

(C) The Board may elect, by sending written notice thereof to the Offeree Unit Owner by certified or registered mail not later than thirty (30) business days after receipt of the notice referred to paragraph (A) hereof together with such further information as may have been requested pursuant to the terms of paragraph (B) hereof, to purchase such Unit together with its Appurtenant Interests (or to cause the same to be purchased by its designee, corporate or otherwise) on behalf of all Unit Owners upon the same terms and conditions as were contained in the Sale or Lease Agreement and stated in the response(s) by the Offeree Unit Owner to any requests for additional information pursuant to the terms of paragraph (B) hereof.

Section 7.3 Acceptance of Offer. (A) In the event that the Board shall elect, within the time and in the manner provided in Section 7.2 hereof, to purchase a Unit together with its Appurtenant interests, or to cause the same to be purchased by its designee, or to lease the Unit, title shall close or a lease shall be executed, in either event, in accordance with the terms of the Sale or Lease Agreement, at the office of the attorneys for the Condominium within ninety (90) days after the day upon which the Board shall give notice or its election to accept such offer.

(B) The purchase price and all costs and expenses incurred in connection therewith will be assessed to all Unit owner. If such Unit and its Appurtenant Interest are to be purchased by the Board or its designee on behalf of all Unit Owners, such purchase may be made from the funds deposited in the capital and/or expense, accounts of the Condominium. If the funds in such accounts are insufficient to effectuate such purchase, the Board may levy a Special Assessment against each Unit Owner (other than the Offeree Unit Owner), in accordance with the terms of paragraph (C) of Section 6.1 hereof and/or the Board may, in its discretion, finance the acquisition of such Unit; provided, however, that no such financing may be secured by an encumbrance on or a hypothecation of any portion of the Property other than the Unit to be purchased together with its Appurtenant Interest. In addition, if the Outside Offeror was to assume or to take title to the Unit subject to the Offeree Unit Owner's existing mortgage or mortgages, in the case of a sale, the Board may purchase the Unit and assume or take title thereto subject such mortgage or mortgages, as the case may be. At the closing of title, the Offeree Unit Owner shall convey the Unit, together with its Appurtenant Interest, to the Board or to its designee, on behalf of all Unit Owners, by deed in the form required by Section 339-o of the Condominium Act with all tax and/or documentary stamps affixed at the expense of the Offeree Unit Owner, who shall also pay all other transfer taxes arising out of such sale notwithstanding any terms of the Sale or Lease Agreement to the contrary. Real estate taxes (including water charges ad sewer charges, if separately assessed) mortgage interest (if applicable) and Common Charges shall be apportioned between the Offeree Unit Owner and the Board or its designee as of the closing date, notwithstanding any terms of the Sale or Lease Agreement to the contrary. Thereafter, such Unit shall be held, so long as the same is owned by the Board or its designee, on behalf of all Unit Owners, and all such Unit Owners shall be deemed to have waived all rights of partition with respect to such Unit and the entire Property, as herein provided.

(C) In the event that such Unit to be leased by the Board or its designee, the Offeree Unit Owner shall execute and deliver to the Board or such designee a lease covering such Unit by and between the Offeree Unit Owner, as landlord, and the Board or such designee, as tenant. Such lease shall be in the then current form of apartment lease recommended by the Real Estate Board of New York, Inc. or the Bar Association of the City of New York, shall contain all of the terms and conditions of the Sale or Lease Agreement not in conflict with any such form of lease, including without limitation, the rental and term provided for therein. Notwithstanding anything to the contrary set forth hereinabove or in the Sale or Lease Agreement, however, such lease shall expressly provide that the Board or such designee may enter into a sublease of the premises demised thereunder without consent of the landlord.

(D) Until such Unit is no longer owned by the Board, all costs and expenses of owning, maintaining, repairing, altering, improving, operating, leasing and managing same (including, but not limited to, purchase price, finance payments and charges, brokerage commissions and legal fees) shall be assessed solely to all remaining Unit Owners as a Common Expenses. In the event such Unit is used by the Board, the aforesaid costs plus rent and additional rent, if any, shall be assessed to all Unit Owners as a Common Expense. Likewise, all income, revenue and profit derived from such Unit shall be collected in behalf of all Unit Owners and used to defray the Common Charges.

(E) All Units acquired by the Board or its designee in connection with the enforcement of its lien unpaid Common Charges shall be held by the Board or its designee on behalf of all Unit Owners. The purchase price and all costs and expenses incurred in connection therewith shall be assessed to all Unit Owners as a Common Expense. Such Units shall not be subject to partition or occupancy by other Unit Owners and until no longer owned or lease by the Board, all costs and expenses shall be assessed to all Unit Owners as a Common Expense.

Section 7.4 Failure to Accept Offer. (A) If the Board fails to accept an offer made pursuant to the terms of Section 7.2 hereof with the times set forth in paragraph (C), the Offeree Unit Owner shall be free to consummate the transaction embodied in the Sale or Lease Agreement within ninety (90) days after (i) notice of refusal is sent or the Offeree Unit Owner by the Board or (ii) the expiration of the period within which the Board or its designee might have accepted such offer, as the case may be. If the Offeree Unit Owner shall fail to consummate the transaction embodied in the Sale or Lease Agreement within such ninety (90) day period, then, should the Offeree Unit Owner thereafter elect to sell such Unit together with its Appurtenant Interests or to lease such Unit, the Offeree Unit Owner shall be required again to comply with all of the terms and provisions of Sections 7.2, 7.3, and 7.4 hereof.

(B) Any deed of a Unit and its Appurtenant Interests to an Outside Offeror shall expressly provide that the acceptance thereof by the grantee constitutes an assumption of all of the terms of the Condominium Documents, and, in the absence of such express language, the same shall be conclusively deemed to have been included therein.

(C) Each lease of a Unit to an Outside Offeror shall be in the then current form of apartment lease recommended by the Real Estate Board of New York, Inc., subject to such modifications as may be approved in writing by the Board. Notwithstanding the foregoing, however, each such lease shall be consistent with the Condominium Documents and shall expressly provide, and be deemed to expressly provide, that:

(i) such lease may not be amended, modified, or extended without the prior written consent of the Board in each instance;

(ii) the tenant thereunder shall not assign his interest in such lease or sublet the premises demised thereunder or any part thereof without the prior written consent of the Board in each instance; and

(iii) the Board shall have the power to terminate such lease and/or to bring summary proceedings to evict the tenant in the name of the landlord thereunder in the event of (a) a default by the tenant in the performance of its performance of its obligations under such lease or (b) a foreclosure of the lien granted by Section 339-z of the Condominium Act.

Section 7.5 Termination of, and Exceptions to, the Right of First Refusal. (A) A certificate executed and acknowledged by an officer of the Condominium stating that the provisions of Section 7.2 hereof have been met by a Unit Owner or that the right of first refusal provided for therein has been duly released or waived by the Board and that, as a result thereof, the rights of the Board thereunder have terminated, shall be conclusive upon the Board and all Unit Owners in favor of all persons who rely upon such certificate in good faith. After the due issuance of such a certificate, the Unit to which the same shall relate, together with its Appurtenant Interests, may be sold, conveyed, or leased free and clear of the terms and conditions contained in Section 7.2 hereof.

The Board shall furnish or cause the Managing Agent to furnish, such certificate upon written request to any Unit Owner in respect to whom the provisions of Section 7.2 hereof have, in fact, been terminated. In no event, however, shall the right of first refusal described in Section 7.2 hereof be deemed released or waived by the Board (as opposed to satisfied pursuant to the express terms of Section 7.2, 7.3 and 7.4 hereof) in the absence of a certificate that has been duly executed, acknowledged and issued by the Board or the Managing Agent as aforesaid.

(B) The terms and conditions contained in Sections 7.2, 7.3 and 7.4 hereof shall not apply with respect to any sale, lease, or conveyance of a Unit, together with its Appurtenant Interests, by:

(i) the owner of such Unit to any of his adult Family Members, to any combination of the same, or to a trust for the benefit of any of them or, with respect to a Unit Owner that is not an individual, to any entity or individual that own more than fifty (50%) percent of the legal and beneficial interests of such Unit Owner or to any entity with respect to which such Unit Owner (individual or otherwise) owns more than fifty (50%) percent of the legal and beneficial interest thereof;

- (ii) Sponsor, or its designee, with respect to the Unsold Units;
- (iii) Commercial Unit Owners with respect to the Commercial Units;
- (iv) the Board;
- (v) any proper officer conducting the sale of a Unit in connection with the foreclosure of a mortgage or other lien covering such Unit or delivering a deed in lieu of such foreclosure; or
- (vi) any Permitted Mortgage, or his nominee, who has acquired title to any Unit at any foreclosure sale of his or her Permitted Mortgage or by deed in lieu thereof delivered in a bona fide transaction; provided, however, that each succeeding unit Owner shall be bound by, and his Unit shall continue to be subject to, all of the terms and conditions of this Article 7. In addition, the terms and conditions contained in Section 7.2 hereof shall in no event apply to a sale, lease, or conveyance of (i) a Unit to a Permitted Mortgagee or a purchaser at a foreclosure sale of a Permitted Mortgage in connection with a foreclosure or a sale in lieu of foreclosure or (ii) either all or a portion of the Commercial Units, together with this Appurtenant Interest.

Section 7.6 No Severance of Ownership. No Unit Owner shall execute any deed or other instrument conveying title to his Unit without including therein its Appurtenant Interests, it being the intention to prevent any severance of combined ownership. Any deed or other instrument purporting to affect one or more such interests shall be taken to include the interest or interests so omitted, even though the latter shall not be expressly mentioned or described therein. No part of the Appurtenant Interests of any Unit may be sold, conveyed, or otherwise disposed of, except as part of a sale, conveyance, or other disposition of the Unit to which such interests are appurtenant or as part of a sale, conveyance, or other disposition of such part of the Appurtenant Interests of all Units. Nothing contained in this Section 7.6, however, shall prohibit the lease of any Unit without the simultaneous lease of its Appurtenant Interests.

Section 7.7 Payment of Common Charges. No Unit Owner shall be permitted to convey or lease his Unit unless he shall have paid in full to the Board all unpaid Common Charges and Special Assessments theretofore assessed against such Unit and shall have satisfied all unpaid liens, other than that of Permitted Mortgages, levied against such Unit. A letter from an officer of the Board or the Condominium's Managing Agent stating the amount of any Common Charges and Special Assessments, if any, with respect to such Unit may be relied upon as conclusive evidence of such fact. Notwithstanding the foregoing, any conveyance or lease of an Unsold Unit without complying with the provisions of this Section 7.7 shall not affect the validity of such conveyance or lease.

Section 7.8 Power of Attorney. (A) At the time of acquiring title to a Unit and as a condition thereof, the new Unit Owner shall duly execute, acknowledge and deliver to the

representative of his title insurance company (or, if no such representative is present, to Sponsor or its designee, or if Sponsor or its designee is not then the owner of any Unsold Unit, to the Board) for recording in the Register's Office, the Unit Owner's Power of Attorney required in Article 14 of the Declaration, in the form set forth as Exhibit E to the Declaration.

(B) In the case of Unit Owners who acquire Unit subject to the tenancies of Non-Purchasing Tenants, such Unit Owners shall also execute and deliver a power of attorney appointing the Board, or its duly selected Managing Agent, and their respective successors and assigns as such Unit Owner's agent for the provision of all goods and services required by law to be provided to such Non-Purchasing Tenant and/or the Unit they occupy.

Section 7.9 Gifts and Devises, Etc. Any Unit Owner shall be free to convey or transfer his Unit, together with its Appurtenant Interests, by gift, or to devise the same by will or to have the same pass by intestacy, provided, however, that each succeeding Unit Owner shall be bound by, and his Unit shall be subject to, the provisions of this Article 7.

Section 7.10 Charges Imposed on Sale or Lease of Units. If not prohibited by Law, the Board shall have the right and authority to fix by resolution and collect, before any sale or lease of a Unit (other than an Unsold Unit or the Commercial Units) is consummated, a reasonable charge to cover its expenses, and any fees due the Managing Agent or any attorney retained by the Board, in connection with the sale or lease. If such charge is adopted, it shall be added to and constitute Common Charges payable by the transferor Unit Owner. Notwithstanding the foregoing, such charge shall not be collected from Sponsor or its designee, in the event Sponsor or its designee sells or leases an Unsold Unit, or from the Commercial Unit Owners in connection with a sale or lease of all or part of the Commercial Units.

ARTICLE 8

MANAGING OF UNITS

Section 8.1 General. Each Unit Owner shall have the right to mortgage his or her Unit, subject only to the terms and conditions contained in Section 8.2 hereof. Any Unit Owner who mortgages his Unit, or the holder of such mortgage, shall supply the Board with the name and address of his mortgagee and, if requested by the Board, shall file a conformed copy of the note and mortgage with the Board. Any Unit owner who satisfies a mortgage covering his Unit shall so notify the Board and, if requested by the Board, shall file a conformed copy of the satisfaction of mortgage with the Board.

Section 8.2 Restrictions on Mortgaging. (A) No Unit Owner (other than the owner of an Unsold Unit) shall be permitted to mortgage, pledge, or hypothecate his Unit unless and until he shall have paid in full to the Board all unpaid Common Charges and Special Assessments theretofore assessed against such Unit and shall have satisfied all unpaid liens, levied against such Unit except the liens of Permitted Mortgages. A letter from the Board or the Managing Agent

stating the amount of unpaid Common Charges and Special Assessments, if any, with respect to such Unit may be relied upon as conclusive evidence of payment to its date.

(B) No Unit Owner shall execute any mortgage or other document mortgaging, pledging, or hypothecating title to his Unit without including therein its Appurtenant Interests, it being the intention to prevent any severance of such combined ownership. Any mortgage or other instrument purporting to affect one or more of such interests without including all such interests shall be deemed and taken to include the interest or interests so omitted, even though the latter shall not be expressly mentioned or described therein.

Section 8.3 Notice of Unpaid Common Charges and Default. Whenever requested in writing by a Permitted Mortgagee, the Board shall promptly report to such Permitted Mortgagee any default by his mortgagor(s) in the payment of Common Charges or Special Assessments or in the observance or performance of any of the provisions of the Condominium Documents as to which the Board has knowledge then exists. The Board shall, when giving notice to a Unit Owner of any such default, also send a copy of such notice to his Permitted Mortgagee if so requested. However, the Board shall have no liability for any failure, through oversight or negligence, in notifying a Permitted Mortgagee of such default by his mortgagor, provided that (i) the Board shall advise such Permitted Mortgagee of the default promptly after discovering such failure and (ii) if the Board shall foreclose a lien on such mortgagor's Unit pursuant to the terms of Section 6.4 hereof by reason of such default, the Board shall pay to such Permitted Mortgagee any net proceeds of any foreclosure sale of such Unit (subject to and in accordance with the lien priority set forth in Article 6 above) or such lesser sum as shall be due and owing to such Permitted Mortgagee.

Section 8.4 Performance by Permitted Mortgagees. Any sum of money to be paid or any act to be performed by a Unit Owner pursuant to the terms of the Condominium Documents may be paid or performed by his Permitted Mortgagee, and the Board shall accept such Permitted Mortgagees payment or performance with the same force and effect as if the same were paid or performed by such Unit Owner.

Section 8.5 Examination of Books. Each Permitted Mortgagee 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 8.6 Consent of Mortgagees; Designation of Mortgage Representatives. (A) Except as otherwise expressly provided for herein or in the Declaration, no consent or approval by any mortgagee shall be required with respect to any determination or act of the Board or any Unit Owner, provided, however, that nothing contained herein shall be deemed to limit or affect the rights of any mortgagee against his mortgagor. In the event that any such consent or approval shall be expressly required pursuant to the terms of the Declaration or there By-Laws, the decision of a majority of the Mortgage Representatives, if any are designated pursuant to the terms of paragraph (B) of this Section 8.6, shall be deemed binding upon the holders of all mortgages encumbering Units.

(B) The holders of Institutional Mortgages constituting a majority in principal amount of all Institutional Mortgages may, if they so elect, designate not more than two (2) Mortgage Representatives by giving written notice thereof to the Board, which Mortgage Representative shall thereby be empowered to act as the representatives of the holders of all mortgages encumbering Units with respect to any matter requiring the consent or approval of mortgagees under the Declaration or these By-Laws. Any designation of a Mortgage Representative pursuant to the terms of this paragraph (B) shall be effective until any successor Mortgage Representative is designated pursuant to the terms hereof and written notice thereof is given to the Board. Unless otherwise required by Law, no holders of mortgages encumbering Units other than Permitted Mortgagees who hold Institutional Mortgages shall be entitled to participate in the designation of Mortgage Representatives, but all holders of mortgages encumbering Units shall be subject to all determinations made by the Mortgage Representatives pursuant to the terms of the Declaration or these By-Laws.

ARTICLE 9

CERTAIN REMEDIES

Section 9.1 Self Help. If any Unit Owner shall violate or breach any of the provisions of the Condominium Documents on his part to be observed or performed, including, without limitation, any breach of his obligation to paint, decorate, maintain, repair, or replace his Unit or its appurtenant Limited Common Elements pursuant to the terms of Article 5 hereof, and shall fail to cure such violation or breach within five (5) days after receipt of written notice of the same from the Board, the Managing Agent, or any manager (or, with respect to any violation or breach of the same not reasonably susceptible to cure within such period, to commence such cure within such five (5) day period and, thereafter, to prosecute such cure with due diligence to completion), the Board shall have the right to enter such Unit Owner's Unit and/or its appurtenant Limited Common Elements and summarily to abate, remove, or cure such violation or breach without thereby being deemed guilty or liable in any manner or trespass. In addition, in the event that the Board shall determine that the abatement, removal, or cure of any such violation or breach is immediately necessary for the preservation or safety of the Building or for the safety of the occupants of the Building or other individuals or is required to avoid the suspension of any necessary service in the Building, the Board may take such action immediately, without prior notice and without allowing the said Unit Owner any period of time within which to cure or to commence to cure such violation or breach.

Section 9.2 Abatement and Injunction. (A) In the event that any Unit Owner shall violate or breach any of the provisions of the Condominium Documents on his part to be observed or performed, the Board shall have the right to seek to enjoin, abate, or otherwise remedy the continuance or repetition of any such violation or breach by appropriate proceeding brought either at law or in equity.

(B) The violation or breach of any of the terms of the Condominium Documents with respect to any of the rights, easements, privileges, or licenses granted to Sponsor or its designee shall give to Sponsor or such designee the right to enjoin, abate, or remedy the continuation or repetition of any such violation or breach by appropriate proceedings brought either at law or in equity.

Section 9.3 Remedies Cumulative. The remedies specifically granted to the Board or to Sponsor or its designee in this Article 9 or elsewhere in the Condominium Documents shall be cumulative, shall be in addition to all other remedies obtainable at law or in equity and may be exercised at one time or at different times, concurrently or in any order, in the sole discretion of the Board or Sponsor or such designee, as the case may be. Further, the exercise of any remedy shall not operate as a waiver, or preclude the exercise, of any other remedy.

Section 9.4 Costs and Expenses. All sums of money expended, and all costs and expenses incurred, by (i) the Board in connection with the abatement, enjoinment, removal, or cure of any violation, breach, or default committed by a Unit Owner pursuant to the terms of Section 9.1 or paragraph (A) of Section 9.2 hereof or (ii) Sponsor in connection with any abatement, enjoinment, or remedy of any violation or breach of the Condominium Documents pursuant to the terms of paragraph (B) of Section 9.2 hereof, shall be immediately payable by (a) in the event set forth in subparagraph (i) hereof, such Unit Owner to the Board or (b) in the event set forth in subparagraph (ii) hereof, the offending party (i.e., the Board or the Unit Owner) to Sponsor, which amount shall, in either event, bear interest (to be computed from the date expended) at the rate of two (2%) percent per month (but in no event in excess of the maximum rate chargeable to such Unit Owner pursuant to Law). All sums payable by a Unit Owner to the Board pursuant to the terms of this Section 9.4 shall, for all purposes hereunder, constitute Common Charges payable by such Unit Owner and the Board shall have such remedies with respect to their collection as are provided generally for Common Charges in Article 6.

ARTICLE 10

ARBITRATION

Section 10.1 Procedure. Any matter required or permitted to be determined by arbitration pursuant to the terms of the Condominium Documents shall be submitted for resolution by a single arbitrator in a proceeding held in the City of New York in accordance with the then existing rules of the American Arbitration Association or any successor organization thereto. In the event that the American Arbitration Association shall not then be in existence and has no successor organization, any such arbitration shall be held in the City of New York before one arbitrator appointed, upon the application of any party, by any Justice of the highest court of appellate jurisdiction then located in the City of New York. The decision of the arbitrator so chosen shall be given within ten (10) days after his selection or appointment. Any arbitrator appointed or selected in connection with any arbitration conducted hereunder shall be a member of a law firm having at least five (5) members and whose principal office is located in the City of New York.

Section 10.2 Variation by Agreement. The parties to any dispute required or permitted to be resolved by arbitration pursuant to the terms of the Condominium Documents may, by written agreement, vary any of the terms of Section 10.1 hereof with respect to the arbitration of such dispute or may agree to resolve dispute in any alternative manner, including, without limitation, the manner set forth in Section 3031 of the New York Practice Law and Rules and known as "New York Simplified Procedure for Court Determination of Disputes".

Section 10.3 Binding Effect. The decision in any proceeding conducted pursuant to the terms of Section 10.1 and/or 10.2 hereof shall be binding upon all of the parties thereto and may be entered in any court of appropriate jurisdiction. Notwithstanding the foregoing, however, any arbitration held pursuant to the terms of Condominium Documents with respect to a matter that arose prior to the first annual meeting of all Unit Owners held pursuant to the Section 4.1 hereof shall be non-binding.

Section 10.4 Costs and Expenses. (A) The fees, costs and expenses of the arbitrator shall be borne by the losing party in the arbitration or, if the position of neither party to the dispute be substantially upheld by the arbitrator, such fees, costs expenses shall be borne equally by the disputants. Each disputant shall also bear the fees and expenses of his counsel and expert witnesses.

(B) All costs and expenses paid or incurred by the Board in connection with any arbitration held hereunder, including, without limitation, the fees and expenses of counsel and expert witnesses, shall constitute Common Expenses.

ARTICLE 11

NOTICES

Section 11.1 General. All notices required or desired to hereunder except for notice of meetings under Articles 2 and 4 shall be sent by registered or certified mail, return receipt requested, postage prepaid addressed:

- (i) if to the Board, at its principal office as set forth in Section 1.5 hereof, with a photocopy sent to the Managing Agent (if any) at its principal office address;
- (ii) if to a Unit Owner other than Sponsor or its designee, to such Unit Owner at his address at the Property;
- (iii) if to Sponsor or its designee, to Sponsor or such designee, care of Sponsor's attorney, Rivkin Radler LLP, 926 Rexcorp Plaza, Uniondale, NY 11556, Attn: Jeffrey S. Greener, Esq.; or
- (iv) if to a Permitted Mortgagee, to such Permitted Mortgagee at its latest address designated in writing to the Board.

Any of the foregoing parties may change the address to which notices are to be sent, or may designate additional addresses for the giving of notice, by sending written notice to the other parties as aforesaid. All notices sent pursuant to the terms of this Section 11.1 shall be deemed given five (5) days after deposited in a branch or general post office or depository maintained by the United States Postal Service located in State of New York enclosed in a sealed, postage prepaid wrapper, addressed as aforesaid.

Section 11.2 Waiver of Service of Notice. Whenever any notice is required to be given by Law pursuant to the terms of the Condominium Documents, a waiver thereof in writing, signed by the Person or Persons entitled to such notice, whether before or after the time stated therein, shall be deemed the equivalent of the proper giving of notice, except for any notice required to be given pursuant to Section 7.11.

ARTICLE 12

AMENDMENTS TO BY-LAWS

Section 12.1 General. (A) Subject to the terms of paragraph (B) hereof and subject, further, to any provisions contained in the Declaration or these By-Laws with respect to any amendments (hereinafter referred to as "Special Amendments") affecting or in favor of Sponsor or its designee, any Unsold Unit(s), the Commercial Unit Owner, the Commercial Unit and/or any Permitted Mortgagee, any provision of these By-Laws may be amended, modified, to, or deleted by the

affirmative vote of not less than two thirds (66 2/3%) in number and aggregate Common Interest of all Unit Owners either taken at a duly constituted meeting thereof or give in either writing without a meeting as provided in Section 4.10 hereof. Each adopted amendment, modification, addition, or deletion hereof or hereto shall be effectuated in an instrument executed and recorded in the Register's Office by or on behalf of the Board as attorney-in-fact of all Unit Owners, which power-of-attorney shall be deemed irrevocable and coupled with an interest. Attached to each such instrument shall be an original, executed Secretary's Certification, certifying that the requisite number and percentage of Unit Owners approved the amendment, modification, addition, or deletion set forth therein either at a duly constituted meeting of Unit Owners or in writing without a meeting pursuant to the terms of Section 4.10 hereof, in which Secretary's Certification there shall be described the number and percentage of Unit Owners approving the same and, if voted at a meeting, the date, time and place of such meeting. No such amendment, modification, addition, or deletion shall be effective unless and until such an instrument shall be duly recorded in the Register's Office.

(B) Notwithstanding anything to the contrary contained in a paragraph (A) hereof, but still subject to any provision contained in the Declaration or these By-Laws with respect to Special Amendments:

(i) the Common Interest appurtenant to any unit, as set forth in the Declaration, shall not be altered without the consent of the Unit Owner thereof, except as otherwise provided in paragraph (F) of Section 5.5 hereof;

(ii) no amendment, modification, addition, or deletion agreed to pursuant to the terms of paragraph (A) hereof shall be effective without the prior written consent of the Mortgage Representatives, if any, provided, however, that no such consent shall be unreasonably withheld or delayed; and

(iii) the terms of Section 5.7 hereof may not be amended, modified, added to, or deleted unless (in addition to the consent, if required, of the Mortgage Representatives as provided above) not less than eighty (80%) percent in number and in aggregate Common Interests of all Unit Owners affected thereby shall approve such amendment, modification, addition or deletion in writing.

Section 12.2 Special Amendments. (A) Any amendment, modification, addition, or deletion of or to any of the provisions of these By-Laws that, pursuant to the terms of the Declaration or these By-Laws, may be effected by Sponsor or its designee without the consent of the Board or the Unit Owners shall be embodied in an instrument executed and recorded in the Registers Office by Sponsor or such designee as attorney-in-fact of both the Board and all Unit Owners, which power-of-attorney shall be deemed to be irrevocable and coupled with an interest. Attached to each such instrument shall be an original, executed Certification by Sponsor or such designee, certifying that the amendment, modification, addition, or deletion set forth therein was effectuated by Sponsor or such designee pursuant to the terms of the Declaration and/or these By-

Laws, in which Certification where shall be set forth the Article and/or Section f the Declaration or these By-Laws pursuant to which the same was effectuated. No such amendment, modification, addition, or deletion shall be effective unless and until such an instrument shall be duly recorded in the Register' Office.

(B) Notwithstanding any provision contained herein to the contrary, no amendment, modification, addition, or deletion of or to these By-Laws shall be effective in any respect against Sponsor or its designee, any Unsold Unit, the Commercial Unit Owner, and/or the Commercial Unit unless and until Sponsor, such designee, Unsold Unit Owner and/or the Commercial Unit Owner shall consent to the same in writing.

(C) Notwithstanding any provision contained herein to the contrary, no amendment, modification, addition, or deletion of or to Section 5.4 or 5.5, paragraph (B) of Section 6.2, or Article 8 hereof shall be effective with respect to the holder of any Permitted Mortgage theretofore made unless and until such Permitted Mortgagee shall have given its written consent thereto.

ARTICLE 13

FURTHER ASSURANCES

Section 13.1 General. Any Person that is subject to the terms of these By-Laws, whether such Person is a Unit Owner, a lessee or sublessees of a Unit Owner, an occupant of a Unit, a member of the Board, an officer of the Condominium, or otherwise, shall, at the expense of any 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 in order either to effectuate the provisions of these By-Laws or any transaction contemplated herein or to confirm or perfect any right to be created or transferred hereunder or pursuant to any such transaction.

Section 13.2 Failure to Deliver or Act. (A) If any Unit Owner or other Person that is subject to the terms of these By-Laws fails to execute, acknowledge, or deliver any instrument, or fails or refuses, within ten (10) days after request therefor, to take any action that such Unit Owner or Person is required to execute, acknowledge and deliver or to take pursuant to these By-Laws, then the Board is hereby authorized, as attorney-in-fact for such Unit Owner or other Person, 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.

(B) If the Board, any Unit Owner, or other Person that is subject to the terms of these By-Laws fails to execute, acknowledge, or deliver any instrument, or fails or refuses, within ten (10) days after request therefor, to take any action that the Board, such Unit owner, or Person is required to execute, acknowledge and deliver or to take pursuant to these By-Laws at the request of Sponsor or its designee, then Sponsor or its designee is hereby authorized, as attorney-in-fact for

the Board, such Unit owner, or other Person, coupled with an interest, to execute, acknowledge and deliver such instrument, or to take such action, in the name of the Board, such Unit Owner, or other Person, and such document or action shall be binding on the Board, such Unit Owner, or other Person.

ARTICLE 14

MISCELLANEOUS

Section 14.1 Inspection of Documents. Copies of the Declaration, these By-Laws, the Rules and Regulations and the Floor Plans, as the same may be amended from time to time, shall be maintained at the office of the Board and shall be available for inspection by Unit Owners and their authorized agents during reasonable business hours.

Section 14.2 Waiver. No provisions contained in these By-Laws 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.

Section 14.3 Conflicts. In the event that any provision of these By-Laws or of the Rules and Regulations shall be construed to be inconsistent with any provision of the Declaration or of the Condominium Act, the provision contained in the Declaration or in the Condominium Act shall control.

Section 14.4 Severability. If any provision of these By-Laws is invalid or unenforceable as against any Person or under certain circumstances, the remainder of these By-Laws and the applicability of such provision to other Persons or circumstances shall not be affected thereby. Each provision of these By-Laws shall, except as otherwise provided herein, be valid and enforced to the fullest extent provided by Law.

Section 14.5 Successors and Assigns. Except as otherwise expressly provided below or elsewhere in these By-Laws, the right and/or obligations of each Unit Owner as set forth herein shall inure to the benefit of, and shall be binding upon such Unit Owner's successors and assigns. The rights and/or obligations of Sponsor as set forth herein shall inure to the benefit of, and shall be binding upon, any successor or assignee of Sponsor or, with the consent of Sponsor, any transferee of all of then Unsold Units. Notwithstanding the foregoing, any Permitted Mortgagee of a Unit or a purchaser at a foreclosure sale of a Permitted Mortgage 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 accruing prior to the effective date of such succession.

Section 14.6 Gender. A reference in these By-Laws 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.

Section 14.7 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 these By-Laws or the intent of any provision hereof.

**Addendum to the By-Laws of
The Deuce Condominium**

**RULES AND REGULATIONS
of
THE DEUCE CONDOMINIUM**

1. The sidewalks, entrances, passages, public halls, elevators, vestibules, corridors and stairways of or appurtenant to the Building shall not be obstructed or used for any purpose other than ingress to and egress from the Units. No vehicle belonging to a Unit Owner, to a Family Member or a Unit Owner, or to a guest, tenant, subtenant, licensee, invitee, employees, or agent of a Unit Owner shall be parked in such a manner as to impede or prevent ready access to any entrance to, or exit from, the Building. No occupant of a Unit shall permit any of its agents, employees, contractors, licensees or invitees to congregate or loiter in any of the public areas of the Building.

2. No velocipedes, bicycles, scooters or baby carriages shall be allowed to stand in the public halls, passageways, or other public areas of the Building.

3. No article (including, but not limited to, garage cans, bottles, mats, plants, vases, flower pots or flower boxes) shall be placed or stored in any of the halls, on any of the staircases or on any fire escape of the Building, nor shall any fire exit thereof be obstructed in any manner.

4. Any storage room for Unit Owners shall be used by all Owners, in common, only for the storage of such articles as the Board, in its sole discretion, may determine. Supervision, management and control of the moving in, storing and removal of a Unit Owner's property from the storage room is vested in the Board. The use of the storage rooms, if any, shall be at the sole risk of the Unit Owner or other person using the same, and the Board, its agents, or the Managing Agents shall not be liable for any injury to person, loss by theft or otherwise, or damage to property, whether due to the negligence of the Board, its agents, the Managing Agent, or otherwise.

5. No clothes, sheets, blankets, laundry, or other articles of any kind shall be hung on or out of a Unit or shall be dried or aired on any roof terrace in any manner visible from the street.

6. No awnings or other projections shall be attached to the outside walls or windows of the Condominium.

7. The Board or the Managing Agent shall have the right to prescribe the weight and position of safes and other objects of excessive weight and no safe or other object the weight of which exceeds the lawful load for the area upon which it would stand shall be brought into or kept upon the Unit. All removals, the carrying in or out of the Building and the movement from floor to

floor within the Building of any safes, freight, furniture, packages, boxes, crates or any other object or matter of any description, shall take place only during such hours, in such elevators and under such restrictions as the Board may from time to time reasonably determine, which may involve overtime work for the Board's employees. Each occupant shall reimburse the Board for extra costs incurred by the Board in connection therewith. The persons employed to move the same in and out of the Building shall be reasonably acceptable to the Board.

8. Trash and refuse from the Units (other than the Commercial Unit, whose owner shall be responsible for its own trash and refuse removal) shall be disposed of only at such times and in such manner as the Board or the Managing Agent may direct. Nothing shall be hung or shaken from any doors, windows, or roof terraces, or placed upon the window sills, of the Building, and no Unit Owner shall sweep or throw, or permit to be swept or thrown, any dirt, debris other substance therefrom.

9. There shall be no playing or lounging in the entrances, passages, public halls, elevators, vestibules, corridors, or stairways, of the Building, except in areas designated as recreational, if any, in the Declaration or by the Board.

10. The Board or the Managing Agent may, from time to time, curtail or relocate any portion of the Common Elements devoted to storage, recreation, or service purposes in the Building.

11. Nothing shall be done or kept in any Unit or in the Common Elements that will increase the rate of insurance of the Building, or the contents thereof, without the prior written consent of the Board. No Unit Owner shall permit anything to be done or kept in his Unit or in the common Elements, that will result in the cancellation of insurance on the Building, or the contents thereof, or that would be in violation of any Law. No unit Owner or any of his Family Members, agents, servants, employees, licensees, or visitors shall, at any time, bring into or keep in his Unit any inflammable, combustible, or explosive fluid, material, chemical, or substance, except as shall be necessary and appropriate for the permitted uses of such Unit.

12. There shall be no barbecuing in the Units, or in the Common Elements, except for those areas (if any) specifically for barbecuing by the Board.

13. No Unit owner shall make, cause, or permit any unusual, disturbing, or objectionable noises or odors to be produced upon or to emanate from his Unit or permit anything to be done therein that will interfere with the rights, comforts, or comforts, or conveniences of the other Unit Owners. No Unit Owner shall play upon or suffer to be played upon any musical instruments or shall operate or permit to be operated a phonograph, radio, television or other loudspeaker in such Unit Owner's Unit between midnight and the following 8:00 A.M., if the same shall disturb or annoy other occupants of the Building, and in no event shall any Unit Owner practice or suffer to be practiced either vocal or instrumental music between the hours of 10:00 P.M. and the following 9:00 A.M.. No construction, repair works or other installation involving

noise shall be conducted in any Unit except on weekdays (not including legal holidays) and only between the hours of 8:00 A.M. and 5:00 P.M., unless such construction or repair work is necessitated by an emergency.

14. No bird, reptile, or animal shall be permitted, raised, bred, kept or harbored in the Units unless, in each instance, the same shall have been expressly permitted in writing by the Board or the Managing Agent. Any such consent, if given, shall be revocable at any time by the board or the Managing Agent in their sole discretion. In no event shall any bird, reptile, or animal be permitted in any public elevator of the Building, unless carried or on a leash. No pigeons or other birds or animals shall be fed from the window sills, terraces, or other public portions of the Building, or in the sidewalk or street adjacent to the Building.

15. No occupant of the Building shall send any employee of the Condominium or of the Managing Agent out of the Building on any private business.

16. No group tour or exhibition of any Unit or its contents shall be conducted, nor shall any auction sale be held in any Unit, without the consent of the Board or the Managing Agent in each instance. In the event that any Unit shall be used for home occupation or other permitted purposes in conformance with Declaration and the By-Laws, no patients, clients, or other invitees shall be permitted to wait in any lobby, public hallway, or vestibule of the Building.

17. No window guards or other window decorations shall be used in or about any Unit, except such as shall have been approved in writing by the Board or the Managing Agent, which approval shall not be unreasonably withheld or delayed. In no event, however, shall any exterior glass surface of any window at the Property be colored or painted.

18. No ventilator or air conditioning device shall be installed in any Unit other than the Commercial Units without the prior written approval of the Board, which approval may be granted or refused in the sole discretion of the Board.

19. No radio or television aerial shall be attached to or hung from the exterior of the Building, and no sign, notice, advertisement, or illumination (including, without limitation, "For Sale," "For Lease," or "For Rent" signs) shall be inscribed or exposed or at any window or other part of the Building, except such as are permitted pursuant to the terms of the Declaration and/or the By-Laws or shall have been approved in writing by the Board or the Managing Agent. Nothing shall be projected from any window of a Unit without similar approval.

20. All radio, television, or other electrical equipment of any kind or nature installed or used in each Unit shall fully comply with all rules, regulations, requirements, or recommendations of the New York Board of Fire Underwriters and the public authorities having jurisdiction, and the Unit Owner alone shall be liable for any damage or injury caused by any radio, television, or other electrical equipment.

21. Water-closets and other water apparatus, in the Building shall not be used for any purpose other than those for which they were designed, and no sweepings, rubbish, rags or any other article shall be thrown into the same. Any damage resulting from misuse of any water-closets or other apparatus in a Unit shall be repaired and paid for by the owner of such Unit.

22. Each Unit Owner shall keep his or her Unit and its appurtenant Limited Common Element in a good state of preservation, condition, repair and cleanliness in accordance with the terms of the By-Laws.

23. The agents of the Board or the Managing Agent, and any contractor or workman authorized by the Board or the Managing Agent may enter any room in the Building or Unit at any reasonable hour of the day, on at least one day's prior notice to the Unit Owner, for the purpose of inspecting such Unit for the presence of any vermin, insects, or other pests and for the purpose of taking such measures as may be necessary to control or exterminate any such vermin, insects, or other pests; however, such entry, inspection and extermination shall be done in a reasonable manner so as not to unreasonably interfere with the use of such Unit for its permitted purposes.

24. The Board or the Managing Agent may retain a pass-key to each Unit. If any lock is altered or a new lock is installed, the Board or the Managing Agent shall be provided with a key thereto immediately upon such alteration or installation. If the Unit Owner is not personally present to open and permit an entry to his Unit at any time when an entry therein is necessary or permissible under these Rules and Regulations or under the By-Laws, and has not furnished a key to the Board or the Managing Agent, then the Board or Managing Agent or their agents (but, except in an emergency, only when specifically authorized by an officer of the Condominium or an officer of the Managing Agent) may forcibly enter such Unit with out liability for damages or trespass by reason thereof (if, during such entry, reasonable care is given to such Unit Owner's property).

25. If any key or keys are entrusted by a Unit Owner, by any Family Member thereof, or by his agent, servant, employee, licensee, or visitor to an employee of the Condominium or of the Managing Agent, whether for such Unit Owner's Unit or an automobile, trunk, or other item of personal property, the acceptance of the key shall be at the sole risk of such Unit Owner, and neither the Board nor the Managing Agent shall (except as provided in Rule 24 above) be liable for injury, loss, or damage of any nature whatsoever, directly resulting therefrom or connected therewith.

26. Any consent or approval given under these Rules and Regulations may be amended, modified, added to, or repealed at any time resolution of the Board. Further, any such consent or approval may, in the discretion of the Board or the Managing Agent, be conditional in nature.

27. Unless the Board shall have consented to the same, the Board shall have the right to prohibit any advertising or identifying sign by an Occupant, other than signage for the Commercial Units which shall be approved by the Board, in the reasonable judgment of the Board, tends to impair the appearance or reputation of the Building or the desirability of the Building, and upon

written notice from the Board, such occupant shall refrain from and/or discontinue such advertising or identifying sign, unless the Board previously shall have consented to the same.

28. Canvassing, soliciting and peddling in the Building are prohibited and each occupant shall cooperate to prevent the same.

29. Any persons employed by an occupant to perform any repaid, maintenance or janitorial work within such occupant's premises shall, while in the Building and outside of such occupant's premises, be subject to and under the control and direction of the Board (but not as an agent, servant or employee of the Board) and such occupant shall be responsible for all acts of such persons.

30. Whenever any occupant shall submit to the Board any plan, agreement or other document for the consent or approval of the Board, such Occupant shall pay to the Board on demand, a processing fee in the amount of the reasonable fees for the review thereof, including the services of any architect, engineer or attorney employed by the Board to review such plan, agreement or documents.

31. Occupants shall not cause or permit any Hazardous Material (hereinafter defined) to be used, stored, transported, released, handled, produced or installed in, on or from the premises of the Building, except items that are customary in comparable buildings and households, provided that the quantity of such items in the premises shall not exceed the quantities customary for such use and provided further that the presence or use of such items shall not violate any legal requirements. "Hazardous Materials" means any flammables, explosives, radioactive materials, hazardous wastes, hazardous and toxic substances or related materials, asbestos, or any material containing asbestos, or any other substance or material defined as hazardous or toxic in any Federal, state or local environmental law, ordinance, rule or regulations including, without limitation, the Comprehensive Environmental Response Compensation and Liability Act of 1980, as amended, the Hazardous Materials Transportation Act, as amended, the Resource Conservation and Recovery Acts, as amended, and in the regulations adopted and publications promulgated pursuant to each of the foregoing. In the event of a breach of the provisions of this Rule 31, the Board shall have the right, in addition, to all other rights and remedies of the Board under the Declaration and By-Laws or at law, to require the occupant to remove any such Hazardous Materials from the premises.

32. No occupant shall employ any contractor for the supplying of goods or services in or to his Unit or premises which shall be the cause of labor disharmony at the Building or involving the Unit of any other Unit Owner. Each occupant shall indemnify and hold harmless each Unit Owner from and against any loss, cost or liability (including reasonable attorneys' fees) incurred by such Unit owner as a result of any labor disturbance caused by the failure of such Occupant to comply with the provisions of this rule.

33. Complaints regarding the service of the Condominium shall be made in writing to the Board or to the Managing Agent.

**SCHEDULE E
TO THE DECLARATION OF
CONDOMINIUM**

UNIT OWNER'S POWER OF ATTORNEY

UNIT OWNER'S POWER OF ATTORNEY

All terms used in this Unit Owner's Power of Attorney that are used (a) in the Declaration establishing a plan for condominium ownership of the premises known both as the Deuce Condominium (the "Condominium") and by the street number 534 West 42nd Street, New York, New York 10036, under Article 9-B of the Real Property Law of the State of New York, dated as of _____, 2008, and recorded in the New York County Office of the Register of the City of New York on _____, 2008, in Reel _____, Page _____ (hereinafter referred to as the "Declaration"), or (b) in the By-Laws of the Condominium (hereinafter referred to as the "By-Laws") attached to, and recorded together with, the Declaration, shall have the same meanings in this Unit Owner's Power of Attorney as in the Declaration or the By-Laws.

The undersigned, _____ residing at 534 West 42nd Street, New York, New York 10036, the owner of the Condominium Unit (hereinafter referred to as the "Undersigned's Unit") known as Unit No. _____ at the Deuce Condominium, said Unit being designated and described as Unit No. _____ in the Declaration and also designated as Tax Lot _____ in Block 1070 of Section 49 of Borough of Manhattan on Tax Map of the Real Property Assessment Department of the City of New York and on the Floor Plans of the Condominium ("Floor Plans") filed with that department, (does) (do)* hereby irrevocably nominate, constitute and appoint the persons who may from time to time constitute the Condominium Board, true and lawful attorneys-in-fact for the undersigned, coupled with an interest, with power of substitution, in their own names, as members of the Condominium Board or in the name of their designee (corporate or otherwise), on behalf of all Unit Owners in accordance with the Unit Owners' respective Common Interests, subject to the provisions of the By-Laws then in effect:

1. (a) to acquire any Unit, together with its Appurtenant Interest, who 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-in-fact may determine, granting to said attorney-in-fact the power to do all things in said premises that the undersigned could do if the undersigned were personally present; and
2. To execute, acknowledge and deliver, and, if necessary, to cause to be recorded in the Office of Register of New York County, (a) any declaration or other instrument affecting the Condominium that the Condominium Board deems necessary or appropriate to comply with any law, ordinance, regulation, zoning resolution, or requirement of the Department of Buildings, the Landmarks

Preservation Commission, the City Planning Commission, the Board of Standards 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 such persons constituting the Condominium Board shall constitute the acts of said attorneys-in-fact.

The undersigned (does) (do) * hereby irrevocably nominate, constitute and appoint SHAO LIN OPERATING LLC (hereinafter referred to as "Sponsor") as attorney-in-fact for the undersigned, coupled with an interest, with power of substitution, to amend from time to time said Declaration, By-Laws, Rules and Regulations and Floor Plans of the said Condominium, or any of said documents, when such amendment (1) shall be required to reflect any changes in Unsold Units and/or the reapportionment of the Common Interests of the affected Unsold Units resulting therefrom made by Sponsor or its designee in accordance with Article 12 of the Declaration or (2) shall be required by (a) an Institutional Lender designated by Sponsor to make a mortgage loan secured by a mortgage on any Unit, (b) any governmental agency having regulatory jurisdiction over the Condominium, or (c) any title insurance company selected by Sponsor to insure title to any Unit, provided, however, that any amendment made pursuant to the terms of subdivision (1) or (2) of this paragraph shall not (i) change the Common Interest of the Undersigned's Unit, (ii) require a physical modification to the Undersigned's Unit, or (iii) adversely affect the priority or validity of the lien of any purchase money mortgage or any mortgage held by an Institutional Lender covering the Undersigned's Unit unless the undersigned (in the event described in subdivision (i) or (ii) of this paragraph) or the holder of such mortgage (in the event described in subdivision (iii) of this paragraph) shall consent thereto by joining in the execution of such amendment. The terms, covenants and conditions contained in, and the powers granted pursuant to, this paragraph shall remain in full force and effect until such time as the Sponsor and Sponsor's designee (if any) shall cease to own any of the Units in the Deuce Condominium.

IN WITNESS WHEREOF, the undersigned (has) (have)* executed this Unit Owner's Power of Attorney as of the _____ day _____, 20 ____.

* Delete whichever is inapplicable.

_____, Unit Owner

_____, Unit Owner

STATE OF NEW YORK }
 }
COUNTY OF NEW YORK }

On the ___ day of _____ in the year 20___ before me, the undersigned, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their/signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Signature and Office of individual
taking acknowledgment

STATE OF NEW YORK }
 }
COUNTY OF NEW YORK }

On the ___ day of _____ in the year 20___ before me, the undersigned, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their/ capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Signature and Office of individual
taking acknowledgment

EXHIBIT F**BY-LAWS OF THE DEUCE CONDOMINIUM**

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**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 acquiring 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 an 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 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 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 polices 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 or 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.

(C) The Board may elect, by sending written notice thereof to the Offeree Unit Owner by certified or registered mail not later than thirty (30) business days after receipt of the notice referred to paragraph (A) hereof together with such further information as may have been requested pursuant to the terms of paragraph (B) hereof, to purchase such Unit together with its Appurtenant Interests (or to cause the same to be purchased by its designee, corporate or otherwise) on behalf of all Unit Owners upon the same terms and conditions as were contained in the Sale or Lease Agreement and stated in the response(s) by the Offeree Unit Owner to any requests for additional information pursuant to the terms of paragraph (B) hereof.

Section 7.3 Acceptance of Offer. (A) In the event that the Board shall elect, within the time and in the manner provided in Section 7.2 hereof, to purchase a Unit together with its Appurtenant interests, or to cause the same to be purchased by its designee, or to lease the Unit, title shall close or a lease shall be executed, in either event, in accordance with the terms of the Sale or Lease Agreement, at the office of the attorneys for the Condominium within ninety (90) days after the day upon which the Board shall give notice or its election to accept such offer.

(B) The purchase price and all costs and expenses incurred in connection therewith will be assessed to all Unit owner. If such Unit and its Appurtenant Interest are to be purchased by the Board or its designee on behalf of all Unit Owners, such purchase may be made from the funds deposited in the capital and/or expense, accounts of the Condominium. If the funds in such accounts are insufficient to effectuate such purchase, the Board may levy a Special Assessment against each Unit Owner (other than the Offeree Unit Owner), in accordance with the terms of paragraph (C) of Section 6.1 hereof and/or the Board may, in its discretion, finance the acquisition of such Unit; provided, however, that no such financing may be secured by an encumbrance on or a hypothecation of any portion of the Property other than the Unit to be purchased together with its Appurtenant Interest. In addition, if the Outside Offeror was to assume or to take title to the Unit subject to the Offeree Unit Owner's existing mortgage or mortgages, in the case of a sale, the Board may purchase the Unit and assume or take title thereto subject such mortgage or mortgages, as the case may be. At the closing of title, the Offeree Unit Owner shall convey the Unit, together with its Appurtenant Interest, to the Board or to its designee, on behalf of all Unit Owners, by deed in the form required by Section 339-o of the Condominium Act with all tax and/or documentary stamps affixed at the expense of the Offeree Unit Owner, who shall also pay all other transfer taxes arising out of such sale notwithstanding any terms of the Sale of Lease Agreement to the contrary. Real estate taxes (including water charges ad sewer charges, if separately assessed) mortgage interest (if applicable) and Common Charges shall be apportioned between the Offeree Unit Owner and the Board or its designee as of the closing date, notwithstanding any terms of the Sale or Lease Agreement to the contrary. Thereafter, such Unit shall be held, so long as the same is owned by the Board or its designee, on behalf of all Unit Owners, and all such Unit Owners shall be deemed to have waived all rights of partition with respect to such Unit and the entire Property, as herein provided.

(C) In the event that such Unit to be leased by the Board or its designee, the Offeree Unit Owner shall execute and deliver to the Board or such designee a lease covering such Unit by and between the Offeree Unit Owner, as landlord, and the Board or such designee, as tenant. Such lease shall be in the then current form of apartment lease recommended by the Real Estate Board of New York, Inc. or the Bar Association of the City of New York, shall contain all of the terms and conditions of the Sale or Lease Agreement not in conflict with any such form of lease, including without limitation, the rental and term provided for therein. Notwithstanding anything to the contrary set forth hereinabove or in the Sale or Lease Agreement, however, such lease shall expressly provide that the Board or such designee may enter into a sublease of the premises demised thereunder without consent of the landlord.

(D) Until such Unit is no longer owned by the Board, all costs and expenses of owning, maintaining, repairing, altering, improving, operating, leasing and managing same (including, but not limited to, purchase price, finance payments and charges, brokerage commissions and legal fees) shall be assessed solely to all remaining Unit Owners as a Common Expenses. In the event such Unit is used by the Board, the aforesaid costs plus rent and additional rent, if any, shall be assessed to all Unit Owners as a Common Expense. Likewise, all income, revenue and profit derived from such Unit shall be collected in behalf of all Unit Owners and used to defray the Common Charges.

(E) All Units acquired by the Board or its designee in connection with the enforcement of its lien unpaid Common Charges shall be held by the Board or its designee on behalf of all Unit Owners. The purchase price and all costs and expenses incurred in connection therewith shall be assessed to all Unit Owners as a Common Expense. Such Units shall not be subject to partition or occupancy by other Unit Owners and until no longer owned or lease by the Board, all costs and expenses shall be assessed to all Unit Owners as a Common Expense.

Section 7.4 Failure to Accept Offer. (A) If the Board fails to accept an offer made pursuant to the terms of Section 7.2 hereof with the times set forth in paragraph (C), the Offeree Unit Owner shall be free to consummate the transaction embodied in the Sale or Lease Agreement within ninety (90) days after (i) notice of refusal is sent or the Offeree Unit Owner by the Board or (ii) the expiration of the period within which the Board or its designee might have accepted such offer, as the case may be. If the Offeree Unit Owner shall fail to consummate the transaction embodied in the Sale or Lease Agreement within such ninety (90) day period, then, should the Offeree Unit Owner thereafter elect to sell such Unit together with its Appurtenant Interests or to lease such Unit, the Offeree Unit Owner shall be required again to comply with all of the terms and provisions of Sections 7.2, 7.3, and 7.4 hereof.

(B) Any deed of a Unit and its Appurtenant Interests to an Outside Offeror shall expressly provide that the acceptance thereof by the grantee constitutes an assumption of all of the terms of the Condominium Documents, and, in the absence of such express language, the same shall be conclusively deemed to have been included therein.

(C) Each lease of a Unit to an Outside Offeror shall be in the then current form of apartment lease recommended by the Real Estate Board of New York, Inc., subject to such modifications as may be approved in writing by the Board. Notwithstanding the foregoing, however, each such lease shall be consistent with the Condominium Documents and shall expressly provide, and be deemed to expressly provide, that:

(i) such lease may not be amended, modified, or extended without the prior written consent of the Board in each instance;

(ii) the tenant thereunder shall not assign his interest in such lease or sublet the premises demised thereunder or any part thereof without the prior written consent of the Board in each instance; and

(iii) the Board shall have the power to terminate such lease and/or to bring summary proceedings to evict the tenant in the name of the landlord thereunder in the event of (a) a default by the tenant in the performance of its performance of its obligations under such lease or (b) a foreclosure of the lien granted by Section 339-z of the Condominium Act.

Section 7.5 Termination of, and Exceptions to, the Right of First Refusal. (A) A certificate executed and acknowledged by an officer of the Condominium stating that the provisions of Section 7.2 hereof have been met by a Unit Owner or that the right of first refusal provided for therein has been duly released or waived by the Board and that, as a result thereof, the rights of the Board thereunder have terminated, shall be conclusive upon the Board and all Unit Owners in favor of all persons who rely upon such certificate in good faith. After the due issuance of such a certificate, the Unit to which the same shall relate, together with its Appurtenant Interests, may be sold, conveyed, or leased free and clear of the terms and conditions contained in Section 7.2 hereof.

The Board shall furnish or cause the Managing Agent to furnish, such certificate upon written request to any Unit Owner in respect to whom the provisions of Section 7.2 hereof have, in fact, been terminated. In no event, however, shall the right of first refusal described in Section 7.2 hereof be deemed released or waived by the Board (as opposed to satisfied pursuant to the express terms of Section 7.2, 7.3 and 7.4 hereof) in the absence of a certificate that has been duly executed, acknowledged and issued by the Board or the Managing Agent as aforesaid.

(B) The terms and conditions contained in Sections 7.2, 7.3 and 7.4 hereof shall not apply with respect to any sale, lease, or conveyance of a Unit, together with its Appurtenant Interests, by:

(i) the owner of such Unit to any of his adult Family Members, to any combination of the same, or to a trust for the benefit of any of them or, with respect to a Unit Owner that is not an individual, to any entity or individual that own more than fifty (50%) percent of the legal and beneficial interests of such Unit Owner or to any entity with respect to which such Unit Owner (individual or otherwise) owns more than fifty (50%) percent of the legal and beneficial interest thereof;

- (ii) Sponsor, or its designee, with respect to the Unsold Units;
- (iii) Commercial Unit Owners with respect to the Commercial Units;
- (iv) the Board;
- (v) any proper officer conducting the sale of a Unit in connection with the foreclosure of a mortgage or other lien covering such Unit or delivering a deed in lieu of such foreclosure; or
- (vi) any Permitted Mortgage, or his nominee, who has acquired title to any Unit at any foreclosure sale of his or her Permitted Mortgage or by deed in lieu thereof delivered in a bona fide transaction; provided, however, that each succeeding unit Owner shall be bound by, and his Unit shall continue to be subject to, all of the terms and conditions of this Article 7. In addition, the terms and conditions contained in Section 7.2 hereof shall in no event apply to a sale, lease, or conveyance of (i) a Unit to a Permitted Mortgagee or a purchaser at a foreclosure sale of a Permitted Mortgage in connection with a foreclosure or a sale in lieu of foreclosure or (ii) either all or a portion of the Commercial Units, together with this Appurtenant Interest.

Section 7.6 No Severance of Ownership. No Unit Owner shall execute any deed or other instrument conveying title to his Unit without including therein its Appurtenant Interests, it being the intention to prevent any severance of combined ownership. Any deed or other instrument purporting to affect one or more such interests shall be taken to include the interest or interests so omitted, even though the latter shall not be expressly mentioned or described therein. No part of the Appurtenant Interests of any Unit may be sold, conveyed, or otherwise disposed of, except as part of a sale, conveyance, or other disposition of the Unit to which such interests are appurtenant or as part of a sale, conveyance, or other disposition of such part of the Appurtenant Interests of all Units. Nothing contained in this Section 7.6, however, shall prohibit the lease of any Unit without the simultaneous lease of its Appurtenant Interests.

Section 7.7 Payment of Common Charges. No Unit Owner shall be permitted to convey or lease his Unit unless he shall have paid in full to the Board all unpaid Common Charges and Special Assessments theretofore assessed against such Unit and shall have satisfied all unpaid liens, other than that of Permitted Mortgages, levied against such Unit. A letter from an officer of the Board or the Condominium's Managing Agent stating the amount of any Common Charges and Special Assessments, if any, with respect to such Unit may be relied upon as conclusive evidence of such fact. Notwithstanding the foregoing, any conveyance or lease of an Unsold Unit without complying with the provisions of this Section 7.7 shall not affect the validity of such conveyance or lease.

Section 7.8 Power of Attorney. (A) At the time of acquiring title to a Unit and as a condition thereof, the new Unit Owner shall duly execute, acknowledge and deliver to the

representative of his title insurance company (or, if no such representative is present, to Sponsor or its designee, or if Sponsor or its designee is not then the owner of any Unsold Unit, to the Board) for recording in the Register's Office, the Unit Owner's Power of Attorney required in Article 14 of the Declaration, in the form set forth as Exhibit E to the Declaration.

(B) In the case of Unit Owners who acquire Unit subject to the tenancies of Non-Purchasing Tenants, such Unit Owners shall also execute and deliver a power of attorney appointing the Board, or its duly selected Managing Agent, and their respective successors and assigns as such Unit Owner's agent for the provision of all goods and services required by law to be provided to such Non-Purchasing Tenant and/or the Unit they occupy.

Section 7.9 Gifts and Devises, Etc. Any Unit Owner shall be free to convey or transfer his Unit, together with its Appurtenant Interests, by gift, or to devise the same by will or to have the same pass by intestacy, provided, however, that each succeeding Unit Owner shall be bound by, and his Unit shall be subject to, the provisions of this Article 7.

Section 7.10 Charges Imposed on Sale or Lease of Units. If not prohibited by Law, the Board shall have the right and authority to fix be resolution and collect, before any sale or lease of a Unit (other than an Unsold Unit or the Commercial Units) is consummated, a reasonable charge to cover its expenses, and any fees due the Managing Agent or any attorney retained by the Board, in connection with the sale or lease. If such charge is adopted, it shall be added to and constitute Common Charges payable by the transferor Unit Owner. Notwithstanding the foregoing, such charge shall not be collected from Sponsor or its designee, in the event Sponsor or its designee sells or leases an Unsold Unit, or from the Commercial Unit Owners in connection with a sale or lease of all or part of the Commercial Units.

ARTICLE 8

MANAGING OF UNITS

Section 8.1 General. Each Unit Owner shall have the right to mortgage his or her Unit, subject only to the terms and conditions contained in Section 8.2 hereof. Any Unit Owner who mortgages his Unit, or the holder of such mortgage, shall supply the Board with the name and address of his mortgagee and, if requested by the Board, shall file a conformed copy of the note and mortgage with the Board. Any Unit owner who satisfies a mortgage covering his Unit shall so notify the Board and, if requested by the Board, shall file a conformed copy of the satisfaction of mortgage with the Board.

Section 8.2 Restrictions on Mortgaging. (A) No Unit Owner (other than the owner of an Unsold Unit) shall be permitted to mortgage, pledge, or hypothecate his Unit unless and until he shall have paid in full to the Board all unpaid Common Charges and Special Assessments theretofore assessed against such Unit and shall have satisfied all unpaid liens, levied against such Unit except the liens of Permitted Mortgages. A letter from the Board or the Managing Agent

stating the amount of unpaid Common Charges and Special Assessments, if any, with respect to such Unit may be relied upon as conclusive evidence of payment to its date.

(B) No Unit Owner shall execute any mortgage or other document mortgaging, pledging, or hypothecating title to his Unit without including therein its Appurtenant Interests, it being the intention to prevent any severance of such combined ownership. Any mortgage or other instrument purporting to affect one or more of such interests without including all such interests shall be deemed and taken to include the interest or interests so omitted, even though the latter shall not be expressly mentioned or described therein.

Section 8.3 Notice of Unpaid Common Charges and Default. Whenever requested in writing by a Permitted Mortgagee, the Board shall promptly report to such Permitted Mortgagee any default by his mortgagor(s) in the payment of Common Charges or Special Assessments or in the observance or performance of any of the provisions of the Condominium Documents as to which the Board has knowledge then exists. The Board shall, when giving notice to a Unit Owner of any such default, also send a copy of such notice to his Permitted Mortgagee if so requested. However, the Board shall have no liability for any failure, through oversight or negligence, in notifying a Permitted Mortgagee of such default by his mortgagor, provided that (i) the Board shall advise such Permitted Mortgagee of the default promptly after discovering such failure and (ii) if the Board shall foreclose a lien on such mortgagor's Unit pursuant to the terms of Section 6.4 hereof by reason of such default, the Board shall pay to such Permitted Mortgagee any net proceeds of any foreclosure sale of such Unit (subject to and in accordance with the lien priority set forth in Article 6 above) or such lesser sum as shall be due and owing to such Permitted Mortgagee.

Section 8.4 Performance by Permitted Mortgagees. Any sum of money to be paid or any act to be performed by a Unit Owner pursuant to the terms of the Condominium Documents may be paid or performed by his Permitted Mortgagee, and the Board shall accept such Permitted Mortgagees payment or performance with the same force and effect as if the same were paid or performed by such Unit Owner.

Section 8.5 Examination of Books. Each Permitted Mortgagee 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 8.6 Consent of Mortgagees; Designation of Mortgage Representatives. (A) Except as otherwise expressly provided for herein or in the Declaration, no consent or approval by any mortgagee shall be required with respect to any determination or act of the Board or any Unit Owner, provided, however, that nothing contained herein shall be deemed to limit or affect the rights of any mortgagee against his mortgagor. In the event that any such consent or approval shall be expressly required pursuant to the terms of the Declaration or there By-Laws, the decision of a majority of the Mortgage Representatives, if any are designated pursuant to the terms of paragraph (B) of this Section 8.6, shall be deemed binding upon the holders of all mortgages encumbering Units.

(B) The holders of Institutional Mortgages constituting a majority in principal amount of all Institutional Mortgages may, if they so elect, designate not more than two (2) Mortgage Representatives by giving written notice thereof to the Board, which Mortgage Representative shall thereby be empowered to act as the representatives of the holders of all mortgages encumbering Units with respect to any matter requiring the consent or approval of mortgagees under the Declaration or these By-Laws. Any designation of a Mortgage Representative pursuant to the terms of this paragraph (B) shall be effective until any successor Mortgage Representative is designated pursuant to the terms hereof and written notice thereof is given to the Board. Unless otherwise required by Law, no holders of mortgages encumbering Units other than Permitted Mortgagees who hold Institutional Mortgages shall be entitled to participate in the designation of Mortgage Representatives, but all holders of mortgages encumbering Units shall be subject to all determinations made by the Mortgage Representatives pursuant to the terms of the Declaration or these By-Laws.

ARTICLE 9

CERTAIN REMEDIES

Section 9.1 Self Help. If any Unit Owner shall violate or breach any of the provisions of the Condominium Documents on his part to be observed or performed, including, without limitation, any breach of his obligation to paint, decorate, maintain, repair, or replace his Unit or its appurtenant Limited Common Elements pursuant to the terms of Article 5 hereof, and shall fail to cure such violation or breach within five (5) days after receipt of written notice of the same from the Board, the Managing Agent, or any manager (or, with respect to any violation or breach of the same not reasonably susceptible to cure within such period, to commence such cure within such five (5) day period and, thereafter, to prosecute such cure with due diligence to completion), the Board shall have the right to enter such Unit Owner's Unit and/or its appurtenant Limited Common Elements and summarily to abate, remove, or cure such violation or breach without thereby being deemed guilty or liable in any manner or trespass. In addition, in the event that the Board shall determine that the abatement, removal, or cure of any such violation or breach is immediately necessary for the preservation or safety of the Building or for the safety of the occupants of the Building or other individuals or is required to avoid the suspension of any necessary service in the Building, the Board may take such action immediately, without prior notice and without allowing the said Unit Owner any period of time within which to cure or to commence to cure such violation or breach.

Section 9.2 Abatement and Injunction. (A) In the event that any Unit Owner shall violate or breach any of the provisions of the Condominium Documents on his part to be observed or performed, the Board shall have the right to seek to enjoin, abate, or otherwise remedy the continuance or repetition of any such violation or breach by appropriate proceeding brought either at law or in equity.

(B) The violation or breach of any of the terms of the Condominium Documents with respect to any of the rights, easements, privileges, or licenses granted to Sponsor or its designee shall give to Sponsor or such designee the right to enjoin, abate, or remedy the continuation or repetition of any such violation or breach by appropriate proceedings brought either at law or in equity.

Section 9.3 Remedies Cumulative. The remedies specifically granted to the Board or to Sponsor or its designee in this Article 9 or elsewhere in the Condominium Documents shall be cumulative, shall be in addition to all other remedies obtainable at law or in equity and may be exercised at one time or at different times, concurrently or in any order, in the sole discretion of the Board or Sponsor or such designee, as the case may be. Further, the exercise of any remedy shall not operate as a waiver, or preclude the exercise, of any other remedy.

Section 9.4 Costs and Expenses. All sums of money expended, and all costs and expenses incurred, by (i) the Board in connection with the abatement, enjoinment, removal, or cure of any violation, breach, or default committed by a Unit Owner pursuant to the terms of Section 9.1 or paragraph (A) of Section 9.2 hereof or (ii) Sponsor in connection with any abatement, enjoinment, or remedy of any violation or breach of the Condominium Documents pursuant to the terms of paragraph (B) of Section 9.2 hereof, shall be immediately payable by (a) in the event set forth in subparagraph (i) hereof, such Unit Owner to the Board or (b) in the event set forth in subparagraph (ii) hereof, the offending party (i.e., the Board or the Unit Owner) to Sponsor, which amount shall, in either event, bear interest (to be computed from the date expended) at the rate of two (2%) percent per month (but in no event in excess of the maximum rate chargeable to such Unit Owner pursuant to Law). All sums payable by a Unit Owner to the Board pursuant to the terms of this Section 9.4 shall, for all purposes hereunder, constitute Common Charges payable by such Unit Owner and the Board shall have such remedies with respect to their collection as are provided generally for Common Charges in Article 6.

ARTICLE 10

ARBITRATION

Section 10.1 Procedure. Any matter required or permitted to be determined by arbitration pursuant to the terms of the Condominium Documents shall be submitted for resolution by a single arbitrator in a proceeding held in the City of New York in accordance with the then existing rules of the American Arbitration Association or any successor organization thereto. In the event that the American Arbitration Association shall not then be in existence and has no successor organization, any such arbitration shall be held in the City of New York before one arbitrator appointed, upon the application of any party, by any Justice of the highest court of appellate jurisdiction then located in the City of New York. The decision of the arbitrator so chosen shall be given within ten (10) days after his selection or appointment. Any arbitrator appointed or selected in connection with any arbitration conducted hereunder shall be a member of a law firm having at least five (5) members and whose principal office is located in the City of New York.

Section 10.2 Variation by Agreement. The parties to any dispute required or permitted to be resolved by arbitration pursuant to the terms of the Condominium Documents may, by written agreement, vary any of the terms of Section 10.1 hereof with respect to the arbitration of such dispute or may agree to resolve dispute in any alternative manner, including, without limitation, the manner set forth in Section 3031 of the New York Practice Law and Rules and known as "New York Simplified Procedure for Court Determination of Disputes".

Section 10.3 Binding Effect. The decision in any proceeding conducted pursuant to the terms of Section 10.1 and/or 10.2 hereof shall be binding upon all of the parties thereto and may be entered in any court of appropriate jurisdiction. Notwithstanding the foregoing, however, any arbitration held pursuant to the terms of Condominium Documents with respect to a matter that arose prior to the first annual meeting of all Unit Owners held pursuant to the Section 4.1 hereof shall be non-binding.

Section 10.4 Costs and Expenses. (A) The fees, costs and expenses of the arbitrator shall be borne by the losing party in the arbitration or, if the position of neither party to the dispute be substantially upheld by the arbitrator, such fees, costs expenses shall be borne equally by the disputants. Each disputant shall also bear the fees and expenses of his counsel and expert witnesses.

(B) All costs and expenses paid or incurred by the Board in connection with any arbitration held hereunder, including, without limitation, the fees and expenses of counsel and expert witnesses, shall constitute Common Expenses.

ARTICLE 11

NOTICES

Section 11.1 General. All notices required or desired to hereunder except for notice of meetings under Articles 2 and 4 shall be sent by registered or certified mail, return receipt requested, postage prepaid addressed:

- (i) if to the Board, at its principal office as set forth in Section 1.5 hereof, with a photocopy sent to the Managing Agent (if any) at its principal office address;
- (ii) if to a Unit Owner other than Sponsor or its designee, to such Unit Owner at his address at the Property;
- (iii) if to Sponsor or its designee, to Sponsor or such designee, care of Sponsor's attorney, Rivkin Radler LLP, 926 Rexcorp Plaza, Uniondale, NY 11556, Attn: Jeffrey S. Greener, Esq.; or
- (iv) if to a Permitted Mortgagee, to such Permitted Mortgagee at its latest address designated in writing to the Board.

Any of the foregoing parties may change the address to which notices are to be sent, or may designate additional addresses for the giving of notice, by sending written notice to the other parties as aforesaid. All notices sent pursuant to the terms of this Section 11.1 shall be deemed given five (5) days after deposited in a branch or general post office or depository maintained by the United States Postal Service located in State of New York enclosed in a sealed, postage prepaid wrapper, addressed as aforesaid.

Section 11.2 Waiver of Service of Notice. Whenever any notice is required to be given by Law pursuant to the terms of the Condominium Documents, a waiver thereof in writing, signed by the Person or Persons entitled to such notice, whether before or after the time stated therein, shall be deemed the equivalent of the proper giving of notice, except for any notice required to be given pursuant to Section 7.11.

ARTICLE 12

AMENDMENTS TO BY-LAWS

Section 12.1 General. (A) Subject to the terms of paragraph (B) hereof and subject, further, to any provisions contained in the Declaration or these By-Laws with respect to any amendments (hereinafter referred to as "Special Amendments") affecting or in favor of Sponsor or its designee, any Unsold Unit(s), the Commercial Unit Owner, the Commercial Unit and/or any Permitted Mortgagee, any provision of these By-Laws may be amended, modified, to, or deleted by the

affirmative vote of not less than two thirds (66 2/3%) in number and aggregate Common Interest of all Unit Owners either taken at a duly constituted meeting thereof or give in either writing without a meeting as provided in Section 4.10 hereof. Each adopted amendment, modification, addition, or deletion hereof or hereto shall be effectuated in an instrument executed and recorded in the Register's Office by or on behalf of the Board as attorney-in-fact of all Unit Owners, which power-of-attorney shall be deemed irrevocable and coupled with an interest. Attached to each such instrument shall be an original, executed Secretary's Certification, certifying that the requisite number and percentage of Unit Owners approved the amendment, modification, addition, or deletion set forth therein either at a duly constituted meeting of Unit Owners or in writing without a meeting pursuant to the terms of Section 4.10 hereof, in which Secretary's Certification there shall be described the number and percentage of Unit Owners approving the same and, if voted at a meeting, the date, time and place of such meeting. No such amendment, modification, addition, or deletion shall be effective unless and until such an instrument shall be duly recorded in the Register's Office.

(B) Notwithstanding anything to the contrary contained in a paragraph (A) hereof, but still subject to any provision contained in the Declaration or these By-Laws with respect to Special Amendments:

(i) the Common Interest appurtenant to any unit, as set forth in the Declaration, shall not be altered without the consent of the Unit Owner thereof, except as otherwise provided in paragraph (F) of Section 5.5 hereof;

(ii) no amendment, modification, addition, or deletion agreed to pursuant to the terms of paragraph (A) hereof shall be effective without the prior written consent of the Mortgage Representatives, if any, provided, however, that no such consent shall be unreasonably withheld or delayed; and

(iii) the terms of Section 5.7 hereof may not be amended, modified, added to, or deleted unless (in addition to the consent, if required, of the Mortgage Representatives as provided above) not less than eighty (80%) percent in number and in aggregate Common Interests of all Unit Owners affected thereby shall approve such amendment, modification, addition or deletion in writing.

Section 12.2 Special Amendments. (A) Any amendment, modification, addition, or deletion of or to any of the provisions of these By-Laws that, pursuant to the terms of the Declaration or these By-Laws, may be effected by Sponsor or its designee without the consent of the Board or the Unit Owners shall be embodied in an instrument executed and recorded in the Registers Office by Sponsor or such designee as attorney-in-fact of both the Board and all Unit Owners, which power-of-attorney shall be deemed to be irrevocable and coupled with an interest. Attached to each such instrument shall be an original, executed Certification by Sponsor or such designee, certifying that the amendment, modification, addition, or deletion set forth therein was effectuated by Sponsor or such designee pursuant to the terms of the Declaration and/or these By-

Laws, in which Certification where shall be set forth the Article and/or Section f the Declaration or these By-Laws pursuant to which the same was effectuated. No such amendment, modification, addition, or deletion shall be effective unless and until such an instrument shall be duly recorded in the Register' Office.

(B) Notwithstanding any provision contained herein to the contrary, no amendment, modification, addition, or deletion of or to these By-Laws shall be effective in any respect against Sponsor or its designee, any Unsold Unit, the Commercial Unit Owner, and/or the Commercial Unit unless and until Sponsor, such designee, Unsold Unit Owner and/or the Commercial Unit Owner shall consent to the same in writing.

(C) Notwithstanding any provision contained herein to the contrary, no amendment, modification, addition, or deletion of or to Section 5.4 or 5.5, paragraph (B) of Section 6.2, or Article 8 hereof shall be effective with respect to the holder of any Permitted Mortgage theretofore made unless and until such Permitted Mortgagee shall have given its written consent thereto.

ARTICLE 13

FURTHER ASSURANCES

Section 13.1 General. Any Person that is subject to the terms of these By-Laws, whether such Person is a Unit Owner, a lessee or sublessees of a Unit Owner, an occupant of a Unit, a member of the Board, an officer of the Condominium, or otherwise, shall, at the expense of any 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 in order either to effectuate the provisions of these By-Laws or any transaction contemplated herein or to confirm or perfect any right to be created or transferred hereunder or pursuant to any such transaction.

Section 13.2 Failure to Deliver or Act. (A) If any Unit Owner or other Person that is subject to the terms of these By-Laws fails to execute, acknowledge, or deliver any instrument, or fails or refuses, within ten (10) days after request therefor, to take any action that such Unit Owner or Person is required to execute, acknowledge and deliver or to take pursuant to these By-Laws, then the Board is hereby authorized, as attorney-in-fact for such Unit Owner or other Person, 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.

(B) If the Board, any Unit Owner, or other Person that is subject to the terms of these By-Laws fails to execute, acknowledge, or deliver any instrument, or fails or refuses, within ten (10) days after request therefor, to take any action that the Board, such Unit owner, or Person is required to execute, acknowledge and deliver or to take pursuant to these By-Laws at the request of Sponsor or its designee, then Sponsor or its designee is hereby authorized, as attorney-in-fact for

the Board, such Unit owner, or other Person, coupled with an interest, to execute, acknowledge and deliver such instrument, or to take such action, in the name of the Board, such Unit Owner, or other Person, and such document or action shall be binding on the Board, such Unit Owner, or other Person.

ARTICLE 14

MISCELLANEOUS

Section 14.1 Inspection of Documents. Copies of the Declaration, these By-Laws, the Rules and Regulations and the Floor Plans, as the same may be amended from time to time, shall be maintained at the office of the Board and shall be available for inspection by Unit Owners and their authorized agents during reasonable business hours.

Section 14.2 Waiver. No provisions contained in these By-Laws 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.

Section 14.3 Conflicts. In the event that any provision of these By-Laws or of the Rules and Regulations shall be construed to be inconsistent with any provision of the Declaration or of the Condominium Act, the provision contained in the Declaration or in the Condominium Act shall control.

Section 14.4 Severability. If any provision of these By-Laws is invalid or unenforceable as against any Person or under certain circumstances, the remainder of these By-Laws and the applicability of such provision to other Persons or circumstances shall not be affected thereby. Each provision of these By-Laws shall, except as otherwise provided herein, be valid and enforced to the fullest extent provided by Law.

Section 14.5 Successors and Assigns. Except as otherwise expressly provided below or elsewhere in these By-Laws, the right and/or obligations of each Unit Owner as set forth herein shall inure to the benefit of, and shall be binding upon such Unit Owner's successors and assigns. The rights and/or obligations of Sponsor as set forth herein shall inure to the benefit of, and shall be binding upon, any successor or assignee of Sponsor or, with the consent of Sponsor, any transferee of all of then Unsold Units. Notwithstanding the foregoing, any Permitted Mortgagee of a Unit or a purchaser at a foreclosure sale of a Permitted Mortgage 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 accruing prior to the effective date of such succession.

Section 14.6 Gender. A reference in these By-Laws 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.