of Sponsor or its designee, and the provisions of (a), (b) and (d) may not be modified, amended, added to or deleted, in whole or in part, without the consent of the Commercial Unit Owner.

Article 19

Consent of Sponsor

Wherever the consent, approval, satisfaction, or permission of Sponsor or its designee is required under this Declaration or the By-Laws, such consent, approval, satisfaction, or permission shall not be required when Sponsor or such designee no longer owns any Units.

Article 20

Designation of Agent to Receive service

The Secretary of State, as agent of the Board of Managers, and any successor to the jurisdiction thereof, is hereby designated to receive service of process in any action that may be brought against the Condominium.

Article 21

Incorporation by Reference

The terms, covenants, conditions, descriptions and other information contained in (i) the Property description annexed hereto as Exhibit A; (ii) the description of the Units annexed hereto as Exhibit B; (iii) the table of definitions annexed hereto as Exhibit C; (iv) the By-Laws annexed hereto as Exhibit D; (v) the Unit Owner's Power of Attorney annexed hereto as Exhibit E; and (vi) the Floor Plans are, by this reference, each incorporated herein and made a part of this Declaration as if the same were set forth at length in the text hereof.

Article 22 Waiver

No provision contained in this Declaration shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, regardless of the number of violations or breached that may occur.

Article 23 Severability

Subject to the provisions of paragraphs (b) and (c) of article 17 hereof, if any provision of the Condominium Documents is invalid or unenforceable as against any Person or under certain circumstances, the remainder of the Condominium Documents and the applicability of such provision to other Persons or circumstances shall not be affected thereby. Each provision of the Condominium Documents shall, except as otherwise provided herein, be valid and enforced to the fullest extent permitted by Law. Any conflict between any provision of the Condominium Documents and the Condominium Act, or any questions regarding the interpretation of any of the Condominium Documents, shall be governed by the Condominium Act.

Article 24 Successors and Assigns

The rights and/or obligations of, and limitations imposed on, Sponsor or its designee as set forth herein shall inure to the benefit of, and shall be binding upon, the respective successors and assigns shall inure to the benefit of, and shall be binding upon, the respective successors and assigns of Sponsor or its designee (as the case may be), but a Unit Owner who is not so designated by Sponsor or its designee in writing shall not exercise any of the special rights, powers or privileges reserved to Sponsor or its designee in this Declaration or the By-Laws. The rights and/or obligations of the Commercial Unit Owner as set forth herein shall inure to the benefit of and be binding upon and successor assign of such Commercial Unit Owner. Subject to the foregoing, Sponsor or its designee (as the case may be) shall each have the right, at any time, in its sole discretion, to assign or otherwise transfer its interest herein, whether by merger, consolidation, lease, assignment, or otherwise. Notwithstanding the foregoing, any Permitted Mortgagee of a Unit or a purchaser at a foreclosure sale of a Permitted Mortgagee who succeeds to the interest of a Unit Owner shall be responsible only for the obligations of such Unit Owner arising from or after the effective date of succession to title to such Unit and shall not be liable for any unpaid Common Charges or Special Assessments owing prior thereto.

Article 25
Certain References

(a) A reference in this Declaration to any one gender, masculine, feminine, or neuter, includes the other two, and the singular includes the plural, and vice-versa, unless the context otherwise requires.

(b) The terms "herein," "hereof," or "hereunder" or similar terms used in this Declaration refer to this entire Declaration and not to the particular provision in which the terms are used.

(c) Unless otherwise stated, all references herein to Articles, Sections or other provisions are references to Articles, Sections or other provisions of this Declaration.

Article 26
Captions

The index hereof and the captions herein inserted are included only as a matter of convenience and for reference, and in no way define, limit, or describe the scope of this Declaration or the intent of any provision hereof.

IN WITNESS WHEREOF, Declarant has caused this Declaration to be executed as of the ____ day of _____, 20____.

SHAO LIN OPERATING LLC

By: _____
Name: GARY B. SCHAEFFER
Title: Manager

STATE OF NEW YORK }
 }
COUNTY OF NEW YORK }

ss:

On the ____ day of _____ in the year 200__ before me, the undersigned, personally appeared GARY B. SCHAEFFER, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Signature and Office of individual
taking acknowledgment

**SCHEDULE A TO THE
DECLARATION OF CONDOMINIUM**

DESCRIPTION OF LAND

ALL that certain plot, piece and parcel of land, situate and being in the Borough of Manhattan, City, County and State of New York, bounded and described as follows:

BEGINNING at a point on the southerly side of West 42nd Street at the center of a party wall distant 396 feet 3 inches westerly from the southwesterly corner of West 42nd Street and 10th Avenue;

RUNNING THENCE southerly parallel with 10th Avenue and part of the way through a party wall, 98 feet 9 inches to the center line of the block between 41st and 42nd Streets;

THENCE westerly along said center line of the block and parallel with West 42nd Street, 19 feet and 7 inches;

THENCE northerly parallel with 10th Avenue, 98 feet 9 inches to the southerly side of West 42nd Street running in part through the center of a party wall of a house and lot adjoining said premises on the west;

THENCE easterly along the southerly side of West 42nd Street, 19 feet 7 inches to the point or place of **BEGINNING**.

TOGETHER WITH the benefit of the Grant of Right and Easement to Maintain an Encroachment on Adjoining Premises made between Federal Express Corporation and Shao Lin Operating LLC, dated December 7, 2007 and recorded February 14, 2008 CRFN 2008000063636.

SCHEDULE B
TO THE DECLARATION OF CONDOMINIUM

DESCRIPTION OF UNITS

DESCRIPTION OF UNITS

Facilities Summary:

The building has a single one-bedroom apartment with one and a half bathrooms on each of floors two through seven, and a duplex unit with two bedrooms and two and a half bathrooms, on the eighth and ninth floors. The bathrooms will have high-end fittings and finishes, as will the powder rooms. The kitchens will be furnished with cabinets by Pedini with a plastic laminate finish on the exterior. Kitchens will be provided with sink and faucet, dishwasher, gas range, refrigerator/freezer and mechanical ventilation. There is a closet in the kitchen area that can be used for pantry storage, or has hook-ups for washer and dryer. Washer and dryers are not supplied on the second through 7th floors. Space allows for European style stacking washer and dryer, 24" wide; electric dryer. Connection is provided for dryer exhaust to the roof.

Building services include a gas-fired boiler for heat and hot water shared between the apartment units, the retail unit, and common facilities. Heating will be provided through perimeter fin-tube hot water radiation. Air conditioning will be provided by through wall units in the front and rear of the building. In addition there will be a through wall condenser at the front of each unit connected to an air handler in the ceiling of the kitchen or stair hall to cool the central spaces. Condensers for the two duplex floors will be on the main roof. See mechanical engineer's report (above) for further description of heating and air conditioning systems. The building is fully sprinklered. Wiring for voice and data connections are provided throughout each apartment.

The apartment elevator lobby is accessed at street level on 42nd Street. The lobby has stone floor tile and plaster on concrete masonry and/or gypsum board walls and ceiling.

Emergency lighting is provided throughout the fire stair and egress halls to allow for safe egress.

Unit Information:

See above for partial description. Interior surface of exterior walls, and all interior partitions are finished with painted gypsum wallboard over metal studs. Exterior wall to include a combination of fiberglass and rigid foam insulation. Floors are hardwood on a resilient membrane to reduce sound transmission between floors. Ceilings are either plaster on concrete slab or hung gypsum board, and there will be gypsum board soffits to conceal mechanical and other piping runs.

The following is a schedule of the sellable areas for each of the residential units, see also floor plans attached herein:

Unit	Interior Square Footage	Exterior S.F.	Storage S.F.	
Total				
2 nd Flr.	1,148	405	50	1,603 s
3 rd Flr.	1,148	57	50	1,255 s
4 th Flr.	1,148	57	50	1,255 s
5 th Flr.	1,148	57	50	1,255 s
6 th Flr.	1,148	57	50	1,255 s
7 th Flr.	1,148	57	50	1,255 s
8 th / 9 th Flrs.	2,157	579	58	2,794 s

Areas are approximate. Interior areas are the gross area (from the outside face of the building) less the elevator and stair interiors. Exterior areas are from the outside face of building to the outer edges of the balcony or roof spaces. Storage rooms are from center of wall to exterior face of building.

SCHEDULE C
TO THE DECLARATION OF CONDOMINIUM

DEFINITIONS

DEFINITIONS USED IN THE DECLARATION OF CONDOMINIUM

The following words when use in this Plan or any amendment thereto shall, unless the context otherwise requires, have the meanings set forth below:

1. "Board of Managers" and the "Board" - The governing body of the Condominium responsible for its operation.
2. "Building" - The Building and other improvements located on the Land.
3. "By-Laws" - The By-Laws which govern the Condominium, the form of which is set forth in Part II of this Plan.
4. "Commercial Unit" - The Unit located at the street level of the Building designated as such in the Declaration, together with its appurtenant Common Interest. The Commercial Unit is more specifically known as Commercial Unit.
5. "Common Charges" - The charges assessed by the Board from time to time to all Unit Owners for, among other things, the cost and expense of operating, maintaining and repairing the Common Elements (that is, including, but not limited to, all salaries, wages, payroll taxes and benefits, heating, services and supplies, insurance and management fees in connection therewith).
6. "Common Elements" or "General Common Elements" - The Common Elements of the Condominium will consist of all of the Condominium (except the Units) including, but without limitation, hallways, staircases, outside walls and roofs of the Building, the Land and improvements (other than the Units) comprising the Condominium (including the land under the Units and under the improvements) and all utility or other pipes and material located outside of the Units. Windows shall be part of each Residential Unit (and are not Common Elements) and each Unit Owner shall be responsible for the windows in their Unit. The term Common Elements as used herein is equivalent in meaning to the term "Common Elements" as used in Article 9-B of the Real Property Law.
7. "Common Interest" - The undivided percentage interest of each Unit in the Common Elements, which has been determined based upon the approximate proportion the floor area of the Unit bears to the then aggregate floor area of all Units, but reflecting the substantially exclusive advantages enjoyed by one or more, but not all, Units in a part of parts of the Common Elements, in accordance with such formulae as may be permitted under Section 339(i) of the Real Property Law. The aggregate Common Interests of all of the Residential and the Commercial Units equal 100%.

8. "Community" - As used herein is equivalent in meaning to the term "Condominium" as same is used in Article 9-B of the Real Property Law.
9. "Condominium" - The Deuce Condominium which consists of the Residential Units and Commercial Unit.
10. "Condominium Documents" - The Declaration, together with the By-Laws, the Rules and Regulations and Floor Plans, each of which will be recorded or filed simultaneously with the recording of the Declaration.
11. "Declaration" or "Declaration of Condominium" - The instrument by which the Property is submitted to the provisions of the Condominium Act, as such instrument is from time to time amended, consistent with the provision of the Condominium Act and of the By-Laws.
12. "Land" or "Property" - All of that certain tract, plot, piece of and parcel of land commonly known as 534 West 42nd Street, situate, lying and being in the City, County, and State of New York.
13. "Limited Residential Common Elements" - Those Common Elements, if any, which are appurtenant to and for the exclusive use of one Residential Unit.
14. "Plans" or "Plans and Specifications" - The floor plans to be filed in the New York County Office of the Register of City of New York.
15. "Purchaser" - Each Purchaser purchasing a Unit from Sponsor pursuant to the Plan.
16. "Residential Unit" - A Residential Unit is each residential apartment now or hereafter situate on the Property.
17. "Selling Agent" - The initial Selling Agent in connection with this offering is the Sponsor.
18. "Sponsor" - Shao Lin Operating LLC and its successors and assigns.
19. "Unit" - A Unit is equivalent to the term "Unit" as used in Article 9-B of the Real Property Law. Each Unit is measured horizontally from and including the exterior side of the exterior walls as further described in Declaration of Condominium included in Part II as Exhibit E.

20. "Unit Owner" - The owner of each Unit. A Unit Owner is equivalent to the term "Unit Owner" as used in Article 9-B of the Real Property Law. Every Unit Owner shall be treated for all purposes as a single owner, irrespective of whether such ownership is joint, in common, or tenancy by the entirety. Where such ownership is joint, in common or tenancy by the entirety, majority vote of such owners shall be necessary to cast the Unit Owner's vote referred to in the Declaration.
21. "Unsold Unit" - A Unit In respect which title has not passed to a Purchaser but has been retained by Sponsor or has been transferred to Sponsor's designee.
22. "Storage Unit(s)" refers to the storage units in the cellar of the Building for use of the Residential Unit Owners pursuant to license agreements between the Board and Residential Unit Owners.

SCHEDULE D
TO THE DECLARATION OF CONDOMINIUM

BY-LAWS

**BY-LAWS
OF
THE DEUCE CONDOMINIUM**

ARTICLE 1

GENERAL

Section 1.1 Purpose. The purpose of these By-Laws is to set forth the rules and procedures concerning the conduct of the affairs of the Deuce Condominium (the "Condominium"). The Condominium covers the Property, which consists of : (i) the Land, which lies in Block 1070, Lot 49 on the Tax Map of the Borough of Manhattan, City, County and State of New York; (ii) the Building, which includes, without limitation, the Units, the Common Elements, the Limited Common Elements and all easements, rights and appurtenances belonging thereto; and (iii) all other property, real, personal, or mixed, intended for use in connection therewith. The Property has been submitted to the provisions of the Condominium Act by the recording of the Declaration in the Register's Office, of which Declaration these By-Laws form a part.

Section 1.2 Definitions. All capitalized terms used in these By-Laws that are not otherwise defined in any of the Articles hereof shall have the meanings set forth in Exhibit C to the Declaration, unless the context in which the same are used otherwise requires. All capitalized terms used in these By-Laws that are defined in any of the Articles hereof shall have the meanings ascribed to them in such Articles, unless the context in which the same are used otherwise requires. Each of the aforescribed capitalized terms shall be applicable to singular and plural nouns, as well as to verbs of any tense.

Section 1.3 Applicability of By-Laws. These By-Laws are applicable to the Property and to the use and occupancy thereof.

Section 1.4 Application of By-Laws. All present and future Unit Owners, mortgagees, lessees, sublessees and occupants of Units, and employees and guests of Unit Owners, as well as all other Persons who may use the Property, are and shall be subject to the Declaration, these By-Laws and the Rules and Regulations annexed hereto, as each of the same may be amended from time to time. The acceptance of a deed or other instrument of conveyance, or the succeeding to title to, or the execution of a lease or sublease for, or the act of occupancy of, a Unit shall constitute an agreement that the provisions of the Declaration, these By-Laws and the Rules Regulations, as each of the same may be amended from time to time, are accepted, ratified and will be compiled with.

Section 1.5 Principal Office of the Condominium. The principal office of the Condominium shall be located either at the Property or at such other place in the Borough of Manhattan reasonably convenient thereto as may be designated from time to time by the Board (as hereinafter defined).

ARTICLE 2

THE BOARD OF MANAGERS

Section 2.1 General. As more particularly set forth in Section 2.4, 2.5 and 2.6 hereof, the affairs of the Condominium shall be managed by the Board of Managers (the "Board") as provided in Section 2.17 hereof. In exercising its powers and performing its duties under the Declaration and these By-Laws, the Condominium Board shall act as, and shall be, the agent of all the Unit Owners.

Section 2.2 Status of the Board. Unless and until the Board shall incorporate in accordance with the terms of Section 2.4 hereof, the Board shall have, to the extent permitted by Law, the status conferred upon unincorporated associations under, or pursuant to, the terms of the General Association Law of the State of New York. If the Board shall incorporate in accordance with the terms of Section 2.4 hereof, the Board shall have, to the extent permitted by Law, the status conferred upon it under, or pursuant to, the terms of the applicable statutes of the State of New York. In either event, however, the Board shall also have the status conferred upon it under, or pursuant to, the terms of the Condominium Act.

Section 2.3 Principal Office of the Board. The principal office of the Board shall be located either at the Property or at such other place in the Borough of Manhattan reasonably convenient thereto as may be designated from time to time by the Board.

Section 2.4 Powers and Duties of the Board. The Board shall have all of the powers and duties necessary for, or incidental to, the administration of the affairs of the Condominium, provided, however, that the Board shall not have such powers and duties that by Law, or pursuant to the terms of the Declaration and these By-Laws, may not be delegated to the Board by the Unit Owners. Without intention to limit the generality of the foregoing in any respect, the Board shall have the following specific powers and duties:

(i) to operate, maintain, repair, restore, add to, improve, alter and replace the Common Elements, including, without limitation, as the Board shall deem necessary or proper in connection therewith: (a) the purchaser and leasing of supplies, equipment and material and (b) the employment, compensation and dismissal of personnel (including the Managing Agent);

(ii) to acquire, in the name of the Board or its designee, corporate or otherwise, and on behalf of the Unit Owners, all rights, titles and interests in real and personal property deemed necessary or proper by the Board for use in connection with the ownership and operation of the Property as a mixed use condominium including a Unit for a superintendent if the Board believes such acquisition is necessary;

(iii) to maintain complete and accurate books and records with respect to the finances and operation of the Condominium, including, without limitation: (a) detailed accounts, in

chronological order, or receipts and expenditures affecting the Property; (b) detailed books of account of the Board; (c) other financial records, as well as other books of account of the Condominium, as may be required to be kept pursuant to the terms of these By-Laws; and (d) minutes and other records of all meetings held pursuant to the terms of these By-Laws;

(iv) to prepare and adopt a budget for the Condominium for each fiscal year thereof, setting forth, without limitation: (a) a detailed accounting of the anticipated Common Expenses for the ensuing fiscal year and (b) a detailed projection of all sources and amounts of income necessary to discharge the same;

(v) to determine the amount and establish the means and methods of payment of, and to collect, the Common Charges and Special Assessments from the Unit Owners;

(vi) to borrow money and to incur debt on behalf of the Condominium in connection with any of the powers enumerated in this Article. provided, however, that:

(a) when such debt is to be incurred in connection with (1) major and minor maintenance, repairs, additions, restorations, improvements, alterations and replacements in and to the Property, including the Common Elements and the Units, of the Building; or (2) providing for working capital, bad debts and unpaid common charges or for depreciation, obsolescence or other similar purposes: (A) such debt may not be incurred until no earlier than the fifth anniversary of the First Closing; and (B) the affirmative consent of a majority of the members of the Board shall be required for the borrowing of any sum; and (C) the affirmative consent of a Majority of all Unit Owners (in case of maintenance, repairs, alterations, additions, improvements, restorations and replacements of the Common Elements only) shall be required for the borrowing of any sum in excess of \$50,000 in any one fiscal year (regardless of the balance of any loans outstanding from previous fiscal year); and (D) in all other cases, the affirmative vote of a Majority of all Unit Owners shall be required; and

(b) with respect to any debt incurred by the Board on behalf of all the Unit Owners: (1) no lien to secure repayment of any sum borrowed under this subparagraph (vi) may be created on any Unit or its Appurtenant Interests without the consent of the Unit Owner of such Unit; (2) the documentation executed in connection with any borrowing hereunder shall provide that, if any sum borrowed by the Board pursuant to this subparagraph (vi) shall not be repaid by the Board in accordance with the terms of the loan agreement, any Unit Owner who pays the creditor thereunder such proportion of the then outstanding indebtedness represented or secured thereby as such Unit Owner's Common Interest bears to the aggregate Common Interests of all Unit Owners shall be entitled and authorized by the Board to obtain from the creditor a release of any judgment or other lien that the said creditor shall have filed, or shall have the right to file, against such Unit Owner's Unit; (3) the Board may assign its rights in and to receive future income and common charges; (4) the Board may create a security interest in, assign, pledge, mortgage or otherwise encumber funds or other real or personal property that it holds; (5) The Board may agree that to the extent of the amount of any indebtedness incurred hereunder, all common charges

received and to be received by such Board, and the right to receive such funds, shall constitute trust funds for the purpose of paying such debt and shall be used for the purpose of paying such debt before expending any part of the same for any other purpose, except that to the extent that such indebtedness relates to any labor performed on or materials furnished to the Common Elements, performed or furnished at the express request of the Managing Agent or the Board, all common charges received and to be received by the Board, and the right to receive such funds, shall constitute trust funds for the purpose of paying the cost of such labor or materials performed or furnished and the same shall be expended first for such purpose before expending any part of the same for any other purpose; and (6) the Board may agree that, if required by the lender and at the lender's direction, it will increase the amount of the Common Charges to the extent necessary to pay any amount when due pursuant to the loan agreement;

(vii) to open and maintain bank accounts on behalf of the Condominium and to designate the signatories required therefor;

(viii) to use the Common Charges and Special Assessments collected from Unit Owners, as well as all other funds held by the Board or received in connection with the operation of the Property, for the administration of the Condominium, including, without limitation: (a) the payment of Common Expenses, and (b) the making or restorations, additions, alterations and improvements, repairs and maintenance to the Common Elements; provided, however, that the Common Charges and Special Assessments collected from the Commercial Unit Owners, as well as any income earned thereon and other funds (if any) received by the Board in connection with the operation of the Common Elements, shall be used only for the administration, operation, restoration, addition, alteration, improvement, repair and maintenance of the Common Elements;

(ix) to obtain insurance for the Property, including the Units, pursuant to the terms of Section 5.4 hereof;

(x) to adjust and settle claims under insurance policies obtained pursuant to the terms of Section 5.4 hereof or in connection with any other litigation, and to execute and deliver releases upon such adjustment and settlement on behalf of: (a) all Unit Owners; (b) all holders of mortgages and other liens on Units; and (c) all holders of any other interest in the Property;

(xi) to make, or to contract with others for the making of, repairs, maintenance, additions and improvements to, and alterations, restorations and replacements of, the Property after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings, all in accordance with the terms of these By-Laws;

(xii) to obtain and keep in force fidelity bonds, in amounts deemed appropriate by the Board, but in no event less than \$100,000, for: (a) all members of the Board; (b) all officers and employees of the Condominium; and (c) the Managing Agent, and the premiums on all such fidelity bonds shall constitute a part of the Common Expenses;

(xiii) to accept the surrender of any Unit pursuant to the terms of paragraph (C) of Section 6.2 hereof, in the name of the Board or its designee, corporate or otherwise, and on behalf of all Unit Owners;

(xiv) to purchase Units at foreclosure or other judicial sales or for the use of a superintendent or otherwise, in the name of the Board or its designee, corporate or otherwise, on behalf of all Unit Owners and, in connection therewith, to borrow money on behalf of all Unit Owners; provided that, except for Units purchased in connection with a foreclosure of a lien for unpaid Common Charges pursuant to Section 6.4 hereof or the purchase of a superintendent's unit and any note and mortgage given by the Board to Sponsor or other lender in payment of the purchase price thereof, any other purchase and/or borrowing is first approved by a Majority of Unit Owners, and provided further that the borrowing for this purpose shall require the affirmative consent of at least two-thirds of the members of the Board (in the case of a sum in excess of \$10,000) or at least a Majority, both in number and in aggregate Common Interests, of all Unit Owners (in the case of a sum in excess of \$50,000);

(xv) to purchase, lease, or otherwise acquire Units offered for sale or lease by their owners, in the name of the Board or its designee, corporate or otherwise, and on behalf of all Unit Owners and, in connection therewith, to borrow money on behalf of all Unit Owners; provided, however that as to each such Unit so purchased, leased, or otherwise acquired (a) the affirmative consent of at least a majority of the members of the Board shall be required for the borrowing of any sum in excess of \$10,000 in connection with such purchase, lease or acquisition and (b) the affirmative consent of at least a majority, both in number and in aggregate Common Interests, of all Unit Owners shall be required for the borrowing of any sum in excess of \$50,000 in connection with such purchase, lease or acquisition;

(xvi) to sell, lease, mortgage and otherwise deal with units acquired by, and to sublease Units leased by, the Board or its designee, corporate or otherwise, on behalf of all Unit Owners, provided, however, that the Board or its designees shall in no event be entitled to vote the votes appurtenant to any such Unit;

(xvii) to adopt and amend the Rules and Regulations and to levy and collect fines against Unit Owners for violations of the same, provided, however, that in no event shall the amount of such fines exceed \$100.00 per day each such violation continues;

(xiii) to enforce by legal means the terms, covenants and conditions contained in the Condominium Documents and to bring or defend against any proceedings that may be instituted on behalf of, or against, the Unit Owners;

(xix) to incorporate, to the extent and in the manner provided in the Condominium Act, provided, however, that: (a) the certificate of incorporation and by-laws of any such resulting corporation shall conform as closely as practical to the terms of the Declaration and these By-laws and (b) the terms of the Declaration and these By-Laws shall prevail in the event of any

inconsistency or conflict between the terms thereof and the terms of such certificate of incorporation and by-laws;

(xx) to organize corporations to act as the designees of the Board in acquiring title to, or leasing of, Units and in acquitting rights, titles and interests in real and personal property for use in connection with the ownership and operation of the Property as a mixed use condominium;

(xxi) to execute, acknowledge and deliver: (a) any declaration or other instrument affecting the Property that the Board deems necessary or appropriate to comply with any Law applicable to the maintenance, demolition, construction, alteration, repair, or restoration of the Building; (b) any consent, covenant, restriction, easement, or declaration affecting the Property that the Board deems necessary or appropriate; and (c) any modification, amendment or cancellation of the Restrictive Declaration; and

(xxii) to employ and dismiss such personnel as the Condominium Board determines, from time to time may be necessary to assist the Board in the performance of its functions, including a managing agent.

The Board shall be responsible for carrying out the duties imposed upon it under the Condominium Documents regardless of whether a Unit is vacant or occupied by the owner thereof or by a permitted lessee or other permitted occupant.

Section 2.5 Intentionally omitted.

Section 2.6 Exercise and Delegation of Powers and Duties. (A) Any act within the power of the Board to perform, and deemed necessary or desirable to be performed by the Board, shall be performed by the Board or shall be performed on its behalf and at its direction by the agents, employees, or designees of the Board.

(B) The Board may appoint an Executive Committee by duly adopted resolution, which Executive Committee shall have, and may exercise, all of the powers of the Board, subject to both the exceptions and limitations contained in paragraph (D) of this Section 2.6 and elsewhere in these By-Laws and such additional exceptions and limitations as the Board may from time to time deem appropriate, during the intervals between the meetings of the Board. In addition, the Board may from time to time appoint, by duly adopted resolutions, such other committees as the Board may deem appropriate to perform such duties and services as the Board shall direct, each of which committees shall have, and may exercise, all of the powers delegated to it in its enabling resolution, subject, however, to the exceptions and limitations contained in paragraph (D) of this Section 2.6 and elsewhere in these By-Laws. The Executive Committee and each other committee shall consist of three or more members of the Board, at least one of whom shall be a member designed by Sponsor for so long as Sponsor shall have the right to designate or elect one or more members of the Board.

(C) The Board may employ a managing agent to serve at a compensation to be established by the Board and to perform such duties and services as the Board shall direct. Subject to the exceptions and limitations contained in paragraph (D) of this Section 2.6 and elsewhere in these By-Laws, the Board may delegate to a managing agent any of the powers granted to the Board in these By-Laws.

(D) Notwithstanding anything to the contrary contained in this Section 2.6, the Executive Committee, any other committee appointed by the Board and the Managing Agent shall neither have nor be entitled to exercise, and the Board shall not delegate to either of them or to any other committee, the powers or duties described in subparagraphs (ii), (iv), (v), (vi), (vii), (x), (xiii), (xiv), (xv), (xvi), (xvii), (xix), (xx), (xxi), (xxii), (xxv) and (xxvi) of paragraph (A) of Section 2.4 hereof or duties affecting directly or indirectly the Commercial Units unless the Commercial Unit Owners consent thereto. In addition, neither the Managing Agent nor any of the committees described in paragraph (B) of this Section 2.6 shall have, or be entitled to exercise, any of the powers that may be delegated to either of them by the Board to the extent such delegation is prohibited by Law.

Section 2.7 Number, Election and Qualification of Members. (A) Until the first annual meeting of the Unit Owners held pursuant to the terms of Section 4.1 hereof, the Board shall consist of three (3) individuals to be designated from time to time by Sponsor. From and after the first annual meeting of the Unit Owners, the Board shall consist of five (5) individuals, of whom four (4) shall be elected pursuant to the terms of Section 4.9 hereof at the annual meeting of the Unit Owners, and one (1) individual shall be designated by the Owner of the Commercial Unit. If the Owner of the Commercial Unit fails to designate a Board member at or prior to an annual meeting at which the election of the Board is on the agenda, the fifth Board member shall be elected by the Unit Owners at such annual meeting.

(B) Except for members of the Board designated or elected by Sponsor, its designee or by the Commercial Unit Owner pursuant to the terms of this Section 2.7 or of Sections 2.10 or 4.9 hereof (who may serve without qualification), all other members of the Board shall be either: (i) Unit Owners; (ii) individual Permitted Mortgagees; (iii) officers, directors, shareholders, partners, principals, employees, or beneficiaries of corporations, partnerships, fiduciaries, or any other entities that are Unit Owners or Permitted Mortgagees; or (iv) adult Family Members of any of the foregoing (herein defined as "interested party"). No Unit Owner or "interested party" may be elected to serve on the Board if the Board has perfected a lien against such Unit Owner's or "interested party's" Unit and the amount necessary to release such lien has not been paid at the time of such election.

(C) Members elected or designated by Sponsor or a Commercial Unit Owner or their designees need not be Unit Owners and need not reside in the Building. Other than members elected or designated by Sponsor, a Commercial Unit Owner or their designees, no member shall continue to serve on the Board after he ceases to be a Unit Owner or an "interested party," as specified in paragraph (B) of this Section 2.7.

Section 2.8 Term of Office Members. The term of office of each of the five (5) individuals elected (or designated as the case may be) and qualified at the first annual meeting of the Unit Owners shall be one (1) year. Each member of the Board shall serve until his or her successor shall be elected and qualified. There shall be no limit on the number of terms of office, successive or otherwise, that a member of the Board may serve.

Section 2.9 Removal and Resignation of Members. (A) Any member of the Board who was elected thereto either by the Unit Owners, pursuant to the terms of Section 4.9 hereof, or by the Board, pursuant to the terms of Section 2.10 hereof, may be removed from office, with or without cause, by a vote of a Majority of Unit Owners. Any member of the Board who was designated as such or elected by Sponsor (or its designee) or by the Commercial Unit Owner pursuant to the terms of Section 2.7, 2.10, or 4.9 hereof, may be removed (i) with cause by a Majority of Unit Owners or (ii) without cause, only by Sponsor (or the said designee) or the Commercial Unit Owner who designated the Board member, respectively. Any member of the Board whose proposed removal is to be acted upon at a meeting of the Unit Owners shall be given prior written notice thereof and an opportunity to be present and heard.

(B) Any member of the Board may resign his membership at any time by giving written notice thereof to the Board and, with respect to members of the Board designated as such or elected by Sponsor (or its designee) or the Commercial Unit Owner, by giving written notice thereof to Sponsor (or such designee) or the Commercial Unit Owner, respectively. In addition, any member of the Board who shall cease to be qualified for membership pursuant to the terms of Section 2.7 hereof shall be deemed to have resigned his membership effective as of the date upon which such qualification shall cease.

(C) The Board member designated by the Owner of the Commercial Unit may not be removed from office without cause, except by the Commercial Unit Owner who designated the Board member.

Section 2.10 Vacancies. (A) Any vacancy on the Board that is caused by the removal, resignation, or death of a member who was elected thereto by the Unit Owners (other than Sponsor, its designee or the Commercial Unit Owner) shall be filled by an individual who is qualified to be a member pursuant to the terms of Section 2.7 hereof and who is elected by a vote of the majority of the members of the Board then in office. A special meeting of the Board shall be held for the purpose of filling any such vacancy promptly after the occurrence thereof, and the election held thereat shall be effective to fill such vacancy at a meeting where a quorum is present.

(B) Any vacancy on the Board that is caused by the removal, resignation, or death of a member who was designated as such or elected by Sponsor, its designee or other Unsold Unit Owner, or the Commercial Unit Owner, shall be filled by an individual designated by Sponsor or such designee or other Unsold Unit Owner or the Commercial Unit Owner who designated the Board member, respectively.

(C) Each member of the Board who is elected thereto or designated as such to fill a vacancy pursuant to the terms of paragraph (A) or (B), respectively, of this Section 2.10 shall serve as a member of the Board for the remainder of the term of the member he replaced and until his successor shall be elected and qualified at the appropriate annual meeting of the Unit Owners pursuant to the terms of Section 4.9 hereof.

Section 2.11 Organizational Meeting of the Board. The first meeting of the Board following each annual meeting of the Unit Owners shall be held within approximately thirty (30) days of such annual meeting, at such time and place in the Borough of Manhattan as shall be both fixed informally by a majority of the members of the Board and designated in a written notice given to all members thereof by personal delivery, mail, overnight delivery or facsimile transmission not later than five (5) business days prior to such date.

Section 2.12 Regular Meetings of the Board. (A) Regular meetings of the Board may be held at such time and place in the Borough of Manhattan as shall be determined from time to time by a majority of the respective members thereof, provided that at least four (4) such meetings of the Board shall be held during each fiscal year.

(B) Written notice of all regular meetings of the Board shall be given to each member by personal delivery, mail, overnight delivery or facsimile transmission at least five (5) days prior to the day named for such meeting.

Section 2.13 Special Meetings of the Board. (A) The President may call a special meeting of the Board whenever he deems the same to be necessary or desirable. However, the President shall call such a meeting: (i) upon the written request of three (3) or more members of the Board; or (ii) upon the request of a non-occupying Unit Owner who has received notice that rents payable with respect to his Unit shall hereafter be paid directly to the Condominium, as provided in Section 6.4(D) of these By-Laws.

(B) Written notice of all special meetings shall be given to each member of the Board by personal delivery, mail, overnight delivery or facsimile transmission at least five (5) days prior to the day named for such meeting, which notice shall state the time, place (in the Borough of Manhattan) and purpose of the meeting.

Section 2.14 Waiver of Notice of Meetings. Any member of the Board may, at any time waive notice of any meeting thereof in writing, and such waiver shall be deemed equivalent to the giving of notice. Attendance by a member of the Board at any meeting thereof shall constitute a waiver by him of notice of the time and place thereof. If all of the members of the Board are present at any meeting thereof, no notice of such meeting shall be required and any business authorized pursuant to these By-Laws may be transacted at such meeting.

Section 2.15 Quorum of the Board. For purpose of all meeting of the board, a majority of such Board shall constitute a quorum for the transaction of business by that Board. In connection therewith, one or more members of the Board may participate in any meeting by means of a conference telephone call or similar communications equipment permitting all individuals participating in the meeting to hear each other at the same time, and such participation shall constitute presence at a meeting for all purposes. If, at any meeting of the Board there shall be less than a quorum present, a majority of the Board members in attendance may adjourn the meeting from time to time. At any such adjourned meeting at which a quorum is present, any business that might have been transacted at the meeting originally called but for the lack of a quorum may be transacted without further notice.

Section 2.16 Conduct of Meetings. (A) The President, or in his absence, the Vice-President, shall preside at all meetings of the Board and the Secretary shall faithfully record the minutes thereof. The minutes shall include the full text of all resolutions duly adopted by the Board and a record of all transactions and proceeding occurring thereat.

(B) The then current edition of Robert's Rules of Order, or any other rules or procedure from time to time acceptable to a majority of the members of the Board shall govern the conduct of the meetings of each such Board unless the same shall be in conflict with the terms of the Declaration, these By-Laws, or the Condominium Act.

Section 2.17 Decisions by the Board. (A) Except as otherwise expressly provided in the Declaration or these By-Laws, the vote of majority of the members of the Board present at a meeting thereof at which a quorum is present shall constitute the decision of the Board. Alternatively, any decision that is required or permitted to be made by the Board may be made without a meeting thereof if all of the members of the Board shall individually or collectively consent in writing to such decision, and all such written consents shall be duly filed by the Secretary of the Condominium in the minutes of the Board.

(B) Notwithstanding the above, the following decision cannot be made by the Board without the consent of the Board members designated by the Commercial Unit Owners;

- (i) A voluntary discontinuation of the Condominium;
- (ii) Amendment of the Declaration or By-Laws which would affect the rights of the Commercial Unit Owners (or Sponsor or Sponsor designee) to lease the Commercial Units or increase or decrease the percentage of Common Elements allocated to the Commercial Units;
- (iii) Reallocation or alteration of the Common Elements, which would affect or interfere with rights of access to the Commercial Units;
- (iv) Amendment of the Declaration or By-Laws which would change the uses permitted in the Commercial Units; and

(v) Amendments of the Declaration or By-Laws which would deprive the Commercial Unit Owners of the right to designate a member of the Board.

Section 2.18 Compensation of Members. No member of the Board or any Committee shall receive any compensation from the Condominium for acting in his or her capacity as a member of the Board.

Section 2.19 Common Interested Members of the Board. Each member of the Board shall perform his duties, and shall exercise his powers, in good faith and with a view to the interests of the Condominium. To the extent permitted by Law, no contract or other transaction between the Board and either (i) any of its members or (ii) any corporation, partnership, fiduciary, firm, association, or other entity in which any of the members of the Board are officers, directors, employees, partners, fiduciaries, beneficiaries, or principals, or are otherwise interested, pecuniarily or otherwise, shall be deemed either void or voidable because either (a) any such member of the Board was present at the meeting or meetings of said Board during which such contract or transaction was discussed, authorized, approved, or ratified, or (b) the vote of any such member was counted for such purpose, provided, however, that either:

(x) the fact thereof is disclosed to, or known by, such Board or a majority of the members thereof or noted in the minutes thereof, and the Board shall authorize, approve, or ratify such contract or transaction in good faith by a vote of a majority of the entire Board, less the number of such members;

(y) the fact thereof is disclosed to, or known by, a Majority of Unit Owners, and a Majority of Unit Owners shall authorize, approve, or ratify such contract or transaction; or

(z) the contract or transaction is commercially reasonable to the Board at the time that the same is authorized, approved, ratified, executed, or otherwise consummated.

Any such member of the Board may be counted in determining the presence of a quorum of any meeting of the Board that authorizes, approves, or ratifies any such contract or transaction, but no such member shall be entitled to vote thereat to authorize, approve, or ratify such contract or transaction.

Section 2.20 Liability of the Board. (A) The members of the Board shall have no liability to the Unit Owners for errors of judgment, negligence, otherwise, except that each member of the Board shall be liable thereto for his own bad faith or willful misconduct. In connection therewith, members of the Board designated as such by Sponsor shall not be deemed either to have acted in bad faith or to have committed willful misconduct by reason of any self-dealing in connection with any contract made, or other transaction entered into, between the Board and Sponsor or its agents, provided that any compensation paid, or to be paid, to Sponsor or its agents in connection with any

such contract or transaction is disclosed in the Plan in an amendment thereto or is at competitive rates for goods sold or services rendered in the Borough of Manhattan.

(B) Every contract made, and other document executed, by or on behalf of the Board or the Managing Agent shall expressly state (if obtainable and in addition to the limitation of liability of the officers of the Condominium and the Unit Owners pursuant to the terms of Sections 3.10 and 4.12 hereof, respectively) that the same is made or executed by or on behalf of such Board or the Managing Agent solely as agent for the Unit Owners and the members of the Board or the Managing Agent shall have no liability thereon, except to the extent of their liability, if any, as Unit Owners pursuant to the terms of Section 4.12 hereof.

(C) Neither the Board nor any member thereof, nor the Managing Agent shall be liable for either:

(i) any failure or interruption of any utility or otherwise to be obtained by, or on behalf of, the Board or to be aid for as a Common Expense; or

(ii) any injury, loss, or damage to any individual or property, occurring in or upon either a Unit, or the Common Elements which: (a) was caused by the elements, by any Unit Owner, or by any other Person; (b) resulted from electricity, water, snow, or ice that may leak or flow from a Unit, or any portion of the Common Elements; or (c) arising out of theft or otherwise.

(D) The Unit Owners shall jointly and severally indemnify and hold each member of the Board harmless from and against any claim or liability to others arising from his acts or omissions as, or by reason of the fact that such individual is or was, a member of the Board to the extent permitted under the Business Corporation Law of the State of New York, (hereinafter referred to as, the "BCL"), except, however, to the extent that such claim or liability shall be due to, or shall arise out of, the bad faith or willful misconduct of such member.

ARTICLE 3

OFFICERS

Section 3.1 General. The principal officers of the Condominium shall be the President, the Vice President, the Secretary and the Treasurer. The Board may appoint an Assistant Treasurer, an Assistant Secretary and such other officers as in its discretion may be necessary or desirable. All agreements, contracts, deeds, mortgages, leases, checks and other instruments of the Condominium shall be executed, upon the direction of the Board, by any two officers of the Condominium or by such lesser number of officers or by such other Person or Persons as may be designated from time to time by the Board.

Section 3.2 President. The President shall be the chief executive officer of the Condominium and shall preside at all meetings of the Unit Owners and of the Board. The

President shall have all of the general powers and duties that are incident to the office of president of a stock corporation organized under the BCL, including, but not limited to, the power to appoint the members of all committees created by the Board from amongst the Unit Owners from time to time as he may decide, in his discretion, are appropriate to assist in the conduct of the affairs of the Condominium.

Section 3.3 Vice President. The Vice President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act. If both the President and the Vice President are unable to act, the Board shall appoint some other member of the Board to act in the place of the President on an interim basis. The Vice President shall also perform such other duties as shall be imposed upon him from time to time by the Board or by the President.

Section 3.4 Secretary. The Secretary shall keep the minutes of all meeting of the Unit Owners, and of the Board. The Secretary shall have charge of such books and papers as the Board shall direct and, in general, shall perform all of the duties that are incident to the office of secretary of a stock corporation organized under BCL.

Section 3.5 Treasurer. The Treasurer shall have the care and custody of the funds and securities of the Condominium and shall be responsible for keeping full and accurate financial records and books of account thereof, showing all receipts and disbursements necessary for the preparation of all required financial data. The Treasurer shall be responsible for the deposit of all funds and other securities in the name of the Board or in the name of the Managing Agent in such depositories as may from time to time be designated by the Board and, in general, shall perform all of the duties incident to the office of treasurer of a stock corporation organized under the BCL.

Section 3.6 Election, Term of Office and Qualifications of Officers. Each of the officers of the Board shall be elected annually by a majority vote of the Board taken at the organizational meeting of each new Board or at the first meeting of the Board first succeeding the annual meeting of the Unit Owners, and shall serve at the pleasure of the Board. The President and the Vice President shall be elected from amongst the members of the Board. The other officers of the Condominium, however, need not be Unit Owners or members of the Board and need not have any interest in the Condominium.

Section 3.7 Removal and Resignation of Officers. Any officer of the Condominium may be removed from office, with or without cause, by an affirmative vote of a Majority of the Unit Owners. In addition, any officer may resign at any time by giving written notice to the Board. Finally, if the President or the Vice President of the Condominium shall cease to be a member of the Board during his term of office, such officer shall be deemed to have resigned his office effective upon the date upon which his membership cease.

Section 3.8 Vacancies. Any vacancy in an office shall be filled by a majority vote of the Board at any regular meeting of the Board or at a special meeting thereof called for such purpose.

Section 3.9 Compensation of Officers. No officer of the Condominium shall receive any compensation from the Condominium for acting as such.

Section 3.10 Liability of the Officers of the Condominium. (A) The officers of the Condominium shall have no liability to the Unit Owners for errors of judgment, negligence, or otherwise, except that each officer of the Condominium shall be liable thereto for his own bad faith or willful misconduct. In addition, every contract made, and other document executed, by one or more officers or other Persons on behalf of the Condominium shall expressly state (if obtainable and in addition to the limitation of liability of the members of the Board and the Unit Owners pursuant to the terms of Section 2.20 and 4.12 hereof, respectively) that the same is made or executed by such officers or Persons on behalf of the Condominium solely as agent for the Unit Owners and that such officers or Persons shall have no liability thereon, except to the extent of their liability, if any, as Unit Owner pursuant to the terms of Section 4.12 hereof.

(B) None of the officers of the Condominium shall be liable for either:

(i) any failure or interruption of any utility or other service to be obtained by any such officer on behalf of the Condominium or to be paid for as a Common Expense; or

(ii) any injury, loss, or damage to any individual or property, occurring in or upon either a Unit, or the Common Elements, which is (a) caused by the elements, by any Unit Owner, or by and other Person; (b) results from electricity, water, snow or ice that may leak or flow from a Unit, or any portion of the Common Elements; or (c) arises out of theft or otherwise.

(C) The Unit Owners shall jointly and severally indemnify and hold each officer of the Condominium harmless from and against any claim or liability to others arising from his acts or omissions as, or by reason of the fact that such individual is or was, an officer of the Condominium, except, however, to the extent that such claim or liability shall be due to, or shall arise out of, the bad faith or willful misconduct of such officer.

ARTICLE 4

UNIT OWNERS

Section 4.1 Annual Meetings of the Unit Owners. (A) The first annual meeting of the Owners shall be held within the first sixty (60) days after the First Closing, at which meeting the incumbent three (3) member Board shall resign and a successor five (5) member Board shall be elected and shall consist of one (1) member elected by the owner of the Commercial Unit and four (4) members elected by the Unit Owners as provided both in this Article 4 and in Article 2 hereof. Thereafter, annual meetings of the Unit Owners shall be held within approximately thirty (30) days after the anniversary of the first meeting of Unit Owners in each year. At each such subsequent meeting, the Unit Owners shall elect successors to the members of the Board whose term of office

expires on the day of such meeting and shall transact such other business as may properly come before such meeting.

(B) The provisions of the preceding paragraph (A) and any other provisions of these By-Laws to the contrary notwithstanding, so long as the Sponsor (or its designees) owns the Commercial Unit, the Sponsor (or its designees), may elect its/his member by written designation given to the Managing Agent or the President or Secretary of the Condominium at, or in advance of, the annual meeting of such Unit Owners. In such event, the Owner of the Commercial Unit need not attend said annual meeting and, if not present, the Common Interests of the Commercial Unit shall be excluded when computing the aggregate Common Interests of all Unit Owners for quorum or voting purposes.

Section 4.2 Special Meetings of the Unit Owners. The President shall call a special meeting of the Unit Owners whenever so directed by a duly adopted resolution of the Board or upon receipt by the Secretary of a petition calling for such a meeting signed by Unit Owners having, in the aggregate, not less than twenty-five (25%) percent of the Common Interests of all Unit Owners. Each such resolution or petition shall set forth, in reasonable detail, the purposes for calling such a meeting, and no business shall be transacted at such special meeting except business reasonably related to the stated purposes.

Section 4.3 Place of Meetings. Meetings of the unit Owners shall be held at the principal office of the Condominium or at such other suitable and convenient place in the Borough of Manhattan as may be designated by the Board.

Section 4.4 Notice of Meetings. The Secretary of the Condominium shall give notice of each annual or special meeting of the Unit Owners to all Unit Owners then of record entitled to vote at such meeting, which notice shall set forth the purpose, time and place of such meeting. Such notice may be given to any Unit Owner by personal delivery, mail, overnight delivery or facsimile transmission not later than ten (10) not earlier than forty (40) days prior to the day fixed for the meeting. Any Unit Owner may designate an address for the giving of notice other than such Unit Owner's address at the Property by giving written notice thereof to the Secretary of the Condominium not less than ten (10) days prior to the giving of notice of the applicable meeting.

Section 4.5 Quorum of the Unit Owners. Except as otherwise provided in these By-Laws, the presence, in person or by proxy, of Unit Owners owning Units to which fifty (50%) percent or more of the aggregate Common Interests appertain shall constitute a quorum at all meetings of the Unit Owners. If, at any meeting of the Unit Owners, there shall be less than a quorum present, a majority of the Unit Owners present at such meeting, either in person or by proxy, may adjourn the meeting to a time not less than forty-eight (48) hours from the time fixed for the original meeting.

Section 4.6 Conduct of Meetings. The President shall preside at all meetings of the Unit Owner and the Secretary shall faithfully record the minutes thereof, which minutes shall include the full text of all resolutions duly adopted by the Unit Owners and a record of all transactions and

proceedings occurring thereat. The then current edition of Robert's Rules of Order, or any other rules of procedure acceptable to a Majority of the Unit Owner present at any meeting, in person or by proxy, shall govern the conduct of the meetings of the Unit Owners unless the same shall be in conflict with the terms of the Declaration, these By-Laws, or the Condominium Act. All votes of the Unit Owners shall be tallied by the persons appointed for such purpose by the presiding officer of the meeting.

Section 4.7 Order of Business. The order of business at all meetings of the Unit Owners shall be as follows:

- (i) Roll call and presentation of proxies;
- (ii) Proof of notice of meeting;
- (iii) Reading of the minutes of the preceding meeting (unless waived);
- (iv) Reports of officers of the Condominium;
- (v) Reports of members of the Board;
- (vi) Reports of committees;
- (vii) Election of inspectors of election (when so required);
- (viii) Election of members of the Board (when so required);
- (ix) Unfinished business; and
- (x) New Business;

Section 4.8 Voting. (A) Subject to the terms of Section 4.9 hereof, each Unit Owner (including Sponsor or its designee, for so long as Sponsor or such designee shall own Unsold Units) shall be entitled to cast one (1) vote at all meetings of the Unit Owners for each .001 of the percentage of Common Interest attributable to his Unit(s).

(B) Notwithstanding the terms contained in paragraph (A) hereof, no Unit Owner may vote at any meeting of the Unit Owners if the Board has perfected a lien against such Unit Owner's Unit and the amount necessary to release such lien has not been paid at the time of such meeting. In addition, neither the Board nor any designee thereof shall be entitled to vote the Common Interest appurtenant to any Unit owned by the Board or such designee. The Common Interests of all Units whose owners are precluded from voting pursuant to the terms of this paragraph (B) will be excluded when computing the aggregate Common Interests of all Unit Owners for quorum and voting purposes.

(C) A fiduciary shall be the voting member with respect to a Unit owned in a fiduciary capacity. In addition, if two (2) or more Persons own a Unit, they shall designate one (1) Person amongst them to vote the Common Interest appurtenant to their Unit a writing given to the Secretary of the Condominium, and the vote of such designee shall be binding upon all of such Persons. Failing such a designation, all of such Persons shall mutually vote such Common Interest under one ballot without division, and the concurrence of all such Persons shall be conclusively presumed if any one of them purports to vote such Common Interest without protest being contemporaneously made to the individual presiding over the meeting at which such vote is taken. If protest is made, the Common Interest appurtenant to such Unit shall be counted solely for the purpose of determining whether a quorum is present for such voting.

(D) The owner of any Unit may designate any Person to act as a proxy on his behalf. The designation of any such proxy shall be made in writing both signed and dated by the designor and delivered to the Secretary of the Condominium at or before the appointed time for the meeting(s) during which the same is to be effective. Any such designation shall be revocable at any time upon written notice given to the Secretary of the Condominium; however, no revocation of such a designation shall be effective with respect to any votes cast by such proxy prior to the receipt of such revocation notice by the Secretary of the Condominium or, if such revocation is made at a meeting of the Unit Owners during which the Secretary of the Condominium is not in attendance, by the individual acting as the secretary of such meeting. Except with respect to the designation of a Permitted Mortgagee to act as the proxy of its mortgagor(s), no designation to act as a proxy shall be effective for a period in excess of six (6) months after the date thereof.

(E) Except when otherwise required by Law or otherwise provided in the Declaration or in these By-Laws, the affirmative vote of a Majority of the Unit Owners at a meeting at which a quorum is present shall be binding upon all such Unit Owners for all purposes.

Section 4.9 Election of Members of the Board. (A) The Board of Managers shall be elected by the Unit Owners at the annual meeting of Unit Owners. Subject to the terms of Section 2.7 hereof, when voting for members of the Board, each Unit Owner (including Sponsor or its designee, for so long as Sponsor or such designee shall own Unsold Units) shall be entitled to cast one vote for each .001 of the percentage of Common Interest attributable to this Units per member to be elected. However, nothing contained herein shall be deemed to permit any Unit Owner to cumulate the votes attributable to the ownership of any one Unit in favor of any one or more members to be elected. In addition, the terms of paragraphs (B), (C), (D) and (E) of Section 4.8 hereof shall apply to all elections of members of the Board.

(B) Subject to the terms of Section 4.1 hereof, all election of members of the Board shall be by written ballot, and each ballot cast shall state: (i) the name of the voting Unit Owner and, if such ballot is cast by proxy, the name of the proxy; (ii) the designation number(s) of the Unit(s) owned by the voting Unit Owner; (iii) the amount of the Common Interest(s) appurtenant to such Unit(s); and (iv) the names of the candidates for whom such ballot is cast (the number of which

names shall not exceed the number of members to be elected). Any ballot that is not cast in conformity with this paragraph (B) shall be discounted. All election ballots shall be retained in the records of the Condominium, appropriately segregated by election.

(C) Subject to the terms of paragraph (D) of this Section 4.9, all elections of members of the Board shall be determined by plurality vote.

(D) Within thirty (30) days after the earlier of (i) five (5) years after the First Closing, or (ii) conveyance of title to Units representing ninety (90%) percent of the Residential Common Interest (the "Initial Control Period"), the Sponsor will call an annual meeting of the Unit Owners, at which time a new Board of Managers will be elected. During the Initial Control Period, Sponsor or its designees, as owner of Unsold Units, shall have the right to designate four (4) members to be elected (regardless of the number of votes Sponsors has the right to cast). Thereafter, Sponsor or its designee shall have the right to designate three (3) members for so long as the Common Interests attributable to any Unsold Units owned by Sponsor or its designee equals, in the aggregate, thirty-five (35%) percent or more of the Residential Common Interests; and Sponsor or its designee shall have the right to designate two (2) members for so long as the Common Interests attributable to any Unsold Units owned by Sponsor or its designee equals in the aggregate fifteen (15%) percent or more of the Residential Common Interests; and Sponsor or its designee shall have the right to designate one (1) member, for so long as Sponsor or its designee is the Owner of Unit with any Residential Common Interest attributable thereto. The owner of the Commercial Unit shall be entitled to designate one (1) member of the Board of Managers unless the Commercial Unit is owned by the Sponsor and the Sponsor is then entitled to designate a majority of the members of the Board of Managers, in which case Sponsor or its designee will not exercise its designation rights to designate a majority of the Board Members after the Initial Control Period has expired. Notwithstanding the foregoing, the owner of the Unsold Units and the owner of the Commercial Unit shall be entitled to vote all of the Common Interests attributable thereto in its sole discretion.

Section 4.10 Action Without a Meeting. Any action required or permitted to be taken by the Unit Owners at a duly constituted meeting may be taken without such a meeting if Unit Owners sufficient in number (both in absolute number and in aggregate Common Interests) to approve such an action at a duly constituted meeting of such Unit Owners pursuant to the Declaration or to these By-Laws, consent in writing to the adoption of a resolution approving such action. All written consents given by such Unit Owners pursuant to this Section 4.10 shall be retained in the records of the Condominium together with true copy of the resolutions to which they relate.

Section 4.11 Title to Units. Title to any Unit may be taken by any Person or by any two or more Persons as joint tenants, tenants in common, or tenants by the entirety, as may be appropriate, but not as owners in severalty.

Section 4.12 Contractual Liability of Unit Owners. Every contract made by the Board, by any officer of the Condominium, or by any superintendent or Managing Agent of the Building shall state (if obtainable and in addition to the limitation of liability of the members of the Board and the

officers of the Condominium pursuant to the terms of Section 2.20 and 3.10 hereof, respectively) that the liability of any Unit Owner with respect thereto shall be limited to: (i) such proportionate shares of the total liability thereunder as the Common Interest of such Unit Owner bears to the aggregate Common Interests of all Unit Owners and (ii) such Unit Owner's interest in his Unit and its Appurtenant Interests, unless otherwise provided by Law.

ARTICLE 5

OPERATION OF THE PROPERTY

Section 5.1 Maintenance and Repairs. (A) Except as otherwise provided in the Declaration or in these By-Laws, all painting, decorating, maintenance, repairs, and replacements, whether structural or non-structural, ordinary or extraordinary:

(i) in or to any Unit, other than the Commercial Unit, any Limited Residential Common Element related thereto and all portions thereof (including, but not limited to, the walls, ceilings and floors in the Unit, kitchen and bathroom fixtures and appliances, windows and their frames, sills and sashes, all doors (entrance and terrace, if any) and their frames and saddles, exposed plumbing, gas and heating fixtures, any Common Elements and any Residential Common Elements incorporated therein pursuant to paragraph (B) of Section 5.8 hereof, but excluding any other Common Elements contained therein) shall be performed by the owner of the Unit at his cost and expense;

(ii) in or to the Common Elements (other than any Common Elements incorporated into one or more Units pursuant to the terms of paragraph (B) of Section 5.8 hereof) shall be performed by the Board as a Common Expense;

(iii) in or to the Residential Common Elements shall be performed by the Board as an expense to the owners of the Residential Units; and

(iv) in or to the Commercial Unit and all portion thereof, any Limited Commercial Common Elements and any Common Elements incorporated therein pursuant to the terms of paragraph (B) of Section 5.8 hereof, but excluding any other Common Elements contained therein, shall be performed by the owner of the Commercial Unit, at that Commercial Unit Owner's sole cost and expense.

Promptly upon obtaining knowledge thereof, each Unit Owner shall use reasonable efforts to report promptly to the Board or to the Managing Agent any defect or need for repairs for which the Board is responsible pursuant to the terms hereof. All painting, decorating, maintenance, repairs and replacements performed hereunder or otherwise, whether by or at the behest of a Unit Owner or the Board, shall be performed in such a manner as shall not unreasonably disturb or interfere with any Unit Owners or the tenants and occupants of any Units.

(B) Notwithstanding anything to the contrary provided in paragraph (A) of this Section 5.1, however, the exterior glass surfaces of all windows of each Unit are to be washed and cleaned by the owner of such Unit at such Unit Owner's sole cost and expense. In addition, if any painting, decorating, maintenance, repairs, or replacements to the Property or any part thereof, whether structural or non-structural, ordinary or extraordinary, is necessitated by the negligence, misuse, or abuse of (i) any Unit Owner, the entire cost and expense thereof shall be borne by such Unit Owner, or (ii) the Board, the entire cost and expense thereof shall be borne (a) by all Unit Owners other than the Commercial Unit Owner as a Common Expense, if involving only a Unit other than the Commercial Unit, or (b) by all Unit Owners (including the Commercial Unit Owner) as a Common Expense, if involving the Common Elements of both Commercial Unit and the Residential Units or (c) by the Commercial Unit Owner alone if involving only the Commercial Unit, except, in all events, to the extent that such cost and expense is covered by the proceeds of any insurance maintained pursuant to the terms of these By-Laws. Similarly, each Unit Owner shall be responsible for any and all damage to any Unit or to the Common Elements resulting from such Unit Owner's failure to maintain, repair, or replace his Unit or any portion thereof as required herein.

(C) Each Unit and all portions of the Common Elements shall be kept in first-class condition, order and repair (and free of snow, ice, and accumulation of water and all drains kept clear and unclogged with respect to any roof terrace, roof, or other part of the Property exposed to the elements) by the Unit Owner or the Board, whichever is responsible for the maintenance thereof as set forth herein, and such Unit Owner or the Board shall promptly make or perform, or cause to be made or performed, all maintenance work (including, without limitation, painting, repairs and replacements) that is necessary in connection therewith. In addition, the public areas of the Building and those areas exposed to public view shall be kept in good appearance, in conformity with the dignity and character of the Building, by (i) the Board with respect to such parts of the Building required to be maintained by such Board, and (ii) each Unit Owner, with respect to such parts of the Building required to be maintained by such Unit Owner.

Section 5.2 Alterations, Additions, Improvements or Repairs in and to Units and the Limited Residential Common Elements. (A) Subject to the terms of paragraph (B) of this Section 5.2, no Residential Unit Owner shall make any structural alteration, addition, improvement or repair in or to its Unit or a Limited Residential Common Element without the prior written approval of the Board in each instance, which approval shall not be unreasonably withheld. No Unit Owner shall paint, decorate or enclose any portion thereof which is visible from the ground or street surrounding the Building without the prior written approval of the Board. In the event, however, that the Board shall fail to answer any written, reasonable detailed request for such approval within sixty (60) days after such request is received, such failure to respond shall constitute the Board's consent thereto. Prior to, and as a condition of, the granting of any such approval, the Board may, at its sole option, require the Residential Unit Owner to procure and agree to maintain during the course of such work such insurance as the Board may reasonably prescribe and to execute an agreement, in form and substance satisfactory to the Board, setting forth the terms and conditions under which such alteration, addition, improvement, or repair may be made,

including, without limitation, the indemnity referred to in paragraph (D) hereof and the days and hours during which any such work may be done.

(B) Notwithstanding anything to the contrary contained in paragraph (A) of this Section 5.2, however, Sponsor (or its designee) (as to Unsold Units) and the Commercial Unit Owner (as to the Commercial Unit) shall have the right pursuant (and subject) to the terms of Article 12 of the Declaration, without the approach of the Board to (i) make any alterations, additions, improvements, or repairs in or to any Unsold Units and the Commercial Unit respectively, whether structural or nonstructural, interior or exterior, ordinary or extraordinary, and (ii) subdivide, combine and change the boundary walls of the Unsold Units or the Commercial Unit.

(C) All alterations, additions, improvements and repairs by Unit Owners shall be made in compliance with Law. In connection therewith, the Board shall execute applications to any departments of the City of New York, or to any other governmental agencies having jurisdiction thereof, for any and all permits required in connection with the making of alterations, additions, improvements, or repairs in or to a Unit, provided that, with respect to all such work of a structural nature (other than of the nature described in paragraph (B) hereof), the same was approved by the Board if such approval is required pursuant to the terms of paragraph (A) hereof.

(D) Neither the Board nor any Unit Owner (other than the Unit Owner(s) making any alterations, improvements, additions, or repairs, or causing any of the same to be made, in or to his or their Units(s) or a Limited Common Element and appurtenant Common Elements) shall incur any liability, cost, or expense either (i) in connection with the preparation, execution, or submission of the applications referred to in paragraph (C) hereof; (ii) to any contractor, subcontractor, materialman, architect, or engineer on account of any alterations, improvements, additions, or repairs made or caused to be made by a Unit Owner; or (iii) to any Person asserting any claim for personal injury or property damage arising therefrom. Any Unit Owner(s) including the Sponsor (or its designee) making any alterations, improvements, additions, or repairs, or causing any of the same to be made, in or to his or their Unit(s) and shall agree (in a writing executed and delivered to the Board, if the Board shall so request), and shall be deemed to agree (in the absence of such writing), to indemnify and hold the Board, the members of the Board, the officers of the Condominium, the Managing Agent and all other Unit Owners harmless from and against any such liability, cost and expense.

Section 5.3 Alterations, Additions, or Improvements to the Common Elements and the Residential Common Elements. Except as otherwise provided in the Declaration or in these By-Laws, all necessary or desirable alterations, additions, or improvements in or to any of the Common Elements shall be made by the Board, and the cost and expense thereof shall constitute a Common Expense to all Unit Owners. Except as otherwise provided in the Declaration or in these By-Laws, all necessary or desirable alterations, additions, or improvements in or to any of the Residential Common Elements shall be made by the Board, and the cost and expense thereof shall constitute a Common Expense to the Residential Unit Owners. Notwithstanding the foregoing, however, whenever the cost and expense of any such alterations, additions or improvements would, in the

judgement of the Board, exceed \$50,000 in the aggregate in any calendar year, such proposed alterations, additions, or improvements shall not be made unless first approved by a Majority of all Unit Owners (if involving the Common Elements) at a duly constituted meeting of the Unit Owners and by the Mortgage Representatives, if any, or approved by a Majority of all Residential Unit Owners (if involving the Residential Common Elements) at a duly constituted meeting of the Residential Unit Owners and by the Mortgage Representatives, if any. Except as otherwise provided in the Declaration and in these By-Laws, all such alterations, additions, or improvements costing \$50,000 or less in the aggregate in any calendar year may be made as aforesaid without the approval of either the Unit Owners or any Mortgage Representatives, and the cost thereof shall constitute a Common Expense to be paid by all Unit Owners, as with regard to the Common Elements and the cost thereof shall constitute a Common Expense to the Residential Unit Owners as to the Residential Common Elements. Notwithstanding anything herein to the contrary, any alterations, additions or improvements (regardless of the cost thereof) that will necessitate an increase in the Common Charges or require the imposition of a special assessment greater than five (5%) percent of the previous year's Common Charges shall not be undertaken unless approved by a Majority of all Unit Owners (in number and in Common Interest) in accordance with Section 2.5 (A) of these By-Laws.

Section 5.4 Insurance. (A) If the same shall be obtainable, the Board shall obtain, and shall maintain in full force and effect, fire insurance policies with all risk extended coverage, vandalism and malicious mischief endorsements, insuring the Building (including all Unit and the bathroom and kitchen fixtures installed therein on the date of recoding the Declaration and all service machinery contained therein, but not including appliances or any furniture, furnishings, decorations, belongings, or other personal property supplied or installed by Unit Owners or the tenants of Unit Owners) and covering the interests of the Condominium, the Board, all of the Unit Owners and all Permitted Mortgagees, as their interests may appear. Each of the said policies shall contain, if available:

(i) waivers of (a) subrogation, (b) any defense based upon co-insurance or other insurance, (c) invalidity arising out of any acts of the insured and (d) pro-rata reduction of liability;

(ii) a provision that any adjustment of loss will be made by the Board and that all proceeds thereof shall be paid either the Board or the Insurance Trustee, as provided in Section 5.5 hereof;

(iii) a New York standard mortgagee clause in favor of each Permitted Mortgagee, which shall provide that the proceeds thereof shall be paid to such Permitted Mortgagee as its interest may appear, subject, however, to the loss payment provisions in favor of the Board and the Insurance Trustee set forth in subparagraph (ii) above and in Section 5.5 hereof; and

(iv) a provision that such policy may not be either canceled or substantially modified except upon at least ten (10) days' prior written notice to all of the insureds, including all Permitted Mortgagees.

Duplicate originals or certificates of all such policies and of all renewals thereof, together with proof of payment of premiums, shall be sent to those Unit Owners and Permitted Mortgagees who request same. Renewals of such policies shall be obtained at least ten (10) days prior to the expiration of the then current term.

(B) The Board shall also obtain and maintain, to the extent practicable:

(i) commercial general liability insurance, including, in the discretion of the Board, umbrella liability, covering all claims for personal injury or property damage arising out of any occurrence on the Property and listings as co-insureds (a) the Board and each member thereof, (b) the Managing Agent or manager (if any), (c) each officer and employee of the Condominium and (d) each Unit Owner (except, however, that such insurance shall not cover any liability of a Unit Owner arising from occurrences within his own Unit);

(ii) workmen's compensation and New York State disability benefits insurance;

(iii) boiler and machinery insurance;

(iv) water damage legal liability insurance;

(v) elevator liability and collision insurance; and

(vi) such other insurance as the Board shall from time to time determine.

Each of the aforementioned policies of insurance to be maintained by the Board shall contain such limits as the Board shall from time to time determine, provided, however, that:

(C) All policies of insurance to be maintained by the Board shall contain such limits as the Board shall from time to time determine, provided, however, that:

(i) with respect to insurance policies maintained by the Board pursuant to paragraph (A) hereof, the coverage shall be not less than an amount which is sufficient for the insurance company providing the insurance company to waive any co-insurance requirement or is based on an "agreed amount replacement cost" (or comparable term) and, until the first regular meeting of the first Condominium Board elected by the Unit Owners, such coverage shall be at least in the amount of \$10,000,000; and

(ii) with respect to insurance policies maintained by the Board pursuant to subparagraph (i) of paragraph (B) hereof, such policies shall contain single limits of not less than \$2,000,000 in the aggregate until the first regular meeting of the first seven (7) member Condominium Board elected by the Unit Owners.

Any insurance policies maintained by the Board may also provide for such deductible amounts as the Board shall determine. The Board shall review the limits of each insurance policy, as well as the amount of any deductible sum thereunder, at least once each year.

(D) The cost of all insurance maintained by the Board pursuant to this Section 5.4, together with the fees and disbursements of any Insurance Trustee appointed by the Board pursuant to the terms of these By-Laws, shall be borne by the Unit Owners as a common Expense.

(E) Unit Owners shall not be prohibited from carrying other insurance for their own benefit, provided that all such policies shall contain waivers of subrogation and further provided that the liability of the carriers issuing the insurance maintained by the Board shall not be affected or diminished by reason of any such additional insurance carried by an Unit Owner.

Section 5.5 Casualty or Condemnation. (A) In the event that either (i) the Building or any part thereof is damaged or destroyed by fire or other casualty (hereinafter referred to as a "Casualty Loss") or (ii) the Common Elements or any part thereof is taken in condemnation or by eminent domain (hereinafter referred to as a "Taking"), the net insurance proceeds payable under the insurance policies maintained by the Board pursuant to the terms of Section 5.4 hereof by reason of such Casualty Loss or the net condemnation awards receivable by reason of such Taking, as the case may be, shall be payable either to the Board, if the same shall be \$100,000 or less in the aggregate, or to the Insurance Trustee, if one is appointed, if the same shall exceed \$100,000 in the aggregate. In either instance, all such monies actually received (hereinafter referred to as the "Funds") shall be held in trust for the benefit of all Unit Owners and their Permitted Mortgagees and shall be disbursed pursuant to the terms of this Section 5.5. Notwithstanding anything to the contrary contained either in this paragraph (A) or elsewhere in this Section 5.5, however, no Unit Owner whose Unit, or any portion thereof are taken in condemnation or by eminent domain (whether or not all or a part of the Common Elements are contemporaneously taken) shall be deemed to have waived whatever rights that he may have to pursue a separate claim against the condemning authority by reason thereof, provided that the award to other Unit Owners or Condominium Board, or any other Unit Owner is not reduced thereby.

(B) Subject to the terms of paragraph (D) hereof, the Board (as to all parts of the Property other than the Commercial Unit) and the Commercial Unit Owner (as to the Commercial Unit and Commercial Limited Common Elements, if any) shall arrange for the prompt repair or restoration (hereinafter referred to as the "Work") of: (i) in the event of a Casualty Loss, the portion(s) of the Building (including all Units and the bathroom and kitchen fixtures initially installed therein on or about the date of recording the Declaration and all service machinery contained therein, but not including appliances or any furniture, furnishings, decorations, belongings, or other personal property supplied or installed by a Unit Owner or the tenant of a Unit Owner) affected by such Casualty Loss or pursuant to the immediately preceding sentence, Work is to be performed in or to Units, Common Elements that service or enclose Units and other Common Elements or any combination of the foregoing, the Work shall be performed, to the extent practicable, first in or to the Units, next in or to the Common Elements that service or enclose Units

and then in or to the balance of the Common Elements. In addition, each Unit Owner whose Unit, or any portion thereof shall be the subject of all or part of any Work shall have the right, subject to the terms of Section 5.2 hereof, to supervise any redecorating of his Unit.

(C) In the event that Work shall be performed pursuant to the terms of paragraphs (B) and (D) of this Section 5.5, the Board or the Insurance Trustee or the Commercial Unit Owners as the case may be, shall disburse the Trust Funds to the contractors engaged in the Work in appropriate progress payments. If the Trust Funds shall be less than sufficient for the Board to discharge the cost and expense of performing the Work, the Board shall levy a Special Assessment as a Common Expense against all Unit Owners for the amount of such deficiency in proportion to their respective Common Interest (if involving the Common Elements or both the Units or the Commercial Units) or shall levy a Special Assessment against the Commercial Unit Owners alone (if involving only the Commercial Units and the Commercial Unit Owners shall fail to repair and restore same), and all proceeds of such Special Assessment shall become part of the Trust Funds. If, conversely, the Trust Funds shall prove to be more than sufficient to discharge the cost and expense of performing the Work, such excess shall be paid to all Unit Owner in proportion to their respective Common Interests, except that no payment shall be made to a Unit Owner until there has first been paid, out of such Unit Owner's share of excess, such amount as may be necessary to reduce unpaid liens on the Unit Owner's Unit (other than mortgages that are not Permitted Montages) in the order of priority of such liens. Notwithstanding the foregoing, however, in the event that the Unit Owners are assessed pursuant to the terms of the second sentence of this paragraph (C) for any projected deficiency in the amount of the Trust Funds available to the Board and, after the payment of all costs and expenses incurred in connection with the Work, any portion of the Trust Funds remains unspent, such excess Trust Funds shall, to the extent of such Special Assessment, be deemed to be, and shall constitute, an unspent Special Assessment and shall be paid to the Unit Owners so assessed in proportion to their respective Common Interests, free of any claim of any lienor (including, without limitation, any Permitted Mortgagee).

(D) If either seventy-five (75%) percent or more of the Building is destroyed or substantially damaged by fire or other casualty or seventy-five (75%) percent or more of the Common Elements are taken in a Taking, the Work shall not be performed unless seventy-five (75%) percent or more of all Unit Owners including Sponsor or its designee (if Sponsor or such designee shall then own any Units), both in number and in aggregate Common Interests, shall promptly resolve to proceed with the same. In the event that a sufficient number of Unit Owners shall so resolve, the Work shall be performed pursuant to the terms of paragraphs (B) and (C) hereof. Conversely, in the event that a sufficient number of Unit Owners shall either fail or refuse to so resolve, the Work shall not be performed and the Property shall be subject to an action for partition by any Unit Owner or lienor, as if owned in common, in which event the net proceeds of the resulting sale, together with any Trust Funds, shall be paid to all Unit Owners in proportion to their respective Common Interests, except that no payment shall be made to a Unit Owner until there first has been paid, out of such Unit Owner's share of such funds, such amounts as may be necessary to reduce unpaid liens on the Unit Owner's Unit (other than mortgages that are not Permitted Mortgages) in the order of priority of such liens.

(E) In the event that the damage resulting from Casualty Loss shall (i) render one or more Units wholly or partially unusable for the purposes permitted herein and in the Declaration or (ii) destroy the means of access to one or more Units, the installments of Common Charges otherwise payable by the owner of any Unit so affected thereby shall proportionately abate until such Unit shall again be rendered useable for such purposes and/or until the means of access thereto shall be restored, as the case may be. Notwithstanding the foregoing, however, if such Casualty Loss shall be caused by the act, the omission to act, or the negligence of the owner of a Unit so affected thereby, by a Family Member of such Unit Owner, or by a tenant or licensees, invitees and/or workmen or other occupant of such Unit, such installments of Common Charges shall abate only to the extent of any proceeds of rent insurance actually collected by the Board with the respect to such Unit.

(F) If (i) a portion of any Unit shall be taken in condemnation or by eminent domain and (ii) the Condominium shall not be terminated by reason of a simultaneous Taking pursuant to the terms of paragraph (D) hereof, the Common Interest appurtenant to such Unit shall be adjusted in the proportion that the total floor area of such Unit prior to such taking bears to the total floor area of such Unit after the taking. The Board shall promptly prepare and record an amendment to the Declaration reflecting the new Common Interest appurtenant to such Unit, which amendment shall be executed by the owner of such Unit together with the holders of record of any liens thereon (or, in lieu of execution by such Unit Owner and lienors, the same may execute a consent to such amendment in recordable form). Following the taking of a portion of a Unit and the recording of the aforementioned amendment to the Declaration or said consent to such amendment, the votes appurtenant to such Unit shall be based upon the new Common Interest of such Unit, and, in the event of taking an entire Unit, the right to vote appurtenant to such Unit shall wholly terminate. In either event, the Common Interests of the other or remaining Units shall be adjusted accordingly and reflected in an amendment to the Declaration duly executed and acknowledged by the Board and the owners of, together with the holders of record of all liens upon, all of the other remaining Units, or a consent to such amendment in recordable form.

(G) As used in this Section 5.5, the terms:

(i) "prompt repair or restoration" shall mean that the work is to be commenced not more than either: (a) sixty (60) days after the date upon which the Insurance Trustee, if any, notifies the Board and the Unit Owners that it has received Trust Funds sufficient to discharge the estimated cost and expense of the Work, or (b) ninety (90) days after the date upon which the Insurance Trustee, if any, notifies the Board and the Unit Owners that it has received Trust Funds insufficient to discharge the estimated cost and expense of the Work, or (c) in the event that the Trust Funds are payable to the Board pursuant to the terms of paragraph (A) of this Section 5.5, sixty (60) days after the date upon which the Board notifies the Unit Owners that it has received the Trust Funds, whether or not the same are sufficient to discharge the cost and expense of the Work; and

(ii) “promptly resolve” shall mean that a resolution shall be duly made not more than sixty (60) days after the date upon which the Board or the Insurance Trustee, as the case may be, notifies the Unit Owners that it has received the Trust Funds and that the same are or are not sufficient to discharge the estimated cost and expense of the Work, as the case may be.

(H) Any dispute that may arise under this Section 5.5 between Unit Owners or between any Unit Owners(s) and the Board shall be resolved by arbitration pursuant to the terms of Article 10 hereof.

Section 5.6 Use of The Property. (A) No nuisance shall be allowed on the Property, nor shall any use or practice be allowed in any Residential Unit that either is a source of annoyance to its residents or interferes with the peaceful possession or proper use of the Property by its residents or occupants. The Unsold Units and the Commercial Unit may be used for any purpose permitted by Law provided that no illegal, noxious, immoral, improper, offensive, or unlawful use shall be made of any portion thereof. Neither the Unsold Units nor the Commercial Unit nor any portion thereof may be used as an adult entertainment establishment as defined in the New York City Zoning Resolution or for use as a discotheque or dance club. All valid Laws, zoning, ordinances, restrictive declarations and regulations of all governmental bodies with jurisdiction, relating to any portion of the Property shall be complied with at the full cost and expense of the respective Unit owners or the Board, whoever shall have the obligation to maintain or repair such part of the Property.

(B) Nothing shall be done or kept in any unit or in any of Common Elements that would increase the rate of insurance for the Property, except upon the prior written consent of the Board. The foregoing shall not apply to the Commercial Unit, provided, however, the owner of the Commercial Unit pays for any such increase in insurance rates. No Unit Owner shall permit anything to be done or kept in a Unit or in the Common Elements that will result in the cancellation of insurance on the Property or the contents thereof, or that would be in violation of any Law. No waste shall be committed in the Common Elements.

(C) Nothing shall be done in any Unit or in, or to the Common Elements that will impair the structural integrity of the Property or that will structurally change the Building, except as is otherwise provided in the Declaration or in these By-Laws. In no event shall interior partitions contributing to the support of any Unit or the Common Elements be altered or removed.

Section 5.7 Use of the Units. (A) In order to provide for congenial occupancy of the Property and for the protection of the values of the Units, the use of Units shall be restricted to, and shall be in accordance with, the terms contained in the balance of this Section 5.7. The Residential Units may be used only for joint-living work quarters for artists, except that qualifying Residential Unit Owner may use a Residential Unit for any home occupation use permitted under applicable zoning law and ordinances, building code or other rules and regulations of governmental authorities having jurisdiction.

(B) Subject to the terms of paragraph (D) and (E) of this Section 5.7, the Board may, in its sole discretion, consent to the use of a Unit for any purpose, provided that the nature and manner of such use complies with Law and does not violate the then existing certificate of occupancy covering such Unit or the Rules and Regulations of the Condominium. Any such consent shall be in writing and shall be personal to such Unit Owner. Any lessee of, or successor in title to, such Residential Unit owner shall be required to obtain the prior written consent of the Board before using such Unit for any purpose other than that set forth in the first sentence of this paragraph (B).

(C) A Unit owned or leased by an individual, corporation, partnership, limited liability company, fiduciary, sovereign government, consulate or any other entity may be occupied only by said individual, or by an officer, director, stockholder, or employee of such corporation, or by a partner or employee of such partnership, or by a member of such limited liability company, or by said fiduciary (including directors, officers, stockholders, or employees of corporate fiduciaries and partners or employees of partnership fiduciaries), or by the beneficiary of said fiduciary, or by a principal or individual designee of such sovereign government, consulate or other entity, respectively, or by Family Members or guests of any of the foregoing or a tenant named in a lease of the Unit entered into in accordance with Article 7 of the By-Laws or, in the case of an individual Unit Owner only, one additional occupant who is not a Family Member and his dependent children (however, nothing contained in this sentence shall be deemed to prohibit the exclusive occupancy of any Unit by such Family Members or guests). Additionally, in no event shall a portion of a Unit (as opposed to the entire Unit) be sold, conveyed, leased, or subleased, and no transient occupant (other than a guest permitted under this paragraph (C)) may be accommodated therein.

The foregoing restrictions in subparagraphs (B) and (C) (except as to lawful uses) shall not apply to the Commercial Units or any Unsold Unit owned by Sponsor or its designee.

(D) Notwithstanding anything to the contrary contained in this Section 5.7, Sponsor may, without the consent of either the Board or the Unit Owners, use any one or more Unsold Units as model units and offices for the sale, promotion, rental, management and operation of the Unsold Units or for any other purpose, subject only to compliance with Law.

(E) The Commercial Unit may be used for any purpose permitted by Law and any existing certificate of occupancy, provided such use is not an adult entertainment use as defined in the New York City Zoning Resolution or as a discotheque or dance club, or is not illegal, noxious or immoral.

Section 5.8 Use of the Common Elements and Residential Limited Common Elements. (A) Subject to the terms of paragraph (B) of this Section 5.8, the Common Elements (including, without limitation, the electrical, heating, cooling, venting, gas, plumbing and other mechanical systems and equipment of the Building and the Facilities) and Limited Common Elements may be used only for the furnishing of the services and facilities, and for the other uses, for which they are reasonably suited and capable. In addition, no furniture, packages, or objects of any kind shall be

placed in the lobbies, vestibules, public halls, stairways, public elevators, or any other part of the Common Areas (except for those areas designated as storage areas) without the prior written consent of the Board. The lobbies, vestibules, public halls, stairways and public elevators shall be used only for normal passage through them. Accordingly, all Residential Unit Owners shall require their tradesmen to utilize exclusively the elevator and entrance in the manner designated by the Board for transporting packages, merchandise, or other objects.

(B) The terms of paragraph (A) of this Section 5.8 shall not apply to Sponsor or its designee for so long as there are any Unsold Units. Sponsor or its designee shall have the right, without charge or limitation, to: (i) have its employees, contractors, subcontractors and sales agents present on the Property; and (ii) do all things necessary or appropriate, including the use of the Common Elements and Limited Common Elements, to sell, lease, manage, or operate Unsold Units, to complete any work or repairs to the Building expressly undertaken by Sponsor and to comply with Sponsor's obligations under the Plan and the Condominium Documents. In no event, however, shall Sponsor or such designee be entitled to use any Common Elements or Limited Common Elements in such a manner as will unreasonably interfere with the use of any Unit for its permitted purposes.

Section 5.9 Rights of Access. (A) Subject to the rights of existing tenants and other occupants of Unsold Units, each Unit Owner shall grant to the Board, to the Managing Agent or manager (if any), to the superintendent and/or to any other Person authorized by any of the foregoing a right of access to his Unit for the purpose of:

(i) making inspections of, or removing violations noted or issued by any governmental authority against, the Common Elements or Limited Common Elements, or any other part of the Property;

(ii) curing defaults hereunder or under the Declaration or violations of the Rules and Regulations committed by such Unit Owner or correcting any conditions originating in his Unit and threatening another Unit or all or a portion of the Common Elements or Limited Common Elements;

(iii) performing maintenance, installations, alterations, repairs, or replacements to the mechanical or electrical services, or other portions of the Common Elements or Limited Common Elements within his Unit or elsewhere in the Building;

(iv) reading, maintaining, or replacing utility meters relating to the Common Elements or Limited Common Elements to his Unit, or to any other Unit; or

(v) correcting any condition that violated the provisions of any Permitted Mortgage encumbering another Unit.

Except in cases of any emergency (that is, a condition requiring repairs or replacements immediately necessary for the preservation or safety of the Building or for the safety of the occupants of the Building or other individuals, or required to avoid the suspension of any necessary service in the Building), the foregoing rights of access shall be exercised only upon not less than one day's advance notice and only in such a manner as will not unreasonably interfere with the business of any tenants or occupants of the Units or the use or operation of the Units for their permitted purposes. In cases of emergency, however, such rights of access may be exercised immediately, without advance notice and whether or not the Unit Owner is present.

Section 5.10 Modification of the Rules and Regulations. The Board shall have the right to amend, modify, add to, or delete any of the Rules and Regulations from time to time, provided, however, that any such amendment, modification, addition, or deletion may be overruled by a vote of a Majority of Unit Owners. Copies of the text of any amendments, modifications, additions, or deletions to the Rules and Regulation shall be furnished to all Unit Owners to whom same relate not less than thirty (30) days prior to the effective date thereof.

Section 5.11 Water Charges and Sewer Rents. (A) Water for the Building shall be supplied by the City of New York and consumption thereof shall be measured by one meter for the Building. Meter charges to the Commercial Unit shall be paid by the Commercial Unit Owner, and meter charges to the Residential Units shall be paid by the Residential Unit Owners in proportion to their respective interest in the Common Elements allocated to the Units.

(B) Each Unit Owner shall be deemed to have appointed the Board to act as his agent in connection with tax certiorari proceedings, and the Commercial Unit Owners may at their option so appoint the Board.

Section 5.12 Electricity and Gas. (A) Electric service in all Units is individually metered. Accordingly, all charges for electricity consumed or used in each Unit shall be paid by each Unit Owner directly to Con Edison as and when billed. Gas service provided to each Unit is measured by a single meter located in the Building's cellar. All gas charges shall be paid by the Board as a Common Charge billed to the Residential Unit Owners as a Common Charge in proportion to their respective Common Interests.

Section 5.13 Utilities Serving the Common Elements. The cost and expense of water, electricity and gas serving or benefitting any Common Element shall be (i) considered part of the expense of maintaining such Common Element, (ii) determined by the Board and (iii) charged as a Common Expense to all Unit Owners only in the proportion that each Unit's Common Interest bears to the aggregate Common Interest of all Units.

Section 5.14 Vault Charges. All license fees, and all periodic taxes and charges, for vaults or other protrusions beyond the Building line shall be paid by the Board as a Common Expense.

Section 5.15 Records and Audits. (A) The Treasurer of the Condominium, or the Managing Agent under the supervision of such Treasurer, shall keep full, detailed and accurate records and books of account with respect to the financial affairs of the Condominium, which records and books of account shall include, without limitation, (i) a listing of all receipt of and expenditures by the Board and the Managing Agent and (ii) a separate listing for each Unit, setting forth, among other things, the amount of each assessment of Common Charges, real estate taxes, if applicable, and, as the case may be, Special Assessments levied against such Unit, the date when due, the amounts paid thereon and the date thereof and the balance, if any, remaining unpaid.

(B) Within five (5) months after the end of each fiscal year of the Condominium, the Board shall submit to each Unit Owner, and, if so requested, to any Permitted Mortgagee, an annual report of the receipts and expenditures of the Condominium prepared and certified by an independent certified public accountant. The cost of preparing and distributing each such report shall be borne by the Board as a Common Expense to all Unit Owners.

ARTICLE 6

COMMON CHARGES; RESERVE FUND AND WORKING CAPITAL

Section 6.1 Determination of Common Expenses and Fixing of Common Charges.

(A) From time to time, but not less frequently than once a year, the Board shall: (i) prepare and adopt a budget for the Condominium, subject, in all respects, to the limitations set forth in these By-Laws; (ii) determine the aggregate amount of Common Charges necessary to be charged to all Unit Owners in order to meet the Common Expenses relative to the Common Elements and the Limited Common Elements, including the annual amount to be paid by the Commercial Units Owner. Common Expenses may also include such amounts as the Board may deem necessary and proper for a general operating reserve or for a reserve for working capital or for replacements with respect to the Common Elements; (iii) allocate and assess such Common Charges to be paid pro rata by the Unit Owners in accordance with their respective Common Interest and (iv) determine and assess the allocable shares of expenses for water, heating, gas and electricity payable by the Commercial Unit Owners (except as otherwise provided in the Declaration or in these By-Laws).

(B) (1) The annual amount to be paid by the Commercial Unit Owner in connection with shared expenses shall include all of the categories of expense set forth in "Schedule B - Projected Budget for First Year of Condominium Operation" in the Plan, or any different expenses which at some time in the future are established in lieu of the foregoing expenses. The allocable share of the foregoing categories of expenses paid by the Owner of the Commercial Unit shall be based upon the Common Interests of the Commercial Unit.

(2) If at any time after the first year of Condominium operation, either the Commercial Unit Owner or the Board shall dispute the foregoing basis for allocating the Common Charges payable by the Commercial Unit Owner, the parties shall select a licensed engineer, real estate broker or management firm with expertise in surveys or allocations pertinent to the Common

Expense in controversy to make such determination. If the Commercial Unit Owner and the Board are unable to agree on an expert or disagree with the expert's determination, the matter shall be submitted to arbitration in accordance with the provisions of Article 10.

(3) If the Commercial Unit is subdivided and such subdivision results in an increase in shared expenses attributable to the Commercial Unit or the use is changed so as to increase the extent to which the Commercial Unit uses any Common Elements or services which are paid for as Common Expenses, then, the Commercial Unit Owner shall pay any increase in share expenses resulting from such subdivision or change in use. Additionally, if insurance premiums are increased as a result of the use or a change in the use of the Commercial Unit or any portion thereof, then the Commercial Unit Owner responsible for such increase shall pay any increase in such premium attributable to such use or change in use of the Commercial Unit.

(4) If in the future, any categories of Common Expense other than those provided for at the date of recording of the Declaration are assessed by the Board as Common Charges, then the Commercial Units Owner will pay its allocable share of the expense fairly attributable to the Commercial Unit (based on its Common Interest). However, if the Commercial Unit Owner uses or incurs a disproportionate portion of the expense relative to its Common Interest (whether too low or too high), then the Commercial Unit Owner shall be required to pay its fair share of such expense as determined by a licensed engineer, real estate manager or management firm selected by the Commercial Unit Owner and the Board or in the event the Commercial Unit Owner and the Board cannot agree upon a real estate manager or management firm, as determined by arbitration in accordance with the provisions of Article 10.

(C) The Board may, in its sole discretion, from time to time increase or decrease the amount of Common Charges allocated to the Units and payable by the Unit Owner and may modify its prior determination of the Common Expenses for any fiscal year so as to increase or decrease the amount of Common Charges payable for such fiscal year or portion thereof. In the event of a change in the amount payable as Common Charges for each individual Unit Owner, the Board shall advise all such Unit Owner in writing promptly after same are determined of the amount of Common Charges payable by each of them. The Board shall, not later than ten (10) days next preceding the date upon which the first installment of newly determined Common Charges is due, furnish copies of the budget (in a reasonable itemized form) upon which such Common Charges are based to all Unit Owners and to their respective Permitted Mortgagees. Notwithstanding the above, no such revised determination of Common Expenses shall have a retroactive effect on the amount of Common Charges payable by Unit Owners for any period prior to the date of such new determination nor shall the Board reduce the Common Charges payable by the Unit Owners during any year occurring within the Initial Control Period solely as a result of a reduction in the number of employees of the Condominium below the number employed for the Property on the date of recording the Declaration, or eliminating or reducing any service or reducing the insurance coverage below that provided for the Property on such date, except with the concurrence of a majority of those members of the Board elected by Unit Owners other than Sponsor or its designee.

(D) The failure or delay of the Board to prepare or adopt a budget or to determine the Common Expenses for any fiscal year or portion thereof shall not be deemed a waiver or modification in any respect of the covenants and provisions hereof or a release of any Unit Owner from the obligation to pay Common Charges. In such event, the Common Charges that were computed on the basis of the Common Expenses last determined for any fiscal year or portion thereof shall continue thereafter to be the Common Charges payable by the Unit Owners until a new determination of the Common Expenses shall be made.

(E) (1) In addition to the foregoing duty to determine the amount of and assess Common Charges, the Board shall have the right, subject, in all respects, to the limitations contained in Section 2.5 hereof, to levy Special Assessments to meet the Common Expenses. All Special Assessments shall be levied against all Unit Owner (if involving the Common Elements only), the Unit Owners other than the Commercial Unit Owner only (if involving the Commercial Unit only), in proportion to their respective Common Interests. Until such time as each Unit has a separate tax lot for purposes of real estate taxes, the Board shall collect such taxes (as the case may be) in the form of a Special Assessment or additional Common Charges for forwarding same to the appropriate taxing authority on behalf of Unit Owners (subject to Section 5.11).

(2) Special Assessments may be payable either in one lump sum or in installments, as the Board shall determine, provided, however that the Board shall give each Unit Owner not less than fifteen (15) days' written notice prior to the date upon which such Special Assessment, or the first installment thereof, shall be due and payable, which notice shall set forth, in reasonable detail, the nature and purpose thereof. The Board shall have all rights and remedies for the collection of Special Assessments as are provided herein for the collection of Common Charges (including, without limitation, the provisions of Section 6.4 hereof).

(F) The excess of all rents, profits and revenues derived from the rental or use of any space forming a part of, or included in, any Common Element remaining after deduction of all expenses incurred in connection with generating the same shall constitute income of the Unit Owners and shall be collected on behalf of the Unit Owners by the Board and applied against the Common Expenses respectively, for the year in which the collected. In the event that such net rents, profits and revenues, together with the Common Charges and any Special Assessments collected from the Unit Owners (other than any Common Charges or Special Assessments segregated from other funds of the Condominium and earmarked for reserves to make capital repairs, replacements, improvements and/or additions to the Common Elements as provided in Section 6.5 hereof), for any year of operation shall exceed the Common Expenses for such year, then such excess shall be applied by the Board against the Common Expenses for the next succeeding year(s) of operation, and no Unit Owner shall be entitled to a distribution of any portion of such excess unless the Board shall determine to distribute all or part of such excess to all Unit Owners pro rata, in proportion to their respective Common Interests. Notwithstanding any provisions contained in these By-Laws or in the Declaration to the contrary, however, in no event shall any rent, profit, or revenue, derived from the rental or use of any space in the Building be deemed to be derived from the rental or use of any floors slabs, ceilings, or walls delineating or

enclosing such space or the incidental use of any portion of any Common Elements appurtenant to such space.

Section 6.2 Payment of Common Charges. (A) All Unit Owners (including Sponsor or its designee with respect to Unsold Units, for so long as the same are owned thereby), shall be obligated to pay Common Charges and Special Assessments assessed by the Board pursuant to the terms of Section 6.1 hereof at such time or times (but not less than annually) as the Board shall determine. Unless otherwise determined by the Board, Common Charges shall be payable in equal installments on the first day of every month in advance. To the extent permitted by Law, the Board shall have a lien on each Unit, on behalf of all Unit Owners, for unpaid Common Charges and Special Assessments assessed against such Unit. Such lien, however, shall be subordinate to any liens for unpaid real estate taxes assessed against such Unit (to the extent required by law) and to any lien of a prior recorded Permitted First Mortgage pursuant to the following subparagraph (B).

(B) No Unit Owner shall be liable for the payment of any part of the Common Charges and any Special Assessments assessed against its Unit subsequent to a sale, transfer, or other conveyance by him of such Unit, together with its Appurtenant Interests, made in compliance with the terms of Article 7 hereof. A purchaser or other successor-in-title to the owner of a Unit shall be liable for the payment of all Common Charges and any Special Assessments accrued and unpaid against such Unit prior to its acquisition thereof, except that, a Permitted First Mortgagee acquiring title to a mortgaged Unit or a purchaser at a mortgage foreclosure sale held with respect to a Permitted First Mortgage shall not be liable, and such mortgaged Unit shall not be subject to a lien, for the payment of any Common Charges and Special Assessments assessed subsequent to the recording of such Permitted First Mortgage and prior to the acquisition of title to such Unit by Permitted First Mortgagee or by such purchaser. However, in the event of a foreclosure of a Permitted First Mortgage (whether by sale, deed in lieu of foreclosure, or otherwise), the defaulting Unit Owner shall remain fully liable for the payment of all unpaid Common Charges and Special Assessments that accrued prior to such foreclosure. Any unpaid Common Charges and Special Assessments that are not collected from such defaulting Unit Owner shall be deemed a Common Expense, collectible from all those who are Unit Owners at the time that the same is levied.

(C) Subject to the terms and conditions contained in these By-Laws, any Unit Owner (except Sponsor or Sponsor's designee) may convey his unit, together with its Appurtenant Interests, to the Board or to its designee, corporate or otherwise, on behalf of all Unit Owners, without being compensated therefor, and, in such event, be exempt from the payment of Common Charges and Special Assessments thereafter accruing, provided, however, that: (i) all Common Charges and any Special Assessments then due and payable with respect to such Unit have been paid; (ii) such Unit is free and clear of all liens and encumbrances other than a Permitted First Mortgage and the statutory lien for unpaid Common Charges and Special Assessments (provided no monies are then owing under such statutory lien); and (iii) no violation of any provision of the Condominium Documents then exists with respect to such Unit.

(D) No Unit Owner shall be exempted from liability for the payment of Common Charges or Special Assessments by waiving the use or enjoyment of any or all of the Common Elements or by abandoning his Unit (except with respect to a conveyance of the same to the Board, without compensation, pursuant to the terms of paragraph (C) hereof). Except as expressly provided to the contrary in paragraph (E) of Section 5.5 hereof, no Unit Owner shall be entitled to a diminution or abatement in the Common Charges or Special Assessments payable thereby for any inconvenience or discomfort arising from: (i) the failure or interruption of any utility or other services; (ii) the making of such repairs or improvements to the Common Elements, or any Unit (including, without limitation, such Unit Owner's Unit) pursuant to the terms of Section 5.1, 5.2, or 5.3 hereof; or (iii) any action taken by the Board or the officers of the Condominium to comply with Law.

Section 6.3 Statement of Common Charges. The Board shall promptly provide a written statement of all unpaid Common Charges due from any Unit Owner upon its receipt of a written request therefor from such Unit Owner. In addition, each Unit Owner shall be permitted to examine the books of account of the Condominium at reasonable times on business days, but not more frequently than once a month.

Section 6.4 Default in Payment of Common Charges. (A) The Board shall take prompt action to collect any Common Charges and any Special Assessments due to the Board that remain unpaid for more than thirty (30) days after the due date. In connection therewith, the Board shall have the right and obligation to cause liens for all sums due and owing to the Board to be filed in the Register's Office pursuant to the terms of Section 339-z of the Condominium Act, to cause such liens to be foreclosed in the manner provided in Section 339-aa of the Condominium Act and/or to institute all other proceedings deemed necessary or desirable by the Board to recover all such unpaid Common Charges, together with all additional sums of money collectible by the Board by reason of such nonpayment pursuant to the terms of paragraph (B) hereof. A suit to recover a money judgment for unpaid Common Charges, however, shall be maintainable without foreclosing or waiving the lien securing such charges.

(B) In the event that any Unit Owner shall fail to make payment within fifteen (15) days from the due date of Common Charges or Special Assessments, such Unit Owner shall be obligated to pay (1) a late charge of \$.04 for each dollar of such amounts remaining unpaid for more than fifteen (15) days from their due date (although nothing herein shall be deemed to extend the period within which such amounts are to be paid) and (2) interest thereon at the rate of 2% per month (but in no event in excess of the maximum rate permitted by law) on such unpaid amounts (less any late charges) computed from the due date thereof until paid in full, together with all costs and expenses paid or incurred by the Board, the Managing Agent, or the manager (if any) in connection with collecting such unpaid Common charges with said interest or late charge (as the case may be) and/or in foreclosing the aforementioned lien, including, without limitation, reasonable attorneys' fee, disbursements and court costs. In addition, if the Board shall bring an action to foreclose the aforementioned lien, the defaulting Unit Owner will be required to pay a reasonable rental for the use of his Unit, and the plaintiff in such foreclosure action shall be entitled to the appointment of a

receiver to collect the same. All such late charges, interest, costs and expenses and rentals shall be added to and shall constitute Common Charges payable by Unit Owner.

(C) In any action brought by the Board to foreclosure a lien on a Unit because of unpaid Common Charges or Special Assessments on the Unit, the Board shall have, on behalf of all Unit Owners, the power to purchase such Unit at the foreclosure sale thereof and to acquire, hold, lease, mortgage, convey, or otherwise deal with such Unit (but not to vote appurtenant to the same). In the event that the new proceeds received on such foreclosure (after deduction of all legal fees and disbursements, advertising costs, brokerage commissions, court costs and other costs and expenses paid or incurred in connection therewith) shall be insufficient to satisfy the defaulting Unit Owner's obligations to the Condominium, such Unit Owner shall remain liable for the deficit. Any surplus on such foreclosure sale shall be paid to the defaulting Unit Owner after first paying all liens on such Unit Owner's Unit in the order or priority of such liens.

(D) If the Common Charges due with respect to any Unit which is not occupied by its owner and is leased to third parties, including Unsold Units owned by the Sponsor, shall remain due and unpaid for more than sixty (60) days after the same became due and, after the expiration of all applicable grace periods, then the Board may demand that the tenants of such Units pay their rent directly to the Board. The Board's demand shall be in a writing delivered to both the tenant of the Unit and the non-occupying Owner and shall state the date as of which such direct rent payments to the Board shall commence and the address at which such payments shall be made. Such direct payment shall continue for so long as any arrears of Common Charges, late fees and Special Assessments affecting the Unit shall remain unpaid. If the non-occupying Unit Owner disputes the basis upon which the Board exercises its rights hereunder, such non-occupying Unit Owner may request an opportunity to present the facts pertaining to his claim at a special meeting of the Board, which shall be held within thirty (30) days after such Unit Owner delivers a written request for such a meeting.

Section 6.5 Reserve Fund; Working Capital Fund. (A) The Board may, in its sole discretion, but subject to the provisions of the Declaration, these By-Laws and the Rules and Regulations, from time to time assess Common Charges for the creation of, addition to or replacement of all or any part of any reserve, working capital or similar fund.

(B) In the case of any reserve fund, the Common Charges so assessed and allocated shall be used solely for the purchase or performance of goods or services for the repair, replacement or improvement of the capital plant of the Building and no portion of such funds shall be used for the payment of expenses associated with the day-to-day maintenance, repair or operation of the Building.

ARTICLE 7

SELLING AND LEASING OF UNITS

Section 7.1 General. Subject to the terms of Section 7.5 hereof, no Unit Owner may sell or lease its Unit other than the Sponsor as to Unsold Units and the Commercial Unit Owner except in compliance with the applicable provisions of this Article 7. Any purported sale or lease consummated in breach of this Article shall be voidable at the election of the Board, and, if the Board shall so elect, the breaching Unit Owner shall be deemed to have authorized and empowered the Board to institute legal proceedings to eject the purported purchaser (in the event of any unauthorized sale) or to evict the purported tenant (in the event of an authorized leasing) in the name of the said Unit Owner as the owner or landlord, as the case may be. The said Unit Owner shall reimburse the Board for all costs and expenses paid or incurred in connection with such proceedings, including, without limitation, reasonable attorneys' fees and disbursements and courts costs.

Section 7.2 Right of First Refusal. Subject to the terms of Section 7.5 and 7.9, any contract to sell a Unit together with its Appurtenant Interests and any lease of a Unit (hereinafter collectively referred to as a "Sale or Lease Agreement"), other than the Unsold Units and the Commercial Units, shall contain the following language: "THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER ARE HEREBY MADE EXPRESSLY SUBJECT TO THE RIGHT OF FIRST REFUSAL IN FAVOR OF THE CONDOMINIUM BOARD OF THE 88 WASHINGTON PLACE CONDOMINIUM WITH RESPECT TO THE TRANSACTION EMBODIED HEREIN, PURSUANT TO THE TERMS OF SECTION 7.2 AND 7.3 OF THE BY-LAWS OF THE 88 WASHINGTON PLACE CONDOMINIUM AS THE SAME MAY HAVE BEEN AMENDED". Promptly after any such Sale or Lease Agreement shall have been fully executed, the Unit Owner executing the same (hereinafter referred to as the "Offeree Unit Owner") shall send written notice thereof to the Board by certified or registered mail, return receipt requested, with a fully executed, original counterpart of the Sale or Lease Agreement, containing all of the terms offered in good faith by the prospective purchaser or tenant (hereinafter referred to as the "Outside Offeror").

(B) The sending of the notice referred to in paragraph (A) of this Section 7.2 shall constitute an offer by the Offeree Unit Owner to sell its Unit together with its Appurtenant Interests, or to lease its Unit, as the case may be, to the Board or to its designee, corporate or otherwise, on behalf of all Unit Owners, upon the same terms and conditions as are contained in such Sale or Lease Agreement, subject, however, to any variance therefrom provided in Section 7.3 hereof. The giving of such notice shall further constitute a representation and warranty by the Offeree Unit Owner to the Board, on behalf of all Unit Owners, that such Offeree Unit Owner believes the Sale or Lease Agreement to be bona fide in all respects. Thereafter, upon the written demand of the Board the Offeree Unit Owner shall submit to the Board, in writing, such further information with respect to the Outside Offeror and the Sale or Lease Agreement as the Board may reasonably request.