

DOCUMENT NUMBER 7

EXHIBIT D TO THE DECLARATION

BY-LAWS

OF

The Ansonia Condominium

City of New York, County of New York and State of New York

_____, 1990

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BY-LAWS
OF
THE 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 Condominium. The Condominium covers the Property, which consists of: (i) the Land, which lies in Block _____, Lot _____ on the Tax Map of the Borough of Manhattan, City of New York, County of New York and the State of New York; (ii) the Building, which includes, without limitation, the Units, the General Common Elements, the Individual Limited Common Element, the Residential 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 ByLaws 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 shall otherwise require. 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 shall otherwise require. Each of the aforescribed capitalized terms shall be applicable to singular and to 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, 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 and Regulations, as each of the same may be amended from time to time, are accepted, ratified and will be complied with. Notwithstanding anything else contained herein or elsewhere in the Condominium Documents, (i) any provision of the Condominium Documents that contravenes, abridges or otherwise violates the rights of rent stabilized or rent controlled tenants of Unsold Residential Units under Law (including the Rent Stabilization Law of 1969 ("RSL"), the Code for Rent Stabilized Apartments in New York City ("Code") adopted under the RSL, the Rent and Rehabilitation Law ("Rent Law") and the Rent and Eviction Regulations ("Rent Regulations") promulgated under the Rent Law) or the rights of tenants of the Commercial Unit

under leases (“commercial leases”) in effect on recording the Declaration, shall be unenforceable as to such tenants for the duration of their rent stabilization or rent controlled status or until such commercial lease expires (as the case may be); and (ii) any violation or breach of a provision of the Condominium Documents arising from an act or omission of a tenant of an Unsold Residential Unit or Commercial unit shall not be enforceable against, and no sum, penalty or charge by reason thereof may be imposed on, the applicable owner of such Unsold Residential Unit or Commercial Unit to the extent, and for the period, such provision is not enforceable against said tenant under the preceding clause (i).

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 County of New York reasonably convenient thereto as may be designated from time to time by the Condominium Board.

ARTICLE 2

THE CONDOMINIUM BOARD

Section 2.1 **General.** As more particularly set forth in Sections 2.4, 2.5 and 2.6 hereof, the affairs of the Condominium shall be governed by the Condominium 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 Condominium Board.** (A) Unless and until the Condominium Board shall incorporate in accordance with the terms of Section 2.4 hereof, the Condominium 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 Condominium Board shall incorporate in accordance with the terms of Section 2.4 hereof, the Condominium 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 Condominium 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 Condominium Board.** The principal office of the Condominium Board shall be located either at the Property or at such other place reasonably convenient thereto as may be designated from time to time by the Condominium Board.

Section 2.4 **Powers and Duties of the Board.** (A) The Condominium 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 Condominium 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 Condominium Board by the Unit Owners. Without intention to limit the generality of the foregoing in any respect, the Condominium Board shall have the following specific powers and duties:

(i) to operate, lease, license, maintain, repair, restore, add to, improve, alter and replace the Common Elements, and any Units owned by the Condominium Board including, without limitation, as the Condominium Board shall deem necessary or proper in connection therewith: (a) the purchase and leasing of supplies, equipment and material (b) the employment, compensation and dismissal of personnel (including the managing agent); and (c) leasing and granting licensees for the laundry room and other portions of the Common Elements;

(ii) to acquire, in the name of the Condominium Board or its designee, corporate or otherwise, and on behalf of all Residential Unit Owners (in the case of Units acquired in accordance with Article 7 of these By-Laws) or on behalf of the appropriate Unit Owners as provided in Article 13 of the Declaration, all rights, titles and interests in real and personal property deemed necessary or proper by the Condominium Board for use in connection with the ownership and operation of the Property as a condominium;

(iii) to maintain complete and accurate books and records with respect to the finances and the operation of the Condominium, including, without limitation: (a) detailed accounts, in chronological order, of receipts and expenditures affecting the Property; (b) detailed books of account of the Condominium 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, (including any Residential Common Charges), Special Assessments and utility charges, if applicable, from the Unit Owners;

(vi) to borrow money on behalf of the Condominium when required in connection with the operation, maintenance, repair, restoration, improvement, alteration and replacement of the Common Elements and Superintendent's Unit, provided however, that: (a) the affirmative consent of at least two-thirds, both in number and in aggregate Common Interests, of all Unit Owners shall be required for the borrowing of any sum in excess of \$200,000 in any one fiscal year (regardless of the balance of any loans outstanding from previous fiscal years); (b) no lien to secure repayment of any sum borrowed may be created on any Unit or its Appurtenant Interests without the consent of the owner of such Unit; (c) the documentation executed in connection with any such borrowing shall provide that, if any sum borrowed by the Condominium Board pursuant to this subparagraph (vi) shall not be repaid by the Condominium Board, any Unit Owner on whose behalf the loan is obtained and who pays to 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 on whose behalf the loan is obtained, shall be entitled 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; and (d) the Commercial Unit Owner shall not be liable for repayment of any portion of a loan insofar as it relates or is attributable solely to a Residential Unit acquired by the Condominium Board (other than a Residential Unit acquired for use and occupancy of the Building's superintendent), the Residential Limited Common Elements or Individual Limited Common Elements not appurtenant to the Commercial Unit and the loan documentation shall so provide;

(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 Condominium 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 of restorations, additions, alterations and improvements, repairs and maintenance to the General Common Elements, Superintendent's Unit, Residential Limited Common Elements and Individual Common Element (as the case may be); provided, however, that the Common Charges and Special Assessments collected from a Commercial Unit Owner, as well as any income earned thereon and other funds (if any) reserved by the Condominium Board in connection with the operation of the General Common Elements, shall be used only for the administration, operation, restoration, addition, alteration, improvement, repair and maintenance of the General Common Elements and the Superintendent's Unit (except as otherwise provided in the Declaration or these By-Laws);

(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, 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 (however, the Commercial Unit Owner may adjust or settle any claim for a loss for the Commercial Unit provided such adjustment or settlement does not produce any claim or recovery of any other Unit Owner or the Condominium Board);

(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 Condominium Board, but in no event less than \$50,000, for: (a) all members of the Condominium 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 © of Section 6.2 hereof, in the name of the Condominium Board or its designee, corporate or otherwise, and on behalf of all Residential Unit Owners;

(xiv) to purchase Units at foreclosure or other judicial sales, to purchase a Unit for the use of the superintendent or to purchase, lease or otherwise acquire Residential Units offered for sale or lease by their owners, in the name of the Condominium Board or its designee, corporate or otherwise, on behalf of all Unit Owners or Residential Unit Owners (as provided in Article 13 of the Declaration) and, in connection therewith, to borrow money on behalf of those Unit Owners for whom the Condominium Board is acting provided that, except for Units purchased in connection with a foreclosure of a lien for unpaid Common Charges pursuant to Section 6.4 hereof, any other purchase and/or borrowing is first approved by a Majority of Unit Owners on whose behalf the Condominium Board is acting and provided further that the borrowing for this purpose of any sum in excess of \$75,000 shall require the affirmative consent of at least two-thirds, both in number and in aggregate Common Interests, of all Unit Owners on whose behalf the Condominium Board is acting

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

(xvi) to adopt and amend the Rules and Regulations and to levy and collect fines against Unit Owners for violations of the same;

(xvii) 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;

(xviii) 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 practicable 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;

(xix) to organize corporations to act as the designees of the Condominium 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 residential - commercial condominium;

(xx) to execute, acknowledge and deliver: (a) any declaration or other instrument affecting the Property that the Condominium Board deems necessary or

appropriate to comply with any Law applicable to the maintenance, demolition, construction, alteration, repair, or restoration of the Building and (b) any consent, covenant, restriction, easement, or declaration affecting the Property that the Condominium Board deems necessary or appropriate;

(xxi) to prepare, execute, acknowledge and record on behalf of all Unit Owners, as their attorney-in-fact, coupled with an interest, a restatement of the Declaration or these By-Laws, whenever, in the Condominium Board's estimation, it is advisable to consolidate and restate all amendments, modifications, additions and deletions theretofore made to the same;

(xxii) to act as agent for all Unit Owners (however, any Unit Owner may withdraw the Condominium Board's authority to so act on his behalf, provided he sends written notice of such withdrawal to the Condominium Board and such notice is received before the Condominium Board has commenced the proceeding):

(a) to protest, complain or apply to the appropriate taxing authority to correct the tax assessments of the Units for any year by filing a single complaint on behalf of all such Unit Owners;

(b) to commence and prosecute a special proceeding for the review of assessments of real property as an aggrieved person under the Real Property Tax Law;

(c) to seek administrative and judicial review of the tax assessments for any year;

(d) to negotiate and settle with the taxing authority the tax assessments and any resulting proceedings and litigation;

(e) to execute and acknowledge in the name of each Unit Owner for which it is acting as agent, as such Unit Owner's attorney-in-fact, all applications, certifications, petitions, complaints, settlement agreements and other documents in furtherance of the foregoing;

(f) to retain legal counsel on behalf of the Unit Owners for which it is acting as agent to represent such Unit Owners in connection with the foregoing; and

(xxiii) to act as agent for all Unit Owners in carrying out the duties imposed upon the Condominium Board under these By-Laws and the Declaration:

(a) to defend or to commence and prosecute actions or proceedings;

(b) to seek administrative and judicial review;

(c) to negotiate and settle any such action, proceedings or litigation;

(d) to execute and acknowledge in the name of each Unit Owner for which it is acting as agent, as such Unit Owner's attorney-in-fact, all applications, certifications,

petitions, complaints settlement agreements, releases and other documents in furtherance of the foregoing,

(e) to retain legal counsel and other professionals on behalf of the Unit Owners for which it is acting as agent to represent such Unit Owners in connection with the foregoing;

(xxiv) to negotiate for the sale, contract to sell, and transfer any unused development (air) rights and to execute and deliver any documents required in connection therewith on behalf of all Unit Owners; and

(xxv) to carry out any other duties imposed upon the Condominium Board pursuant to the Declaration and these By-Laws.

(B) The Condominium 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 **Certain Limitations on the Powers of the Condominium.** (A) Notwithstanding anything to the contrary contained in these By-Laws, until the sooner to occur of the end of the fifty-first full calendar month following the First Closing or the closing of title to 300 Residential Units representing sixty-five (65%) percent in number of all Residential Units, the Condominium Board may not, without Sponsor's or its designee's prior written consent:

(i) raise Common Charges or impose Special Assessments for purposes of making any addition, alteration, or improvement to the Common Elements, or to any Unit, unless the same shall be required by Law or necessary for the health or safety (but not the general comfort and welfare) of the Unit Owners;

(ii) assess any Common Charges or Special Assessments for the creation or replacement of, or the addition to, all or any part of a reserve, contingency, or surplus fund for any year of operation in excess of the following amount: (a) a sum equal to five (5%) percent of the then projected Common Expenses for each year falling within the first full 23 calendar months following the First Closing; and (b) a sum equal to ten (10%) percent of the then projected Common Expenses for any year after such 24 month period; or

(iii) increase the number or change the type of employees from that described in Schedule B – "Budget for First Year of Condominium Operation" set forth in the Plan during the first full 24 calendar months following the First Closing;

(B) Notwithstanding anything to the contrary contained in these By-Laws, the Condominium Board may take any of the actions enumerated in clauses (i) through (iii) above:

(i) if the cost of such actions, when added to all other budgeted operating expenses, shall not result in increasing the Common Charges for any year of operation by more than five (5%) percent (for any year falling within the first full 24 calendar months

following the First Closing) or ten (10%) percent (for any year thereafter) above the previous year's Common Charges;

- (ii) to comply with applicable Laws;
- (iii) to remedy any notice of violations;
- (iv) to remedy any proper work order of an insurer of the Building; or
- (v) if all Unsold Unit Owners consent thereto.

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

(B) The Condominium Board may appoint an Executive Committee by duly adopted resolution, which Executive Committee shall have, and may exercise, all of the powers of the Condominium Board during the intervals between the meetings of the Condominium Board, subject to both the exceptions and limitations contained in paragraph (D) of this Section 2.6 and such additional exceptions and limitations as the Condominium Board may from time to time deem appropriate. In addition, the Condominium Board may from time to time appoint, by duly adopted resolutions, such other committees as the Condominium Board may deem appropriate to perform such duties and services as the Condominium 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. The Executive Committee and each other committee shall consist of three or more members of the Condominium Board, at least one of whom shall be a member designated by Sponsor or Sponsor's designee for so long as Sponsor or Sponsor's designee shall have the right to designate or elect one or more members of the Condominium Board. At no time shall the Executive Committee include only members of the Condominium Board elected by Residential Unit Owners.

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

(D) Notwithstanding anything to the contrary contained in this Section 2.6, the Executive Committee and the Managing Agent shall neither have nor be entitled to exercise, and the Condominium Board shall not delegate to either of them or to any other committee, the powers or duties described in subparagraphs (ii), (iv), (v), (vi), (x), (xiii), (xiv), (xv), (xvi), (xvii), (xix), (xx), (xxi), (xxii) and (xxiii) of paragraph (A) of Section 2.4 hereof. 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 Condominium 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 Condominium Board shall consist of three individuals to be designated from time to time by Sponsor. From and after the first annual meeting of the Unit Owners, the Condominium Board shall consist of nine (9) individuals to be elected as provided in subparagraph (B) below and pursuant to the terms of Section 4.9 hereof.

(B) The nine (9) member Condominium Board will be elected by the following Unit Owners: (i) at all elections held before the Commercial Unit is subdivided into a Garage Unit and one or more Commercial Units, eight (8) members shall be elected or designated by the Residential Unit Owners (including up to five (5) members designated by Sponsor or other Unsold Residential Unit Owners as hereafter provided) and one (1) member shall be designated or elected by the Commercial Unit Owner; and (ii) at all elections held after the Commercial Unit is subdivided into a Garage Unit and one or more Commercial Units, seven (7) members shall be elected or designated by the Residential Unit Owners (including up to five (5) members designated by Sponsor or other Unsold Residential Unit Owners as provided below), and one (1) member shall be designated or elected by each the Garage Unit Owner and Commercial Unit Owner.

(C) Except for members of the Condominium Board elected or designated to represent, and who have a relationship or affiliation with, Sponsor or other owners of Unsold Residential Units or the Commercial Unit Owner pursuant to the terms of this Section 2.7 or of Sections 2.10 or 4.9 hereof, all other members of the Condominium Board shall be either: (i) individual Unit Owners or the spouse of a Unit Owner; (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; (iv) adult Family Members of any of the foregoing; or (v) individuals affiliated with or employed by a sovereign government, consulate or other entity. No Unit Owner may be elected to serve on the Condominium Board if the Condominium 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 election. In addition, no Unit Owner may continue to serve on the Condominium Board after such lien is perfected and for so long as such lien remains unpaid.

(D) There are no minimum qualifications or requirements to be met to serve on the Condominium Board by members elected or designated to represent, and who have a relationship or affiliation with, Sponsor or other owners of Unsold Residential Units or the Commercial Unit Owner. These members need not be Unit Owners and need not reside in the Building. Other than such members representing Sponsor or other owners of Unsold Residential Units or the Commercial Unit Owner, no member shall continue to serve on the Condominium Board after (a) he ceases to be a Unit Owner or an "interested party" in a Unit Owner, as specified in paragraph (C) of this Section 2.7 or (b) if the member is a Unit Owner, a lien has been filed against his Unit for unpaid Common Charges pursuant to Section 6.4 hereof and Section 339-z of the Condominium Act.

(E) Unless Section 2.8 below is duly amended to decrease the term of the Board members to one (1) year each, the total number of Board members shall be either nine (9) or twelve (12) so that the terms of at least one-third of the Board members shall expire annually

in accordance with the Condominium Act. In no event will the number of members of the Board to be elected or designated by the Commercial Unit Owner(s) as provided in Section 2.7 (B) and 4.9(C) be increased or decreased by any change in the number of residential members as hereinafter provided. Subject to the foregoing, the number of residential members of the Condominium Board elected or designated by the Residential Unit Owners (including Sponsor and/or other Unsold Residential Unit Owners) may, from time to time, be increased to eleven (11) residential Board members, or to ten (10) residential Board members after the Commercial Unit is subdivided into a Garage Unit and one or more Commercial Units, and subsequently decreased to not lower than seven (7) Board members by an affirmative vote of a majority of Residential Unit Owners, both in number and in Common Interests, cast at a regular or special meeting of Unit Owners at which a quorum is present. Any higher number of residential Board members elected or designated by the Residential Unit Owners shall require both (i) the approval of Sponsor and all other Unsold Residential Unit Owners and (ii) an affirmative vote of a majority of Residential Unit Owners, both in number and in Common Interests, cast at a regular or special meeting of the Unit Owners at which a quorum is present.

Any proposal to increase (or subsequently decrease) the number of Board members to be elected or designated by the Residential Unit Owners must be included in the notice of meeting. The Secretary of the Condominium shall include such proposal in the notice of meeting if approved by (i) a majority of the Board members elected or designated by the Residential Unit Owners (including Sponsor and/or other Unsold Residential Unit Owners) at a meeting of the Board at which a quorum is present or (ii) requested in a written petition signed by five (5%) percent or more of all Residential Unit Owners, both in number and in Common Interests.

Section 2.8 **Term of Office of Members.** The term of office of the three members of the Condominium Board designated by Sponsor prior to the first annual meeting of the Unit Owners shall expire when the nine individuals to be elected at such meeting are so elected and qualified. The term of office of each of the nine individuals comprising the Condominium Board elected and qualified at the first annual meeting of the Unit Owners shall be fixed at such meeting as follows: (i) three of such members shall serve for a term of three years; (ii) three of such members shall serve for a term of two years; and (iii) three of such members shall serve for a term of one year. With respect to the foregoing, those members receiving the highest number of votes shall serve for the longest terms of office, but any members elected or designated by Sponsor or its designee pursuant to the terms of Section 4.9 hereof shall serve for the shortest terms of office. At each annual meeting of the Unit Owners subsequent to the first such meeting, three members of the Condominium Board shall be elected by the Unit Owners pursuant to the terms of Section 4.9 hereof to serve a term of office fixed at three years. Notwithstanding anything to the contrary contained in this Section 2.8, however, each member of the Condominium Board shall serve until his successor shall be elected and qualified.

Section 2.9 **Removal and Resignation of Members.** (A) Any Residential member of the Condominium Board who was elected thereto either by the Unit Owners, pursuant to the terms of Section 4.9 hereof, or by the Condominium 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 Residential Unit Owners owning a majority of the Common Interests of all Residential Units, except members who are affiliated with or related to Sponsor or an Unsold Residential Unit

Owner or the Commercial Unit Owner may only be so removed “with cause”. Any member of the Condominium Board who is affiliated with or related to Sponsor or an Unsold Residential Unit Owner or the Commercial Unit Owner pursuant to the terms of Sections 2.7, 2.8, 2.10 or 4.9 hereof, may be removed “without cause” only by Sponsor, such Unsold Residential Unit Owner, or the Commercial Unit Owner, respectively. Any member of the Condominium 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 thereat.

(B) Any member of the Condominium Board may resign his membership at any time by giving written notice thereof to the Condominium Board and, with respect to members of the Condominium Board designated as such or elected by Sponsor or the Commercial Unit Owner, by giving written notice thereof to Sponsor or the Commercial Unit Owner, respectively. In addition, any member of the Condominium 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.

Section 2.10 **Vacancies.** (A) Subject to the provisions of subparagraph (B) below, any vacancy on the Condominium Board that is caused by the removal, cessation of qualification pursuant to Section 2.7 (D), resignation, or death of a member who was elected thereto by the Residential Unit Owners 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 Condominium Board then in office. A special meeting of the Condominium 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 even if the number of members present at such meeting shall not constitute a quorum. Notwithstanding the foregoing, if such vacancy resulted from a removal voted upon by the Residential Unit Owners pursuant to Section 2.9, the Residential Unit Owners shall have the right to pre-empt the Condominium Board and elect the replacement at the same meeting the removal was voted upon or at a subsequent special meeting of Residential Unit Owners called for such purpose.

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

(C) Each member of the Condominium 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 Condominium 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 Condominium Board.** The first meeting of the Condominium 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 as shall be both fixed informally by a majority of the members of the Condominium Board and designated

in a written notice given to all members thereof by personal delivery, mail, telecopier or telegram not later than five (5) business days prior to such date.

Section 2.12 **Regular Meetings of the Condominium Board.** (A) Regular meetings of the Condominium Board may be held at such time and place 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 Condominium Board shall be held during each fiscal year.

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

Section 2.13 **Special Meetings of the Condominium Board.** The President may call a special meeting of the Condominium Board whenever he deems the same to be necessary or desirable. The President shall call a special meeting upon the written request of three (3) or more members of the Condominium Board.

Written notice of all special meetings shall be given to each member of the Board by personal delivery, mail, telecopier or telegram at least five business days prior to the day named for such meeting, which notice shall state the time, place and purpose of the meeting.

Section 2.14 **Waiver of Notice of Meetings.** Any member of the Condominium 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 Condominium Board.** Except as provided in the next sentence, for purposes of all meetings of the Condominium Board, a majority of the members of the Board shall constitute a quorum for the transaction of business by the Board. However, for purposes of a meeting at which the only business to be transacted relates to the Residential Units, Residential Limited Common Elements or the Individual Limited Common Elements, a majority of the members of the Board elected by the Residential Unit Owners shall constitute a quorum. Similarly, for purposes of a meeting at which the only business to be transacted relates to the Commercial Unit, a majority of the members of the Condominium Board elected or designated by the Commercial Unit Owner shall constitute a quorum. Notwithstanding anything to the contrary herein, after the expiration of the Initial Control Period, with respect to any issue relating solely to the General Common Elements, the number of members required to constitute a quorum shall be reduced to a majority of the members entitled to vote on such issue in accordance with Section 4.9(E) below. In connection therewith, one or more members of the Condominium Board may participate in any meeting thereof by means of a conference telephone 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 such a meeting for all purposes. If, at any meeting of the Condominium 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 shall preside at all meetings of the Condominium Board and the Secretary shall faithfully record the minutes thereof, which minutes shall include the full text of all resolutions duly adopted by the Condominium Board and a record of all transactions and proceedings occurring thereat. Notwithstanding the foregoing, meetings of the members of the Condominium Board elected by the Commercial Unit Owner may be held without any officer of the Condominium being present.

(B) The then current edition of Robert's Rules of Order, or any other rules of procedure from time to time acceptable to a majority of the members of the Condominium Board, shall govern the conduct of the meetings of the 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 Condominium Board.** (A) Except as otherwise expressly provided in the Declaration or these By-Laws, the vote of a majority of the members of the Condominium 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 Condominium Board may be made without a meeting thereof if all of the members of the Condominium 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 Condominium Board.

(B) Notwithstanding the foregoing:

(i) the vote of a majority of the members of the Condominium Board elected by the Residential Unit Owners present at a meeting at which a quorum is present shall constitute the decision of the Board as to matter affecting only the Residential Units, Individual Limited Common Elements, and/or Residential Limited Common Elements; and

(ii) any decision affecting only the Commercial Unit shall be made by the members elected or designated by the Commercial Unit Owner.

Section 2.18 **Compensation of Members.** No member of the Condominium Board or any Committee shall receive any compensation from the Condominium for acting as such.

Section 2.19 **Common or Interested Members of the Condominium Board.** Each member of the Condominium 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 Condominium 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 Condominium Board are officers, directors, employees, partners, fiduciaries, beneficiaries, or principals, or are otherwise interested, pecuniary or otherwise, shall be deemed either void or voidable because either (a) any such member of the Condominium 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, the 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 interested 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 Condominium Board at the time that the same is authorized, approved, ratified, executed or otherwise consummated.

Any such member of the Condominium 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 Condominium Board.** (A) The members of the Condominium Board shall have no liability to the Unit Owners for errors of judgment, negligence, or otherwise, except that each member of the Condominium Board shall be liable for his own bad faith or willful misconduct. In connection therewith, members of the Condominium Board (including those related to or affiliated with 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 Condominium Board and such Board member or any Person related to or affiliated with such Board member (including Sponsor or its agents), provided that any compensation paid, or to be paid, to such Board member or to such related or affiliated Person (including Sponsor or its agents) in connection with any such contract or transaction is at competitive or lower rates for goods sold or services rendered in the Borough of Manhattan and (if the contract or transaction is with Sponsor or an affiliate of Sponsor) is approved by a majority of the independent resident members of the Board who have no relationship or affiliation with Sponsor.

(B) Every contract made, and other document executed, by or on behalf of the Condominium 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 that 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 Condominium Board nor any member thereof shall be liable for either:

(i) any failure or interruption of any utility or other services to be obtained by, or on behalf of, the Condominium Board 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, its appurtenant Limited Common Elements or the Common Elements and either: (a) caused by the elements, by any Unit Owner, or by any other Person; (b) resulting from electricity, water, snow, or ice that may leak or flow from a Unit, its appurtenant Individual Limited Common Element or any portion of the Common Elements; or (C) arising out of theft or otherwise.

(D) The Unit Owners on whose behalf the Condominium Board acted shall jointly and severally defend, indemnify and hold harmless each member of the Condominium Board 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 Condominium Board, 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. Notwithstanding the foregoing, the Commercial Unit Owner shall be required to provide such indemnity only if the claim, liability arose in connection with the Commercial Unit, the General Common Elements or the Superintendent's Unit.

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 Condominium 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 Condominium 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 Condominium 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 the Condominium 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 Business Corporation Law of the State of New York (hereinafter referred to as the "BCL"), including, but not limited to, the power to appoint the members of all committees created by the Condominium Board from among 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 Condominium Board shall appoint some other member of the Condominium 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 Condominium Board or by the President.

Section 3.4 **Secretary.** The Secretary shall keep the minutes of all meetings of the Unit Owners and of the Condominium Board. The Secretary shall have charge of such books and papers as the Condominium 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 the 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 Condominium Board or in the name of the Managing Agent in such depositories as may from time to time be designated by the Condominium 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 Condominium Board shall be elected annually by a majority vote of the Condominium Board taken at the organizational meeting of each new Condominium Board, and shall serve at the pleasure of the Condominium Board. The President and the Vice President shall be elected from among the members of the Condominium Board. The other officers of the Condominium, however, need not be Unit Owners or members of the Condominium 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 members of the Condominium Board. In addition, any officer may resign at any time by giving written notice to the Condominium Board. Finally, if the President or the Vice President of the Condominium shall cease to be a member of the Condominium Board during his term of office, such officer shall be deemed to have resigned his office effective upon the date upon which his membership shall cease.

Section 3.8 **Vacancies.** Any vacancy in an office shall be filled by a majority vote of the Condominium Board at any regular meeting of the Condominium 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 Condominium Board and the Unit Owners pursuant to the terms of Sections 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 Owners 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 services 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, its appurtenant Individual Limited Common Element or the General Common Elements, and either: (a) caused by the elements, by any Unit Owner, or by any other Person; (b) resulting from electricity, water, snow, or ice that may leak or flow from a Unit, its appurtenant Individual Limited Common Element or any portion of the General Common Elements; or (c) arising out of theft or otherwise.

(C) The Unit Owners on whose behalf an officer of the Condominium acted, shall jointly and severally defend, indemnify and hold harmless each officer of the Condominium 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. Notwithstanding the foregoing, the Commercial Unit Owner shall be required to provide such indemnity only if the claim or liability arose in connection with the Commercial Unit, the General Common Elements or the Superintendent's Unit.

ARTICLE 4

UNIT OWNERS

Section 4.1 **Annual Meetings of the Unit Owners.** The first annual meeting of the Unit Owners shall be held approximately sixty (60) days after the First Closing, at which meeting the incumbent three (3) member Condominium Board shall resign and a successor nine (9) member Condominium Board shall be 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 of the anniversary of the previous annual meeting and at such time and place in the County of New York as shall be determined by the Condominium Board. At each such subsequent meeting, the Unit Owners shall elect successors to the three (3) members of the Condominium 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.

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 Condominium 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 such 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 Condominium Board.

Section 4.4 **Notice of Meetings.** (A) 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, or telegram not later than ten (10) nor more than thirty (30) days prior to the day fixed for the meeting; however, the mailing of such notice to any Unit Owner, addressed to his address at the Property, at least ten (10) days prior to the day fixed for the meeting shall be conclusively deemed the giving of notice to such Unit Owner of such 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.

(B) If the business to be conducted at any meeting of the Unit Owners shall include the consideration of a proposed amendment to the Declaration or to these By-Laws, the notice of such meeting shall be mailed to all Unit Owners at least thirty (30) days prior to the day fixed for such meeting and shall be accompanied by a copy of the text of such proposed amendment.

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 more than fifty (50%) percent of the aggregate Common Interests appertain shall constitute a quorum at all meetings of the Unit Owners. Notwithstanding the foregoing, the presence in person or by proxy of Unit Owners owning Units to which thirty-three and one-third (33 1/3%) percent or more of the aggregate Common Interests appertain shall constitute a quorum at the first meeting of Unit Owners held after the First Closing. 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 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 Owners 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 Owners 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 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;
- (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 Condominium Board;
- (vi) Reports of committees;
- (vii) Election of inspectors of election (when so required);
- (viii) Election of members of the Condominium 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 vote at all meetings of the Unit Owners for each .000001% 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 Condominium 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 Condominium Board nor any designee thereof shall be entitled to vote the Common Interest appurtenant to any Unit owned by the Condominium 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 or more Persons own a Unit, they shall designate one Person amongst them to vote the Common Interest appurtenant to their Unit in 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(s) 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 a writing both signed and dated by the designer 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 shall be binding upon all such Unit Owners for all purposes.

Section 4.9 **Election of Members of the Condominium Board.** (A) Subject to the terms of Section 2.7 hereof, when voting for members of the Condominium Board, each Unit Owner (including Sponsor, for so long as Sponsor shall own Unsold Units) shall be entitled to cast one vote for each .000001% of Common Interest attributable to his Units per member to be elected. However, nothing contained herein shall be deemed either 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) and (D) of Section 4.8 hereof shall apply to all elections of members of the Condominium Board.

(B) Subject to the terms of Section 4.1 hereof, all elections of members of the Condominium 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 Condominium Board shall be determined by plurality vote. The Commercial Unit Owner (who is initially likely to be Sponsor) shall elect (or designate) the following number of members of the Condominium Board to represent it on the Board at all times: (i) one (1) member at all elections held before the Commercial Unit is subdivided into a Garage Unit and one or more Commercial Units and (ii) two (2) members at all elections held after the Commercial Unit is subdivided into a Garage Unit and one or more Commercial Units. The member(s) of the Condominium Board to be elected or designated by the Commercial Unit Owner "shall be designated by the Commercial Unit Owner in writing at or before a meeting at which a quorum of all Unit Owners are" present. In the event the Commercial Unit is subdivided into a Garage Unit and a Commercial Unit, the Garage Unit Owner and Commercial Unit Owner

shall each designate one member. However, in the event the Commercial Unit is subdivided into a Garage Unit and two or more Commercial Units, then the Garage Unit Owner shall designate one Board member to represent it on the Board and the Commercial Unit Owners representing a majority of the Common Interests of all Commercial Units shall elect or designate the other Board member to represent them on the Board. If no separate Garage Unit is created on the subdivision of the Commercial Unit, then the Commercial Unit Owners representing a majority of the Common Interests of all Commercial Units shall elect or designate one member to the Condominium Board to represent them.

(D) Sponsor shall have the right to vote all of the Common Interests attributable to Units owned by Sponsor, except that when voting for members ("residential members") of the Condominium Board to represent the Residential Unit Owners, the following shall apply:

(i) During the Initial Control Period:

(a) the owner(s) of Unsold Residential Units (including Sponsor) shall in no event cast its (their) votes in favor of more than a bare majority of nominees who are related to or affiliated with Sponsor or other Unsold Residential Unit Owners (i.e., six (6) nominees in the case of ten (10) or eleven (11) residential members, five (5) nominees in the case of eight (8) residential members and four (4) nominees in case of seven (7) residential members); and

(b) the owner(s) of Unsold Residential Units (including Sponsor) and all other Residential Unit Owners shall have the right to elect the remaining residential members who shall not be related to or affiliated with Sponsor or other Unsold Residential Unit Owners (i.e., five (5) nominees in the case of eleven (11) residential members, four (4) nominees in the case of ten (10) residential members and three (3) nominees in the case of eight (8) or seven (7) residential members); and

(ii) at all elections held after the expiration of the Initial Control Period:

(a) the owner(s) of Unsold Residential Units (including Sponsor) shall in no event cast its (their) votes in favor of more two (2) nominees who are related to or affiliated with Sponsor or other Unsold Residential Unit Owners; and

(b) the Unsold Residential Unit Owners (including Sponsor) and all other Residential Unit Owners shall have the right to elect the remaining residential members who shall not be related to or affiliated with Sponsor or other Unsold Residential Unit Owners (i.e., five (5), six (6), eight (8) or nine (9) members depending on whether the residential members total seven (7), eight (8), ten (10) or eleven (11) members, respectively).

(E) After the Initial Control Period, the Unsold Residential Unit Owners (including Sponsor) shall have the right to elect or designate the following minimum number of residential members of the Condominium Board who are related to or affiliated with Sponsor or other Unsold Residential Unit Owners, unless waived in writing by all Unsold Residential Unit

Owners: (a) two (2) residential members, for so long as the Common Interests attributable to the Unsold Residential Units equals, in the aggregate , thirty (30%) percent or more of the Common Interests of all Residential Units; and (b) one (1) member for so long there are at least fifty (50) Unsold Residential Units. In addition to this minimum number, the Unsold Residential Unit Owners (including Sponsor) have the right to vote for all other residential Board members who have no relationship or affiliation with Unsold Residential Unit Owners (including Sponsor).

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 a 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 Condominium 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 Condominium Board and the officers of the Condominium pursuant to the terms of Section 2.20 and 3.10 hereof, respectively) that only the Unit Owners on whose behalf such contract is made shall have liability thereunder and the liability of each such Unit Owner with respect thereto shall be limited to: (i) such proportionate share of the total liability thereunder as the Common Interest of such Unit Owner bears to the aggregate Common Interests of all Unit Owners on whose behalf the contract is made and (ii) such Unit Owner's interest in his Unit and its Appurtenant Interest, unless otherwise provided by Law. Notwithstanding the foregoing, the Commercial Unit Owner shall only be liable if the contract affects the General Common Elements, the Commercial Unit or the Superintendent's Unit.

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 Residential Unit and all portions thereof (including, but not limited to, the interior walls, ceilings and floors in the Residential Unit, kitchen and bathroom fixtures and appliances, indoor sills, all doors (entrance and terrace, if any) and their frames and saddles, exposed plumbing and gas fixtures and equipment, air conditioning units, lighting and electrical fixtures and any space forming a part of the 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 such Residential Unit at such Residential Unit Owner's sole cost and expense;

(ii) in or to the General 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), the Superintendent's Unit or any other Unit acquired by the Condominium Board, shall be performed by the Condominium Board as a Common Expense (to be borne as provided in Article 6) or (as to any Residential Unit acquired by the Condominium Board other than the Superintendent's Unit) as a Residential Common Expense to all Residential Unit Owners only;

(iii) in or to the Individual Limited Common Element shall be performed by (a) the Condominium Board as a Common Expense to all Unit Owners, if involving structural or extraordinary maintenance, repairs, or replacements (including, but not limited to, the repair of any leaks that are not caused by the acts or omissions of the Unit Owner having direct and exclusive access thereto) or (b) the Unit Owner having direct and exclusive access thereto at his sole cost and expense, if involving non-structural ordinary maintenance, repairs, or replacements;

(iv) in or to the Residential Limited Common Elements (other than any wall and/or space forming a part of the 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 Condominium Board as a Residential Common Expense to all Residential Unit Owners;

(v) in or to the Commercial Unit and all portions thereof and any wall and/or space forming a part of the 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 the Commercial Unit Owner's sole cost and expense; and

(vi) in or to the Commercial Unit acquired by the Condominium Board on behalf of all Unit Owners in accordance with Article 13 of the Condominium Declaration, shall be performed by the Condominium Board as a Common Expense to be borne by all Unit Owners in accordance with their respective Common Interests. Notwithstanding the foregoing, an Unsold Residential Unit Owner (including Sponsor as owner of an Unsold Residential Unit) shall not make any structural alterations or replacements to the Building's load bearing structures without the consent of the Condominium Board, whose consent shall not be unreasonably withheld or delayed and shall be given if a duly qualified structural engineer shall certify to the Condominium Board that the proposed alteration or replacement will not impair the structural integrity of the Building.

No Residential Unit Owner (other than Sponsor or an Unsold Residential Unit Owner) shall make any structural repairs or replacements to his Residential Unit or Residential Unit's Individual Limited Common Elements (if any) without the prior written approval of the Condominium Board in each instance. Additionally, no Residential Unit Owner (including

Sponsor or an Unsold Residential Unit Owner) shall make such structural repairs or replacements without approval of the Landmarks Preservation Commission (if necessary). Such approval of the Condominium Board may not be unreasonably withheld, but if granted may be conditioned on such Residential Unit Owner complying with the same requirements and restrictions applicable to alterations, additions and improvements to the Residential Unit and Individual Limited Common Elements set forth in Section 5.2(A) and (C) below. Sponsor, an Unsold Residential Unit Owner and the Commercial Unit Owner have the right to make structural repairs or replacements to such owner's Unit without approval of the Condominium Board, provided only that such repairs or replacements are made in compliance with the Law and such Unit Owner indemnifies the Condominium Board and all other Unit Owners from all claims and liability arising in connection therewith.

Promptly upon obtaining knowledge thereof, each Unit Owner shall report to the Condominium Board or to the Managing Agent any defect or need for repairs for which the Condominium 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 Condominium 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, 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. However, the Condominium Board shall repair or replace the windows (including their panes, latches, operating mechanisms, muntins, mullions and sashes), unreasonable air penetration or any water penetration through the windows, or the Building's outer walls and exterior and interior windowsills. All entrance doors to a Unit or to an Individual Limited Common Element are to be maintained, repaired and replaced by the respective Unit Owners at their own cost and expense. The exterior side of windows and doors facing a hallway or the outdoors shall not be painted or decorated without the prior written consent of the Condominium Board and Sponsor (for so long as Sponsor owns an Unsold Unit), in each instance. The Condominium Board and Sponsor are not obligated to give such consent. Any replacement window or door to be installed by a Residential Unit Owner must first be approved by the Condominium Board and (if necessary) the Landmarks Preservation Commission or other applicable governmental or quasi-governmental authority having jurisdiction. If the Landmarks Preservation Commission approves the replacement window, the Condominium Board shall also be deemed to have approved same. The foregoing right of the Condominium Board to approve the painting or decoration of the hallway side of entrance doors to Residential Units shall not apply to Unsold Residential Units, whose entrance doors may be painted, decorated, altered and replaced by, and at the expense of, the Unsold Residential Unit Owner (including Sponsor), without obtaining the approval of the Condominium Board, but subject to compliance with the Law (including the Landmarks Preservation Law, if applicable).

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 Condominium

Board, the entire cost and expense thereof shall be borne by the Condominium Board as a Common Expense if involving the General Common Elements or Superintendent's Unit or both the Residential Units or Residential Limited Common Elements and Commercial Unit, or a Residential Common Expense if involving only the Residential Units (other than the Superintendent's Unit) or Residential Limited Common Elements, 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 with respect to any terrace, roof, or other part of the Property exposed to the elements) by the Unit Owner, or the Condominium Board, whichever is responsible for the maintenance thereof as set forth herein, and such Unit Owner or the Condominium Board, as the case may be, 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 Condominium Board, with respect to such parts of the Building required to be maintained by such Board, and (ii) each Unit Owner, with respect to the interior and exterior surfaces of the terrace, windows and shades, venetian or other blinds, drapes, curtains or other window decorations in or appurtenant to his Unit. The Condominium Board shall perform its obligations for maintenance, repairs, corrections and services as set forth in these By-Laws in a first class, workmanlike manner and in accordance with the standards of the New York City Housing Maintenance Code or other applicable Laws.

(D) The Condominium Board shall:

(i) operate the Building at, and shall provide to all Residential Unit Owners and the tenants and occupants of Unsold Residential Units alike (on a non-discriminatory basis) in accordance with Law (including, without limitation, the Rent Stabilization Law of 1969, the Code for Rent Stabilized Apartments in New York City adopted by the New York State Division of Housing and Community Renewal, the Rent and Rehabilitation Law, the Rent and Eviction Regulations promulgated under such latter law and General Business Law Section 352-eeee), the same level of services and facilities as those being provided at the time of First Closing under the Plan, except for those services (including maintenance and repairs to the interior of Residential Units) which are the obligation of the Residential Unit Owner to perform under these By-Laws;

(ii) defend, indemnify and hold harmless the Unsold Residential Unit Owners (including Sponsor) from all claims, actions, judgments, awards, losses, liabilities, costs and expenses (including, without limitation, reasonable attorney's fees, disbursements and litigation expenses) (collectively "Losses") incurred or required to be paid as a result of the failure of the Condominium Board to comply with its obligations under the preceding clause (i) or to perform any other obligation under the Declaration or these By-Laws. Notwithstanding the foregoing, the Condominium Board shall not so indemnify

Sponsor for Losses during any period in which a majority of the Residential Members of the Condominium Board are persons related to or affiliated with Sponsor; and

(iii) cause its managing agent (a) to receive and relay to the appropriate Unsold Residential Unit Owner calls from “non-purchasing tenants” of Unsold Residential Units (as such quoted term is defined in the Plan) for repairs to the interior of Unsold Residential Units, including (without limitation) appliances and plumbing and lighting fixtures, without charge to the Unsold Residential Unit Owner and non-purchasing tenants and (b) if authorized by the Unsold Residential Unit Owner, to arrange for such repairs to be performed (the costs of the repairs and for any fee to the managing agent to arrange the repair work are to be paid solely by the appropriate Unsold Residential Unit Owner at the same rate charged to other Residential Unit Owners or without charge to the extent no charge is imposed on other Residential Unit Owners for similar repair work).

All such services and facilities shall be provided by the Condominium Board without charge, other than as part of the Residential Common Expenses payable by all Residential Common Expenses payable by all Residential Unit Owners; however, the applicable Unsold Residential Unit Owner shall pay the cost of repairs which are the obligation of the Residential Unit Owner or Unsold Residential Unit Owner to perform under these By-Laws.

All service calls from non-purchasing tenants shall be communicated promptly to the appropriate Unsold Residential Unit Owner, who shall perform all required repairs. However, the Condominium Board is authorized to have its managing agent perform at the expense of the appropriate Unsold Residential Unit Owner all “neglected repairs” and all “emergency repairs” in Unsold Residential Units occupied by non-purchasing tenants. “Neglected repairs” are repairs for which a violation is issued by the Department of Buildings or other governmental authority having jurisdiction and are not corrected within a reasonable period after access is given to the Residential Unit. If access is denied or delayed through no fault of the Unsold Residential Unit Owner, the time within which the Unsold Residential Unit Owner is to correct the violation shall be extended for a period equal in length to the period of denial or delay. “Emergency repairs” are repairs to correct dangerous or hazardous conditions which threaten the life, health or safety of residents or are necessary to avoid either damage to property or suspension of any essential service (such as water, heat or electricity).

Before undertaking a neglected repair, the Condominium Board or managing agent shall give the appropriate Unsold Residential Unit Owner not less than ten (10) days’ advance written notice of its intention to do so. If the Unsold Residential Unit Owner fails (a) to complete or substantially complete the neglected repair within such ten (10) day period or (b) (if the repair is of a nature that cannot reasonably be completed within ten (10) days), to promptly and in good faith commence the repair work and thereafter diligently complete the repair, then the managing agent – at the direction of the Condominium Board – may do so at the expense of such Unsold Residential Unit Owner.

Promptly after learning of the emergency and, if reasonably practical, before undertaking the emergency repair, the Condominium’s managing agent shall consult with the appropriate Unsold Residential Unit Owner by telephone (or by mailgram or telephone facsimile if unsuccessful by telephone). At the First Closing and on engaging a new managing agent, the

Condominium Board will cause the managing agent to enter into a written agreement with the Sponsor and any other Unsold Residential Unit Owner to the foregoing effect.

Section 5.2 **Alterations, Additions, Improvements or Repairs in and to Units and Limited 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 his Residential Unit or its appurtenant Limited Common Elements without the prior written approval of the Condominium Board in each instance, which approval shall not be unreasonably withheld or delayed.

No Unit Owner shall resurface the terrace appurtenant to his Unit without the prior written approval of the Condominium Board in each instance and only in compliance with the landmark laws and regulations applicable to the Building. No Unit Owner shall paint, decorate or enclose any portion of a terrace which is visible from the ground or street surrounding the Building without the prior written approval of the Condominium Board and the Landmarks Preservation Commission. The Condominium Board and the Landmarks Preservation Commission are not obligated to give such consent.

Except as prohibited by law (including, but not limited to landmark laws applicable to the Building) in the event that the Condominium Board shall fail to answer any written, reasonably detailed request for such approval within thirty days after such request is received, such failure to respond shall constitute the Condominium Board's consent thereto. Prior to, and as a condition of, the granting of any such approval, the Condominium 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 Condominium Board may reasonably prescribe and to execute an agreement, in form and substance satisfactory to the Condominium 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 and requiring the Unit Owner to agree to reimburse the Condominium Board for any architectural or legal fees or uses it incurs in connection with such approval.

(B) Notwithstanding anything to the contrary contained in paragraph (A) of this Section 5.2, however, Sponsor and the Commercial Unit Owner shall have the right pursuant to the terms of Article 12 of the Declaration, without the approval of the Condominium Board to (i) make any alterations, additions, improvements, or repairs in or to any Unsold Units (and their appurtenant Individual Limited Common Elements) or the Commercial Unit, respectively, whether structural or non-structural, interior or exterior, ordinary or extraordinary, and (ii) subdivide, combine and change the boundary walls of Unsold Units or the Commercial Unit. Notwithstanding the foregoing, an Unsold Residential Unit Owner (including Sponsor as owner of an Unsold Residential Unit) shall not make any structural alterations or replacements to the Building's load bearing structures without the consent of the Condominium Board, whose consent shall not be unreasonably withheld or delayed and shall be given if a duly qualified structural engineer shall certify to the Condominium Board that the proposed alteration or replacement will not impair the structural integrity of the Building. All alterations, additions, improvements or repairs to Unsold Units, their appurtenant Limited Common Elements and to the Commercial Unit shall be performed in such a manner so as not to unreasonably interfere

with the use of the Residential Units for dwelling or permitted home occupation purposes nor unreasonably interrupt the Building's services and systems.

At the request of Sponsor, such initial purchaser of an Unsold Unit or the Commercial Unit Owner, the Condominium Board will execute any application or other documents required to be filed with any governmental authority having or asserting jurisdiction in connection with any such addition, alteration, improvement, or repair proposed to be made to an Unsold Unit or the Commercial Unit, at which time Sponsor, such purchaser or the Commercial Unit Owner (as the case may be) shall indemnify and hold harmless the Condominium Board and the other Unit Owners from any expense or liability by virtue of the execution of the application of such other documents.

(C) All alterations, additions, improvements and repairs by Unit Owners shall be made in compliance with Law (including, without limitation all laws and regulations governing the Building's landmark status). In connection therewith, the Condominium 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 or its appurtenant Individual Limited Common Elements provided that, with respect to all such work of a structural nature (but other than that of the nature described in paragraph (B) hereof), the same was approved by the Condominium Board if such approval is required pursuant to the terms of paragraph (A) hereof.

(D) Neither the Condominium 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 Unit(s) and appurtenant Individual Limited Common Elements (if any)) 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 any Unit Owner; or (iii) to any Person asserting any claim for personal injury or property damage arising therefrom. All Unit Owners making any alterations, improvements, addition, or repairs, or causing any of the same to be made, in or to his or their Unit(s) and appurtenant Individual Limited Common Elements (if any) or the Unsold Residential Unit(s) or the Commercial Unit (as the case may be) shall agree (in a writing executed and delivered to the Condominium Board, if the Condominium Board shall so request), and shall be deemed to agree (in the absence of such writing), to indemnify and hold harmless the Condominium Board, the members of the Condominium Board, the officers of the Condominium, the Managing Agent and all other Unit Owners from and against any such liability, cost and expense, including (without limitation) fees payable to any attorneys, engineer and architect retained by the Condominium Board.

(E) In addition to the requirements set forth above in this Section 5.2, until a new or amended Certificate of Occupancy is obtained for the Building authorizing residential occupancy of all Residential Units offered for sale under the Plan, no Unit Owner shall make any alteration, addition, improvements, or repair (whether structural or non-structural) in or to his Unit(s) or Individual Limited Common Element without first obtaining Sponsor's written consent. Sponsor shall not unreasonably withhold or delay such consent (Sponsor shall not be

deemed to have acted unreasonably if Sponsor refuses to consent based on Sponsor's determination that the proposed alteration, addition, improvement or repair would delay or impede Sponsor in obtaining an amended or new Certificate of Occupancy for the Building in accordance with Sponsor's undertaking in the Plan); and if Sponsor gives such consent, the consent may be conditional upon complying with reasonable requirements imposed by Sponsor.

(i) such work shall not include or result in any charge that would delay or impede Sponsor from obtaining an amended or new Certificate of Occupancy for the Building in accordance with Sponsor's undertaking in the Plan;

(ii) the Unit Owner posts a bond or other similar security that is reasonably acceptable to Sponsor in an amount sufficient (in Sponsor's reasonable judgment) to insure the diligent completion of the work and the filing of any required notices or certificates with respect to such work and the completion of the same with all governmental authorities having jurisdiction;

(iii) such work not be commenced until the Unit Owner: (a) causes all required applications, plans, specifications, notices and/or certifications to be filed with all governmental authorities having jurisdiction; (b) pays Sponsor the cost to amend Sponsor's alteration application (if such amendment is required to obtain any necessary permit or licenses for such work); (c) procures all required permits and licenses with respect to same; and (d) delivers copies of all such plans, specifications, notices, certifications, permits and licenses to Sponsor;

(iv) such work be diligently prosecuted to completion in compliance with all plans, specifications, notices and/or certifications and in conformity with all permits and licenses;

(v) Sponsor and its representatives shall be given reasonable opportunity, from time to time, to inspect such work as it progresses;

(vi) all contractors shall be duly licensed to the extent required by applicable law, and if required under any contract with any union whose members are performing services at the Building, such work shall be performed solely by union members; and

(vii) promptly after the completion of such work, all necessary inspections and approvals of the same shall be obtained, all necessary notices and/or certifications shall be filed with the appropriate governmental authorities and Sponsor shall be given a copy of all such inspections, approvals, notices and certifications.

If any Unit Owner commences any such alteration, addition, improvement, or repair in derogation of the foregoing terms and conditions, or fails to comply with the reasonable requirements of Sponsor in connection with the same, Sponsor shall be entitled to cause such work by the Unit Owner to be halted, including, without limitation, causing the Managing Agent to deny access to the Building to the Unit Owner's workmen and suppliers, until the Unit Owner complies with the same, and if required to avoid or discharge a violation or to obtain a new or amended Certificate of Occupancy, to cause all such work to be removed and the Unit restored to its prior condition, at the Unit Owner's sole cost and expense.

Section 5.3 Alterations, Additions, or Improvements to the General Common Elements and Residential Limited Common Elements. (A) 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 General Common Elements, Superintendent's Unit and Residential Limited Common Elements shall be made by the Condominium Board, and the cost and expense thereof shall constitute a Common Expense to all Unit Owners (if relating to the General Common Elements or Superintendent's Unit only) or a Residential Common Expense to all Residential Unit Owners only (if relating to the Residential Limited Common Elements or Individual Limited Common Element only). Notwithstanding the foregoing, however, whenever the cost and expense of any such alterations, additions or improvements would, in the judgment of the Condominium Board, exceed \$200,000 per occurrence in any calendar year, such proposed alterations, additions, or improvements shall not be made unless first approved by a Majority of Unit Owners, including Sponsor or its designee, if Sponsor or such designee then owns any Unit (if relating to the General Common Elements or Superintendent's Unit only) or a Majority of Residential Unit Owners (if relating to the Residential Limited Common Elements or Individual Limited Common Element only) at a duly constituted meeting of the Unit Owners or Residential Unit Owners, respectively, 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 \$200,000 or less per occurrence 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 (if involving the General Common Elements or Superintendent's Unit only) or a Residential Common Expense (if involving the Residential Limited Common Elements or Individual Limited Common Element only).

Notwithstanding anything 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 (for any year falling within the first full 24 calendar months following the First Closing under the Plan) or ten (10%) percent (for any year thereafter) above the previous year's Common Charges shall not be undertaken unless approved by sixty-five (65%) percent of all Unit Owners (in number and in Common Interests) including Sponsor in accordance with Section 2.5(B) of these By-Laws, except such approval shall not be required if such alterations, additions or improvements are required to comply with Law or are necessary for the health or safety (but not the general comfort or welfare) of the residents or occupants of the Building or are to remedy any notice of a violation or to remedy a proper work order of an insurer of the Building.

(B) Notwithstanding anything to the contrary contained in these By-Laws or the Declaration, the respective Residential Unit Owners on each floor shall have the following rights, at his or their sole cost and expense, without obtaining the consent of the Condominium Board or the owners of Residential Units located on other floors, but subject to obtaining the written consent of a majority of the owners of Residential Units located on the same floor and subject further to compliance with Law and with such reasonable requirements (including, without limitation requirements regarding maintenance by such Unit Owners and requirements similar to those required to alter or improve Residential Units as set forth in the last paragraph of Section 5.2(A) above) as may be imposed by the Condominium Board:

(i) to paint, wallcover, furnish and decorate the elevator landing and adjacent hallways (but not the fire exit stairs or its landing) of the floor on which his or their Residential Units are located; and

(ii) to store non-flammable items in said adjacent hallways, and provided same complies with the requirements of the Fire Department and all other requirements of Law, to construct an enclosure therein for such purpose, but only to the extent the area is not utilized then or in the future to house electrical or telephone systems or Facilities (it being intended that the Residential Unit Owner(s) shall have only a revocable license to use the adjacent hallways for storage purposes).

Section 5.4 **Insurance.** (A) If the same shall be obtainable, the Condominium 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 Units 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 Condominium 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 Condominium Board and that all proceeds thereof shall be paid to either the Condominium 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 Condominium 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 cancelled or substantially modified except upon at least ten days' prior written notice to all of the insureds, including all Permitted Mortgagees.

If obtainable, 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 Condominium Board shall also obtain and maintain, to the extent practicable:

(i) comprehensive general liability insurance, including, in the discretion of the Condominium Board, umbrella liability, covering all claims for personal injury or property damage arising out of any occurrence on the Property and listing as co-insureds (a) the Condominium 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 or its Individual Limited Common Element (except as to the Superintendent's Unit or other Unit acquired or leased by the Condominium Board));

(ii) rent insurance;

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

(iv) boiler and machinery insurance;

(v) water damage legal liability insurance;

(vi) elevator liability and collision insurance;

(vii) non-owned and hired automobile insurance;

(viii) officers and directors liability insurance;

(ix) fidelity bond (covering all employees, members and officers of the Condominium Board and its managing agent);

(x) condominium contents; and

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

Each of the aforementioned policies of insurance shall also cover cross-liability claims of one insured against another.

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

(i) with respect to insurance policies maintained by the Condominium 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 to waive any co-insurance requirement or is based on an "agreed amount replacement cost" (or comparable term), and

(ii) with respect to insurance policies maintained by the Condominium Board pursuant to paragraph (A) hereof, such policies shall contain single limits of not less than

\$50,000,000 in the aggregate until the first regular meeting of the first nine (9) member Condominium Board elected by the Unit Owners.

Any insurance policies maintained by the Condominium Board may also provide for such deductible amounts as the Condominium Board shall determine. The Condominium 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 Condominium Board pursuant to this Section 5.4, together with the fees and disbursements of any Insurance Trustee appointed by the Condominium Board pursuant to the terms of these By-Laws, shall be borne by the Condominium Board 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 Condominium Board shall not be affected or diminished by reason of any such additional insurance carried by any 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 Condominium 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 Condominium 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 "Trust Funds") shall be held in trust for the benefit of (i) all Residential Unit Owners and their Permitted Mortgagees in the case of a Casualty Loss or Taking of the Residential Limited Common Elements or Individual Limited Common Elements only or (ii) the Commercial Unit Owner and its Permitted Mortgagee in the case of a Casualty Loss or Taking of the Commercial Unit only and (iii) all Unit Owners and their Permitted Mortgagees, in all other cases, 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, (i) no Unit Owner whose Unit, its appurtenant Individual Limited Common Element, 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 the Condominium Board is not reduced thereby and (ii) the Commercial Unit Owner may settle or adjust any claim for a Casualty Loss or Taking to the Commercial Unit provided that the award to any other Unit Owner or the Condominium Board is not reduced thereby.

(B) Subject to the terms of paragraph (D) hereof, the Condominium Board (as to all parts of the Property except the Commercial Unit) and each Commercial Unit Owner (as to his Commercial Unit) 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 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 a Unit Owner or the tenant of a Unit Owner) affected by such Casualty Loss or (ii) in the event of a Taking, the portion(s) of the General Common Elements affected by such Taking. If, pursuant to the immediately preceding sentence, Work is to be performed in or to Units, General Common Elements that service or enclose Units and other General Common Elements or the Residential Limited Common Elements or the Individual Limited Common Element 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 General Common Elements that service or enclose Units and then in or to the balance of the General Common Elements and then in or to the Residential Limited Common Elements and the Individual Limited Common Element. In addition, each Residential Unit Owner whose Unit, its appurtenant Individual Limited Common Element, 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 and/or such Individual Limited Common Element. Notwithstanding the foregoing, the Commercial Unit Owner shall have the right, at such Unit Owner’s election, to perform the Work as to its Commercial 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 Condominium Board or the Insurance Trustee or any Commercial Unit Owner, 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 Condominium Board to discharge the cost and expense of performing the Work, the Condominium Board shall levy a Special Assessment as a Common Expense (if involving the General Common Elements or the Superintendent’s Unit only) or Residential Common Expense (if involving the Residential Units (other than the Superintendent’s Unit) and Residential Limited Common Elements or the Individual Common Element only) against all Residential Unit Owners (as the case may be) for the amount of such deficiency in proportion to their respective Common Interests, or against the Commercial Unit Owner (if involving the Commercial Unit only and the Commercial Unit Owner has failed to promptly repair and restore the Commercial Unit), 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 Owners 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 such excess, 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. 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 Condominium 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 Mortgage).

(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, if Sponsor shall then own any Units), both in number and in aggregate Common Interests, shall promptly resolve to proceed with the same. Notwithstanding the foregoing, the Unit Owners shall be deemed to have promptly resolved to so proceed, and the Work shall be performed pursuant to the terms of Paragraph (B) and (C) hereof, if the insurance proceeds payable on account of such casualty are adequate to pay for 80% or more of the cost of the Work. In the event that the insurance proceeds are inadequate but a sufficient number of Unit Owners shall resolve to so proceed, the Work shall be performed pursuant to the terms of paragraphs (B) and (C) hereof. On the other hand, if the insurance proceeds are inadequate and a sufficient number of Unit Owners shall either fail or refuse to resolve to so proceed, 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 that 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 a 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 the licensees, invitees, 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 Condominium Board with respect to such Unit.

(F) If (i) a portion of any Unit or its Limited Common Elements 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 interior floor area of such Unit and its appurtenant Limited Common Elements after such Taking bears to the total floor area of such Unit and its appurtenant Limited Common Elements prior to such Taking. The Condominium 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 a taking of 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 Condominium Board and the owners of, together with the holders of record of all liens upon, all of the other or remaining Units.

(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) ninety (90) days after the date upon which the Insurance Trustee, if any, notifies the Condominium Board and the Unit Owners that it has received Trust Funds sufficient to discharge the estimated cost and expense of the Work, or (b) one hundred and twenty (120) days after the date upon which the Insurance Trustee, if any, notifies the Condominium 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 Condominium Board pursuant to the terms of paragraph (A) of this Section 5.5, sixty (60) days after the date upon which the Condominium 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 Condominium 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 Owner(s) and the Condominium 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 the Units or the Common Elements 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. No immoral, improper, offensive, or unlawful use shall be made of the Property or any portion thereof, and all valid Laws relating to any portion of the Property shall be complied with at the full cost and expense of the respective Unit Owners or the Condominium 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 the Common Elements that would increase the rate of insurance for the Property, except upon the prior written consent of the Condominium Board. The foregoing shall not apply to the Commercial Unit provided the Commercial Unit Owner pays the additional premium resulting from something being done or kept in the Commercial Unit. 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, on, 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.

(B) Subject to the terms of paragraph (D) and (E) of this Section 5.7, each Residential Unit shall be used only as a residence by a Permitted Occupant (defined below) and for any lawful home occupation (as such term is used in the New York City Zoning Resolution). In addition, each Residential Unit may be used for any other purpose not now legally permitted, provided that the nature and manner of such use complies with then applicable Law and does not violate the then existing Certificate of Occupancy (or any amendment thereto to permit such different use) covering such Residential Unit.

(C) A Residential Unit may be occupied by only the following (hereafter called the "Permitted Occupant"):

(i) (a) the Residential Unit Owner or (in the case of a Residential Unit owned by a corporation, partnership, fiduciary, sovereign government, consulate or any other entity) a designated officer, director, stockholder or employee of such corporate Unit Owner, or by a designated partner or employee of such partnership Unit Owner, or by such fiduciary Unit Owner (including a designated director, officer, stockholder or employee of a corporate fiduciary and a designated partner or employee of a partnership fiduciary), or by a designated beneficiary of said fiduciary Unit Owner, or by a designated principal, individual or employee of such sovereign government, consulate or other entity which owns the Residential Unit (hereafter collectively called the "Designated Occupant"); or

(b) a tenant named in a lease of the Residential Unit entered into in accordance with Article 7 of the By-Laws or (in the case of a Residential Unit leased to a corporation, partnership, fiduciary, sovereign government, consulate or any other entity) the Designated Occupant of such corporate tenant, partnership tenant, fiduciary tenant, sovereign government tenant, consulate tenant or other entity which leases a Residential Unit; and

(ii) Family Members of the Residential Unit Owner or the Designated Occupant of a Residential Unit which is owned or leased by a corporation, partnership, fiduciary, sovereign government, consulate or other entity and (in the case of a Permitted Occupant with whom no spouse resides), one unrelated individual and such individual's dependent children; and

(iii) a domestic servant and guests of any of the foregoing.

Nothing contained herein shall be deemed to prohibit the exclusive occupancy of any Residential Unit by such Family Members.

Notwithstanding the foregoing, the Condominium Board may, in its sole and absolute discretion, grant permission for occupancy of a Residential Unit by other than a Permitted Occupant. If granted, such permission must be in writing and shall be personal to the Residential Unit Owner or the tenant of the Residential Unit and shall not inure to the benefit of such owner's or tenant's successors or assigns.

Additionally, in no event shall a portion of a Residential Unit (as opposed to the entire Residential Unit) be sold, conveyed, leased, or subleased, and no transient occupant (other than a guest permitted under this paragraph (C)) may be accommodated therein."

(D) Notwithstanding anything to the contrary contained in this Section 5.7, Sponsor may, without the consent of either the Condominium Board or the Unit Owners:

(i) grant permission to an initial purchaser of a Residential Unit to use the Residential Unit for any home occupation or for any use ancillary to a residence (such as for storage or a maid's room), provided that the nature and manner of such use complies with Law and does not violate the then existing Certificate of Occupancy covering such Residential Unit or a new or amended Certificate of Occupancy permitting such use is obtained; and

(ii) use any one or more Unsold Units as model units and offices for the sale, rental, management, operation and promotion of the Unsold Units or for any other purpose, subject only to compliance with Law, which right includes changing the use of a Unit (i.e., residential to commercial and vice-versa) provided that: (A) the zoning for the Property and the then existing Certificate of Occupancy permits the proposed use or Sponsor obtains a zoning variance and/or a new or amended Certificate of Occupancy to authorize such proposed use and (B) Unsold Residential Units owned by Sponsor on floors containing Residential Units owned by other than Sponsor shall only be used for: (x) those purposes permitted herein for the owners of such other Residential Units, including (without limitation) home occupation uses, (y) offices for the sale, rental, management, operation and promotion of Unsold Units and (z) model units.

(E) The Commercial Unit or any part of such Unit may be used for any lawful purpose. The consent of the Condominium Board and other Units Owners shall not be required for the use or tenancy or change in the use or tenancy of the Commercial Unit.

Notwithstanding all of the foregoing, the Commercial Unit Owner or its tenants shall not erect a canopy or similar structure without obtaining the consent of the Condominium Board, whose consent shall not be unreasonably withheld and shall be deemed given if the Landmarks Preservation Commission shall have approved the proposed canopy or structure. However, the consent of the Condominium Board shall not be required for any canopy or structure (a) existing on the date of First Closing under the Plan or (b) erected by a tenant of the Commercial Unit pursuant to a right granted to such tenant under a lease entered into prior to said date of First Closing. An awning (howsoever fabricated) is not a canopy or a structure

similar to a canopy and may be erected by the Commercial Unit Owner or its tenant without consent of the Condominium Board in accordance with, and subject to, the preceding paragraph.

At the request of an Unsold Unit Owner (including Sponsor) or a Commercial Unit Owner, the Condominium Board will execute any application or other documents required to be filed with any governmental authority having or asserting jurisdiction in connection with (a) any permitted change in use proposed to be made to an Unsold Unit, a Commercial Unit or to a Individual Limited Common Element appurtenant to any such Unit, or (b) obtaining an amended certificate of occupancy for such permitted change in use, at which time the applicable Unsold Unit Owner or the Commercial Unit Owner (as the case may be) shall indemnify and hold harmless the Condominium Board and the other Unit Owners from any expense or liability by virtue of the execution of the application or such other documents.

(F) The owner of Unit 17-104 may not maintain items of excessive height or weight on the terrace of such Unit.

(G) In the event a Residential Unit is occupied by a residential tenant who occupied the Residential Unit on the date the Offering Plan was accepted for filing by the Department of Law and such tenant did not purchase the Unit (hereinafter referred to as a "Non-Purchasing Tenant"), then the owner of such Residential Unit agrees that:

(i) no eviction proceedings will be commenced at any time against the Non-Purchasing Tenant for failure to purchase or any other reason applicable to expiration of tenancy; provided that such proceedings may be commenced for non-payment of rent, illegal use or occupancy of the premises, refusal of reasonable access to the owner or a similar breach by the Non-Purchasing Tenant of his obligations to the owner of the Unit; and provided further that an owner of such Unit may not refuse to offer a renewal lease to a Non-Purchasing Tenant on the grounds that he seeks the Unit for the use and occupancy of himself or his family;

(ii) if the Non-Purchasing Tenant is subject to government regulation as to rentals and continued occupancy prior to the First Closing, he shall continue to be subject thereto after the First Closing and after acquisition of the Residential Unit by such owner;

(iii) if the rental of the Non-Purchasing Tenant is not subject to government regulation as to rentals and continued occupancy or government regulation applicable to the Non-Purchasing Tenant's rental and right to continued occupancy is eliminated or becomes inapplicable after the First Closing, then such Non-Purchasing Tenant's rent shall not be increased unconscionably beyond ordinary rentals for comparable Units during the period of his occupancy. In determining comparability, consideration shall be given to such factors as building services, level of maintenance and operating expenses.

Complaints of unconscionable rent increases proscribed by Law may be referred to the New York State Department of Law, Real Estate Financing Bureau, 120 Broadway, 23rd Floor, New York, New York 10271;

(iv) the Condominium Board will notify each Non-Purchasing Tenant of changes in ownership of the Unit. Such notice will be provided in writing within a

reasonable period of time (not to exceed 30 days) after the change in ownership is recorded on the Condominium's books; and

(v) the owner of a Residential Unit occupied by a Non-Purchasing Tenant hereby irrevocably authorizes the Condominium Board's managing agent, on behalf and at the expense of such owner, to provide to the Non-Purchasing Tenant on a non-discriminatory basis all services and facilities required to be provided to all Residential Unit Owners in accordance with the Condominium By-Laws or by operation of Law. In order to secure the performance of the owner's obligations to the Non-Purchasing Tenant, such Residential Unit Owner (other than an Unsold Residential Unit Owner) agrees to deposit with the Condominium Board's managing agent an amount equal to two (2) months' Common Charges for the Unit (the "Fund"). The Condominium Board, its agents and employees, are hereby authorized by the owner to use the Fund to pay the costs of providing such services and facilities to the Non-Purchasing Tenant in the event that the owner does not perform such obligations. Such sum shall be held by the Managing Agent until used to provide such services and facilities. The owner is required to replenish the Fund upon written notice from the Condominium Board or Managing Agent that it has been diminished. The owner's failure to replenish the Fund within fifteen (15) days after written notice will entitle the Condominium Board to put a lien on his Unit. The remaining unapplied Fund will be returned to the Unit Owner after he no longer owns the Unit. The Fund shall be held in an interest bearing account with interest payable to the owner on a yearly basis, to the extent earned. No Fund shall be provided by the Unsold Residential Unit Owners, including Sponsor.

(vi) The Condominium Board shall cooperate with an Unsold Residential Unit Owner (including Sponsor) in obtaining rent increases permitted by Law (including, without limitation, the RSL, Code, Rent Law and Rent Regulations) based on major capital improvements (other than major capital improvements paid from the Condominium's Reserve Fund established pursuant to Chapter 51 of Title YYYY of the New York City Administrative Code, also known as the New York City Reserve Fund Law) or hardship. In furtherance of such cooperation, the Condominium Board shall duly execute and deliver to the Unsold Residential Unit Owner or such owner's representative, within five (5) business days after being requested in writing, all applications and other documents required by Law in connection with obtaining such major capital improvements and/or hardship rent increase; provided, however, that the Unsold Residential Unit Owner pays or reimburses the Condominium Board for all governmental or administrative application fees and charges and all other costs and expenses reasonably incurred in connection with the preparation and filing of such application. The Condominium Board shall also cooperate in any litigation instituted to secure such major capital improvement and/or hardship rent increases (including, without limitation, executing all litigation documents in connection therewith), provided the applicable Unsold Residential Unit Owner pays all legal fees, court costs and other expenses reasonably incurred by the Condominium Board in connection therewith. Any and all such rent increases shall belong and be paid to the applicable Unsold Residential Unit Owner.

Section 5.8 **Use of the Common Elements.** (A) Subject to the terms of paragraphs (B), (C) and (D) of this Section 5.8, the Common Elements (including, without limitation, the electrical, heating, gas, plumbing and other mechanical systems and equipment of the Building and the Facilities) 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 vestibules, public halls, stairways, or any other part of the General Common Elements or Residential Limited Common Elements (except for those areas designated as storage areas) without the prior written consent of the Condominium Board and compliance with the Rules and Regulations as same may be amended from time to time. It will be in the discretion of the Condominium Board to establish rules for the operation and use of any space in the Building, including (without limitation) how such space will be allocated and whether to charge for the use of such space. The use of any storage areas shall be subject to the rights of Non-Purchasing Tenants, if any, under the Rent Stabilization Law and Code. The lobby vestibules, public halls and stairways shall be used only for normal passage through them. Accordingly, all Residential Unit Owners shall require their tradespersons to utilize exclusively the elevator and entrance designated by the Condominium Board for transporting packages or other objects.

(B) (i) The owner of a Unit or owner or owners of any two or more Units, if such Unit or Units are the only Unit or Units serviced or benefited by any wall, space or other area forming a part of the General Common Elements or Residential Limited Common Elements adjacent or appurtenant to such Unit or Units and not affecting access to any other Unit or to any fire stairs or elevator (for example, that portion of any hallway that is directly adjacent to a Unit and does not affect access to any other Unit or to any fire stairs or elevator) shall, with the consent of the Condominium Board (which consent shall not be unreasonably withheld or delayed), have the right to use such wall, space or other area forming a part of the Common Elements exclusively, in the same manner as a Limited Common Element (including the right, in the above example of a portion of a hallway, to enclose such portion), and no amendment to the Declaration or reallocation of Common Interests shall be made by reason thereof. In such an event, however, such owner or owners shall, at his or their sole cost and expense, both (i) operate, maintain and repair such portion of the Common Elements for so long as such owner or owners exercise such exclusive right of use and (b) restore such portion of the Common Elements to its original condition, reasonable wear and tear excepted, after such owner or owners cease to exercise such exclusive right of use. The Condominium Board shall not unreasonably withhold or delay its consent to such exclusive use of said portion of the Common Elements, but may (at its discretion) condition its consent on the payment of a license fee or rental; however, no license fee or rental shall be charged to Sponsor or an Unsold Residential Unit Owner, or to a Residential Unit Owner who has been granted permission by Sponsor or an Unsold Residential Unit Owner for such exclusive use, or to the Commercial Unit Owner.”

(ii) To the extent not prohibited by the Condominium Act and subject to obtaining the consent of all affected Unit Owners if required by the Condominium Act, a Unit Owner shall have the right, in connection with a change in configuration or size of his Unit (whether resulting from the combining of two or more Units or the altering of boundary walls or otherwise), to raze or incorporate in his Unit a wall, space, or other area forming a part of the Common Elements which service or enclose and benefit only such Unit and do not affect access to any other Unit. In such event, the affected Common

Elements shall be deemed for the exclusive use and benefit of such Unit Owner in the same manner as a Limited Common Element, and no amendment to the Declaration or reallocation of Common Interests shall be made by reason thereof nor shall the consent of the Condominium Board be required.

(C) The terms of paragraph (A) of this Section 5.8 are subject to the rights, powers, privileges and exemptions reserved or granted elsewhere in these ByLaws or the Declaration to Sponsor or an Unsold Unit Owner or the Commercial Unit Owner. Sponsor shall have the right, without charge or limitation, to: (i) erect and maintain Signs, of any size or content determined by Sponsor or such designee, on or about any portion of the Common Elements chosen by Sponsor or such designee, including, without limitation, on the exterior walls of the Building or adjacent to the entrances thereof (subject, however, to the limitation on the Commercial Unit Owner with respect to canopies or similar structures as set forth in Section 5.7 (E) above); (ii) have its employees, contractors, subcontractors and sales agents present on the Property; and (iii) do all things necessary or appropriate, including the use of the Common Elements, to sell, lease, manage or operate Unsold Units, to complete any work or repairs to the Building or Units expressly undertaken by Sponsor and to comply with Sponsor's obligations under the Plan and the Condominium Documents. In addition, Sponsor and its designee shall be entitled to exercise the rights set forth in paragraph (B) of this Section 5.8 with respect to any Unsold Unit(s) without the necessity of obtaining the consent of either the Condominium Board or any other Unit Owners. In no event, however, shall Sponsor or such designee be entitled to use any Common Elements in such a manner as will unreasonably interfere with the quiet enjoyment of any Unit or the use of any Residential Unit for dwelling purposes or the use of the Commercial Unit for its permitted purposes.

(D) The Commercial Unit Owner shall have the right to erect, maintain and replace one or more signs, banners, flags, awnings, canopies and similar structures (hereinafter collectively called "Signs") for the purposes of advertising or displaying the operation of any business conducted in any portion of the Commercial Unit, or the sale or lease of the Commercial Unit or any portion thereof, on the inside of the windows and doors of the Commercial Unit, on the exterior walls of the Building that enclose the Commercial Unit but below the third floor of the Building and on the sidewalk adjacent to the entrance to these Units. Notwithstanding the foregoing, the Commercial Unit Owner or its tenants shall not erect any one or more new Signs without complying with all applicable building codes and zoning ordinances and without obtaining the prior written consent of the Condominium Board, which consent shall not be unreasonably withheld or delayed. However, the consent of the Condominium Board shall not be required for any Signs (a) existing on the date of the First Closing under this Plan or (b) erected by Sponsor as owner of the Commercial Unit or by the tenant of such Unit or (c) erected with the written consent of Sponsor given in connection with the acquisition of the Commercial Unit from Sponsor or (d) erected by a tenant of the Commercial Unit pursuant to a right granted to such tenant in a lease entered into prior to the date of the First Closing under the Plan. Notwithstanding the foregoing, the Commercial Unit Owner and its tenants shall comply with Section 5.7 (E) with regard to any proposed canopy or similar structure to be erected.

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 Condominium Board, to the Managing Agent or manager (if any), and/or to any other Person authorized by any of the

foregoing a right of access to his Unit and its appurtenant Individual Limited Common Element for the purposes of:

- (i) making inspections of, or removing violations noted or issued by any governmental authority against, the General Common Elements, Residential Limited Common Elements, and the Individual Limited Common Element 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;
- (iii) performing maintenance, installations, alterations, repairs, or replacements to the mechanical or electrical services, or other portions of the Common Elements located within his Unit or elsewhere in the Building;
- (iv) reading, maintaining, or replacing utility meters relating to the Common Elements, or to his Unit, or to any other Unit; or
- (v) correcting any condition that violates the provisions of any Permitted Mortgage encumbering another Unit.

Except in cases of an 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 and an appurtenant Limited Common Element 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.

(B) Each Unit Owner shall grant a right of access to his Unit and its appurtenant Individual Limited Common Elements and the Condominium Board shall grant rights of access to the General Common Elements, Residential Limited Common Elements and Individual Common Elements to Sponsor and its contractors, subcontractors, agents and employees for the purpose of fulfilling Sponsor's obligations as set forth in the Plan or in any amendment thereto (including, but not limited to, Sponsor's obligation to obtain an Individual amended certificate of occupancy), provided that access thereto shall be exercised, with respect to any Unit and its appurtenant Individual Limited Common Elements, the Residential Limited Common Elements and the General Common Elements in such a manner as will not unreasonably interfere with the use of a Unit as a dwelling or other permitted purposes.

Section 5.10 **Section 5.10 Rules and Regulations.** (A) All Unit Owners and tenants and occupants of Units shall observe and comply with (i) the Rules and Regulations of the Condominium being recorded simultaneously herewith and (ii) all amendments, modifications, additions and deletions (hereafter collectively called "amendments") to the Rules and

Regulations adopted from time to time in accordance with paragraph B below; however, the Rules and Regulations and all amendments thereto are subordinate to (i) the rights of tenants of Unsold Residential Units as regulated tenants under Law (including, without limitation, the RSL, Code, Rent Law and Rent Regulations) and (ii) the rights of tenants of the Commercial Unit under leases (“existing leases”) in effect on the date of recording the Declaration. Any Rule or Regulation (including an amendment thereto) which contravenes, abridges or otherwise violates the rights of said tenants of Unsold Residential Units as regulated tenants under Law or the rights of said tenants of the Commercial Unit under their said existing leases, shall be unenforceable as to them and the respective owners of the applicable Unsold Residential Units and/or Commercial Unit.

(B) The Condominium 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 Regulations shall be furnished to all Unit Owners to whom same relate not less than thirty days prior to the effective date thereof and shall not be valid or enforceable until the expiration of such 30 day period.

(C) No sum, penalty or other charge shall be collected, and no action or proceeding shall be instituted, against a Unit Owner for a violation or breach of the Rules and Regulations or an amendment thereto which arises from an act or omission by a tenant or occupant of such owner’s Unit so long as said Unit Owner endeavors in good faith and with reasonable diligence throughout to abate, enjoin or remedy the violation or breach.

Section 5.11 **Real Estate Taxes, Water Charges and Sewer Rents.** (A) Water for the Building shall be supplied by the City of New York. Unless and until real estate taxes, water charges and sewer rents are billed directly to Unit Owners by the City Collector, the Condominium Board shall promptly pay any such taxes, charges and rents as a Common Expense as set forth in Section 6.1 hereof. However, the Condominium Board shall have the right, exercisable in its sole discretion and the Condominium Board’s cost to require that water supplied to the Commercial Unit be metered. In such an event, the cost shall be borne by the Commercial Unit Owner, based upon the consumption of water in its Unit, as measured by such meter, and shall be payable either to the Condominium Board or to the appropriate city agency or as otherwise directed by the Condominium Board. If and when the water charges and sewer rents for the Commercial Unit are separately metered, such charges shall be borne entirely by the owner of the Commercial Unit and the Commercial Unit Owner shall not be charged (and its Common Charges shall not include) water charges and sewer rents allocable to any other Unit.

(B) In the event of a proposed sale of any Unit, the Condominium Board shall (for so long as the Condominium Board is paying real estate taxes and or water charges and sewer rents), upon the written request of the selling Unit Owner, execute and deliver to the purchaser of such Unit or to such purchaser’s title company, a letter agreeing to promptly pay (as a Common Expense to all Unit Owners, including the selling Unit Owner) all such taxes, charges and rents affecting the Property to the date of the closing of title to such Unit.

(C) Until such time as each Unit is separately assessed and billed for purposes of real estate taxes:

(i) real estate taxes shall be included in the Common Expenses and collected by the Condominium Board in addition to, and as part of, the Common Charges, as stated in clauses (ii) through (iv) below, and forwarded to the appropriate taxing authority on behalf of the Unit Owners;

(ii) the real estate taxes for the entire Property shall be allocated 60% to all Residential Units and 40% to the Commercial Unit; and

(iii) the portion of such real estate taxes allocated to all Residential Units shall then be distributed amongst them in the ratio that the initial offering price for each Residential Unit in "Schedule A - Offering Prices and Related Information" in the Plan bears to the total initial offering prices of all Residential Units in such Schedule A.

If the total amounts payable to the Condominium Board by all Unit Owners on account of real estate taxes exceeds or is less than that payable for the Property, the excess or shortfall shall be credited or assessed (as the case may be) to all Unit Owners in proportion to their respective Common Interests.

In addition, as to any real estate taxes collected by the Condominium Board from the Unit Owners before the Units are separately assessed and billed, the Condominium Board and the Unit Owners will adjust any overpayments or underpayments of such real estate taxes once the Units are separately assessed and billed. Such adjustment will be based on (i) the actual initial apportionment of the Property's assessed valuation to the Commercial Unit versus all Residential Units and (ii) as to the Residential Units, the ratio that the initial separate assessed value of each Residential Unit Owner's Unit bears to the aggregate assessed values of all Residential Units.

(D) Each Unit Owner shall be deemed to have appointed the Condominium Board to act as his agent in connection with tax certiorari proceedings, as discussed above in Section 2.4(xxiii).

(E) If a Residential Unit is occupied or leased by a tenant who is the subject of a rent exemption under Section Y51.5.0(n) of the New York City Administrative Code or other applicable Law, the Condominium Board shall cooperate with the owner of such Residential Unit (including Sponsor or other Unsold Residential Unit Owner) in obtaining a real estate tax abatement pursuant to Section Y51.5.1(c) of the New York City Administrative Code or other applicable Law. In furtherance of such cooperation, the Condominium Board shall apply for such real estate tax abatement if requested by the Residential Unit Owner and provided the Residential Unit Owner pays all governmental application fees and charges and all other costs and expenses reasonably incurred in connection with the preparation and filing of said application. The Condominium Board shall also cooperate in any litigation instituted to secure such real estate tax abatement (including, without limitation, executing all litigation documents in connection therewith), provided the Residential Unit Owner pays all legal fees, court costs and other expenses reasonably incurred by the Condominium Board in connection therewith. Any

real estate tax abatement obtained by reason of such rent exemption shall belong and be paid to the applicable Residential Unit Owner.

Section 5.12 **Fuel.** The charges for fuel oil consumed or used in the Building shall be paid by the Condominium Board as a Common Expense and the cost thereof shall be apportioned among the Unit Owners as set forth in Section 6.1 thereof.

Section 5.13 **Utilities.** (A) Electricity supplied to each Residential Unit and portions of the Commercial Unit are separately metered or submetered and all charges for electricity consumed or used therein shall be paid by the applicable Unit Owner directly to the utility company in accordance with the Unit's meter or submeter.

Charges for electricity supplied to portions of the Commercial Unit not currently separately metered or submetered will be borne by the Commercial Unit Owner in accordance with the electric usage fairly attributable to such non-metered areas of the Commercial Unit as estimated by an experienced, qualified independent energy expert. The Condominium Board and Commercial Unit Owner shall each be entitled to engage its own energy expert. In the event the two experts do not agree on the charges for electric usage fairly attributable to such non-metered areas of the Commercial Unit, the dispute shall be resolved by arbitration in accordance with Article 10 of these ByLaws. At such time as a non-metered area of the Commercial Unit is leased and occupancy begun, the Commercial Unit Owner or its tenant shall (at its expense) install a meter or submeter, whereupon all future charges for electric consumption therein shall be paid directly to the utility company in accordance with the newly installed meter or submeter.

The cost of electricity supplied to the Residential Limited Common Elements will be borne by all Residential Unit Owners only in proportion to their respective Common Interests.

The cost of electricity furnished to the General Common Elements will be borne by all Units Owners in accordance with their respective Common Interests.

(B) Since charges for gas supplied to the Residential Units is not separately metered, all such charges shall be paid by the Condominium Board as a Common Expense and charged to all Residential Unit Owners only in the proportion that each Residential Unit's Common Interest bears to the aggregate Common Interests of all Residential Units. Notwithstanding the foregoing, the charges for gas supplied to the Superintendent's Unit shall be borne by all Unit Owners (other than the Condominium Board as owner of the Superintendent's Unit) in proportion to their respective Common Interests. The Commercial Unit is separately metered for gas and the Commercial Unit Owner will pay all such charges directly to Con Edison.

Section 5.14 **Utilities Serving the Common Elements.** The cost and expense of water, electricity and gas serving or benefiting any General Common Element or Residential Limited Common Element shall be (i) considered part of the expense of maintaining such General Common Element or Residential Limited Common Element, (ii) determined by the Condominium Board and (iii) charged to the Residential Unit Owners only as a Residential Common Expense payable by all Residential Unit Owners (if serving or benefiting the Residential Limited Common Elements only) or to all Unit Owners as a Common Expense as

stated in the Plan payable by all Unit Owners (if serving or benefiting the General Common Elements only).

Section 5.15 **Vault Charges.** All license fees, and all periodic taxes and charges, for vaults or other protrusions beyond the Building line shall be paid by (i) the Condominium Board as a Common Expense or Residential Common Expense if used for the benefit of both the Residential Unit Owners and the Commercial Unit Owner or only the Residential Unit Owners, respectively or (ii) the Commercial Unit Owner if used exclusively for the benefit of the Commercial Unit Owner.

The Commercial Unit Owner shall have the right to seal all or any portion of the vaults serving the Commercial Unit and the Condominium Board shall have the right to seal all or any portion of the vaults serving the General Common Elements, Residential Limited Common Elements or Residential Units. Any reduction in the vault taxes resulting from such sealing by the Commercial Unit Owner shall reduce, accordingly, the obligation for such vault taxes payable by the Commercial Unit Owner. Similarly, any reduction in the vault taxes included in the Common Expenses or Residential Common Expenses resulting from such sealing by the Condominium Board shall reduce, accordingly, the vault taxes included in the Common Expenses or Residential Common Expenses (as the case may be).

Section 5.16 **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 receipts of and expenditures by the Condominium 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, charges for electricity, real estate taxes, if applicable, and Special Assessments levied against such Unit, the date when due, the amounts paid thereon and the balance, if any, remaining unpaid, and a copy of any Permitted Mortgage encumbering such Unit.

(B) Within four (4) months after the end of each fiscal year of the Condominium, the Condominium 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 Condominium Board as a Common Expense.

Section 5.17 **Superintendent's Unit.** (A) If the Superintendent's Unit is not conveyed to the Condominium Board at the First Closing, then until the Superintendent's Unit is conveyed to the Condominium Board, the Condominium Board shall pay to Sponsor as owner of the Superintendent's Unit a sum equal to the Common Charges, utilities and real estate taxes for the Superintendent's Unit. The amounts so paid by the Condominium Board shall be included in the Common Charges as a Shared Expense and apportioned to all Unit Owners (and borne by them in proportion to their respective Common Interests).

(B) The Condominium Board shall purchase the Superintendent's Unit from Sponsor on the terms and conditions as disclosed in the Condominium Offering Plan for the Property.

(C) From and after the date the Superintendent's Unit is conveyed to the Condominium Board, all Common Charges, utility expenses, real estate taxes, other costs to own, operate, repair, maintain and alter the Superintendent's Unit shall be included in the Common Charges as a Shared Expense payable by all Unit Owners (other than the Condominium Board as owner of the Superintendent's Unit) and borne by them in proportion to their respective Common Interests.

ARTICLE 6

COMMON CHARGES

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 Condominium Board shall:

(i) prepare and adopt a budget for the Condominium, subject, in all respects, to the strictures set forth in Section 2.5 hereof;

(ii) determine the aggregate amount of:

(a) Common Charges necessary to be charged to all Unit Owners in order to meet the Common Expenses, relative to the General Common Elements and the Superintendent's Unit;

(b) the Residential Common Charges to be charged solely to the Residential Unit Owners pro rata in accordance with their respective Common Interests, in order to meet the Residential Common Expenses relative to the Residential Limited Common Elements, any Units (other than the Superintendent's Unit) owned or leased by the Condominium Board or its designee and the Individual Limited Common Element; and

(c) the annual amount to be shared with the Commercial Unit Owner; and

(iii) allocate and assess such Common Charges to be paid pro rata by the Residential Unit Owners, the Commercial Unit Owner and all Unit Owners (as the case may be) in accordance with their respective Common Interests (except as otherwise provided in the Declaration or in these By-Laws).

All Shared Expenses relative to the Superintendent's Unit (including, without limitation, electricity, gas, repairs, maintenance, alterations, improvements, Common Charges and real estate taxes), after reduction by the Superintendent's Unit's share of any revenues, including (without limitation) interest or other income earned on the Working Capital Fund and Reserve Fund, shall be included in the Common Charges payable by all Unit Owners (other than the Condominium Board as owner of the Superintendent's Unit) and borne by them in proportion to their respective Common Interests.

The Commercial Unit Owner is required to pay only its share of those expenses actually incurred by the Condominium Board in connection with the services used by the Commercial

Unit Owner or the General Common Elements or the Superintendent's Unit (the "Shared Expenses"). The Shared Expenses shall include the following categories of expenses identified in the "Revised Budget for First Year of Condominium Operation" set forth as an exhibit to the Fourth Amendment to the Plan and shall be borne by the Commercial Unit Owner based on the Common Interest of the Commercial Unit (except as otherwise expressly set forth below):

- (i) water and sewer (except that until such time as that portion of the subcellar space in the Commercial Unit which is vacant on the recording of the Declaration utilizes water, the amount of the water and sewer charges to be borne by the Commercial Unit Owner shall be reduced by 5.342642% to 16.65%, which reduction is in the proportion that the floor area of such vacant subcellar space bears to the entire floor area of the Commercial Unit);
- (ii) repairs, maintenance and supplies allocable to the General Common Elements (but not the Residential Limited Common Elements) shall be borne by the Commercial Unit Owner in the following percentages:
 - (a) miscellaneous supplies - 2%;
 - (b) plumbing supplies for steam - 11%;
 - (c) plumbing supplies for hot and cold water - 2%;
 - (d) cleaning supplies - 22%;
 - (e) heating repairs - 11%;
 - (f) hot and cold water repairs - 2%;
 - (g) steam repairs - 11%;
 - (h) electrical repairs - 22%;
 - (i) air conditioning repairs - 90%;
 - (j) water supply and storage repairs - 2%;
 - (k) painting - 2%;
 - (l) roof repairs — 100% for the first three (3) years following the First Closing and 22% thereafter;
 - (m) water proofing below roof levels - 22%;
 - (n) carpentry - 2%; and
 - (o) miscellaneous repairs - 22%;
- (iii) salaries, wages, payroll taxes and benefits for the Superintendent;
- (iv) salaries, wages, payroll taxes and benefits for the following employees shall be borne by the Commercial Unit Owner in accordance with the percentages given:
 - (a) all security guards - 2.5%;
 - (b) one handyman - 3%;
 - (c) one plumber - 2.5%; and
 - (d) one assistant superintendent - 4.25%;

- (v) audit fees to prepare the Condominium's tax returns and annual financial statements and the fees for legal services relating directly and solely to the General Common Elements or the Superintendent's Unit, but not for fees for legal services relating only to the Residential Units or Residential Limited Common Elements;
- (vi) management fees attributable to the Commercial Unit shall be in the proportion that the Commercial Unit's portion of the Shared Expenses bears to all Common Expenses (inclusive of the Shared Expenses and Residential Common Expenses);
- (vii) contracts for the following services shall borne by the Commercial Unit Owner accordance with the percentages given:
 - (a) compactor - 11%;
 - (b) exterminator - 2%;
 - (c) closed circuit television - 11%;
 - (d) water treatment - 4%;
 - (e) U.S. Energy (software) - 11%;
 - (f) pigeon control - 22%; and
 - (g) page beepers - 11%;
- (viii) utilities for the General Common Elements;
- (ix) the Common Charges and real estate taxes attributable to the Superintendent's Unit;
- (x) other expenses relating to the General Common Elements; and
- (xi) the contingency fund for all budgeted items.

Shared Expenses shall also include any different categories of expenses which at some time in the future are established in lieu of the foregoing expenses and are directly and fairly attributable to the Commercial Unit.

Until otherwise determined by an energy survey performed after the First Closing by a heating expert, the Commercial Unit shall bear 10.998782% of the cost of heat and hot water; the Commercial Unit's share of electricity for the General Common Elements shall be based on the following estimates of Utilities Research Associates: (a) 50.94% of the electricity which is not separately metered is allocable to the General Common Elements and the cost of such electricity shall be borne by the Residential Unit Owners and the Commercial Unit Owner in accordance with their respective Common Interests; (b) 5.24% of the cost of the electricity which is not separately metered shall be allocable to the Commercial Unit and paid by the Commercial Unit Owner directly to the Condominium Board and 43.82% of the electricity which is not separately metered is allocable to the Residential Limited Common Expense to be borne by all Residential Unit Owners in accordance with their respective Common Interests. The Condominium Board may, in its sole and absolute discretion, obtain new energy surveys from

time to time and allocate the cost of electricity for the Shared Expenses, General Common Elements and Residential Limited Common Elements among the Unit Owners based on such energy survey. The cost of such energy survey shall be a Common Expense borne by all Unit Owners in accordance with their respective Common Interests.

The Shared Expenses include the costs to maintain, repair and replace the sidewalks, which will be borne one-third by the Commercial Unit Owner and two-thirds by all Residential Unit Owners.

Income generated from the laundry room concession and the Reserve Fund shall be utilized to defray expenses payable by the Residential Unit Owners, including the Condominium Board as owner of the Superintendent's Unit. Income generated from the telephone switchboard system shall be used to defray expenses payable by the Residential Unit Owners, including the Condominium Board as owner of the Superintendent's Unit. Vending Income and Heating System Income shall be utilized to offset Common Expenses payable by all Unit Owners in accordance with their respective Common Interests.

The premiums for insurance shall be borne by the Residential Unit Owners and Commercial Unit Owner based on their respective Common Interests, except that the Commercial Unit Owner shall be responsible to pay the differential in rate (if any) incurred by the Condominium Board as a result of the commercial use of the Commercial Unit. In addition, if any insurance premium for the Building is increased solely as a result of an unusual use or change in the use of the Commercial Unit and, as a result, the Commercial Unit Owner is paying less than its allocable fair share of such expenses, then the owner of such Commercial Unit shall pay any increase in insurance premium fairly attributable to such use or change in use of the Commercial Unit.

After the first year of Condominium Operation, payment by the Residential Unit Owners and the Commercial Unit Owner will be based on the percentage allocations and categories of expenses enumerated above as Shared Expenses, except that the percentage allocations may increase or decrease based on the opinion of a qualified independent expert that one or more of the above percentage allocations do not reflect the amount fairly attributable to the Residential Unit Owners or the Commercial Unit Owner.

In the latter event, the affected percentage allocation will be adjusted so that the payments by the Residential Unit Owners and the Commercial Unit Owner will reflect the expenses fairly attributable to said Units. In addition, any new items of Shared Expenses not categorized in the First Year's Budget or any previous annual budget, will be apportioned among the Residential Unit Owners and the Commercial Unit Owner to the extent only that such expense is fairly attributable to such Unit Owners. Further, if a Shared Expense to be borne by the Commercial Unit Owner is based on its Common Interest and, in the opinion of a qualified independent expert, the resulting payment is either more or less than the amount fairly attributable to the Commercial Unit, then the Shared Expense or Common Charges (as the case may be) payable by such Unit Owner may be adjusted (upward or downward) so as to reflect the actual Shared Expenses or Common Expense fairly attributable to the Commercial Unit. The above-described adjustments shall not be made more frequently than once a year.

The Commercial Unit Owner shall not be required to pay for reserves for contingencies, repairs, replacements, improvements or otherwise except to the extent that such reserves relate to the General Common Elements or the Superintendent's Unit or reserves for contingencies not exceeding 5% of the annual budgeted Shared Expenses.

If the Condominium Board and the Commercial Unit Owner cannot agree on any decision or determination to be made in connection with the foregoing payment of Shared Expenses or Common Charges, the same shall be submitted to arbitration.

The Condominium Board shall advise all Unit Owners in writing promptly after same are determined of the amount of Common Charges payable by each of them and, not later than ten (10) days next preceding the date upon which the first installment of newly-determined Common Charges is due, shall furnish copies of the budget (in a reasonably itemized form) upon which such Common Charges are based to all Unit Owners and to their respective Permitted Mortgagees who have requested same of the Condominium Board in writing.

The Condominium Board may, at its sole discretion, from time to time increase or decrease the amount of Common Charges allocated to the Units and payable by the Unit Owners 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; however, 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. Notwithstanding the foregoing, however, the Condominium Board shall not reduce the Residential Common Charges payable during any year occurring within the Initial Control Period solely as a result of either reducing 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 the members of the Condominium Board elected by Residential Unit Owners other than Sponsor.

(B) The failure or delay of the Condominium 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.

(C) In addition to the foregoing duty to determine the amount of and assess Common Charges, the Condominium Board shall have the right, subject, in all respects, to the strictures contained in Section 2.5 hereof, to levy Special Assessments to meet the Common Expenses. All Special Assessments shall be levied against all Unit Owners (if involving the General Common Elements or Superintendent's Unit only) or the Residential Unit Owners only (if involving the Residential Units, Individual Limited Common Element or Residential Limited Common Elements only), in proportion to their respective Common Interests (or as otherwise provided in these By-Laws and the Declaration). Until such time as each Unit is separately assessed and billed for real estate taxes, the Condominium Board shall collect such taxes in the

form of a Special Assessment or additional Common Charges for forwarding same to the appropriate taxing authority on behalf of the Unit Owners (subject to Section 5.11 of these By-Laws).

Special Assessments may be payable either in one lump sum or in installments, as the Condominium Board shall determine, provided, however that the Condominium 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 Condominium 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). Unless the context provides otherwise, the term Common Charges shall be deemed to include Special Assessments, if any, whenever such term is used in the Condominium Documents.

(D) Pursuant to the terms of the Plan, Sponsor shall make periodic capital contributions in amounts totaling in excess of the amount Sponsor is required to make under the New York City Reserve Fund Law (Title YYYY of Chapter 51 of the Administrative Code of the City of New York). Such capital contributions shall constitute Special Assessments hereunder. Sponsor shall therefore satisfy its obligation to make the payments required under the New York City Reserve Fund Law by paying such Special Assessments. Nothing contained herein shall be construed: (i) to excuse Sponsor, as owner of Unsold Residential Units, to pay the full amount of any duly adopted Special Assessments imposed on all Residential Unit Owners pursuant to these By-Laws or (ii) to allow Sponsor to offset any of its obligations under the Reserve Fund Law (other than the allowable one percent (1%) credit under the Reserve Fund Law).

(E) 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 (if the space is a General Common Element) or of the Residential Unit Owners (if the space is a Residential Limited Common Element or the Individual Limited Common Element), and shall be collected on behalf of the Unit Owners or all Residential Unit Owners, respectively, by the Condominium Board and applied against the Common Expenses or Residential Common Expenses, respectively, for the year in which 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 for any year of operation shall exceed the Common Expenses or Residential Common Expenses (as the case may be) for such year, then such excess shall be applied by the Condominium Board against the Common Expenses or Residential Condominium Expenses (whichever, is appropriate) 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 Condominium Board shall determine to distribute all or part of such excess to all Unit Owners or all Residential Unit Owners (as the case may be) pro rata, in proportion to their respective Common Interests. Notwithstanding any provision 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 floor slabs, ceilings, or walls delineating or enclosing such space or the incidental use of any portion of any Common Elements appurtenant to such space.

(F) The Condominium Board shall not impose on an Unsold Residential Unit Owner or a tenant or occupant of an Unsold Residential Unit, any charge or fee for services (including, without limitation, all ancillary services or other services required by Law) which are being provided to such tenants or occupants without charge or fee on the date of recording the Declaration. Such services for which no fee or charge may be imposed include, without limitation, all services for utilizing the Building's systems in connection with an air conditioning unit, washer/dryer or other appliance or for the energy consumed by such appliance to the extent it is not separately metered or sub-metered. Nothing contained herein shall prohibit the Condominium Board from including in the Residential Common Expenses payable by all Residential Unit Owners (including Sponsor as an Unsold Residential Unit Owner) the actual expenses to operate, administer, maintain, repair, replace, alter or improve the Residential Limited Common Elements or Individual Limited Common Elements.

Section 6.2 **Payment of Common Charges.** (A) All Unit Owners (including Sponsor 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 Condominium Board pursuant to the terms of Section 6.1 hereof at such time or times (but not less than annually) as the Condominium Board shall determine. Unless otherwise determined by the Condominium Board, Common Charges shall be payable in installments on the first day of every month in advance. To the extent permitted by Law, the Condominium 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 assessed against his 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 accrued and unpaid against such Unit prior to his 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 the 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 Residential Unit Owner (except Sponsor) may convey his Unit, together with its Appurtenant

Interests, to the Condominium Board or to its designee, corporate or otherwise, on behalf of all Residential Unit Owners, without being compensated therefor, and, in such event, be exempt from the payment of Common Charges thereafter accruing, provided, however, that: all Common Charges then due and payable with respect to such Residential Unit have been paid; (ii) such Residential 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 Residential 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 Condominium Board, without compensation, pursuant to the terms of paragraph © 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 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 Condominium Board or the officers of the Condominium to comply with Law.

Section 6.3 **Statement of Common Charges.** The Condominium 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 Condominium Board shall take prompt action to collect any Common Charges and any Special Assessments due to the Condominium Board that remains unpaid for more than thirty (30) days after the due date for the payment thereof. In connection therewith, the Condominium Board shall have the right and obligation to cause liens for all sums due and owing to the Condominium Board to be filed in the County Clerk'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 Condominium Board to recover all such unpaid Common Charges, together with all additional sums of money collectible by the Condominium 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 ten (10) days from the due date of Common Charges or Special Assessments, such Unit Owner shall be obligated to pay interest thereon at the highest rate chargeable to individuals pursuant to Law, to be computed from the due date thereof until paid in full or alternatively a late charge in an amount determined by the Condominium Board, together with all costs and expenses paid or incurred by the Condominium 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) as aforesaid and/or in foreclosing the aforementioned lien, including, without limitation, reasonable attorneys' fees and disbursements and court costs. In addition, if the Condominium 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 interest, costs and expenses and rentals shall be added to and shall constitute Common Charges payable by such Unit Owner.

(C) In any action brought by the Condominium Board to foreclose a lien on a Unit because of unpaid Common Charges or Special Assessments, the Condominium Board shall have, on behalf of the Unit Owners specified in Article 14 of the Declaration, 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 the votes appurtenant to the same). In the event that the net 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 of priority of such liens.

(D) All Units acquired by the Condominium Board or its designee in connection with the enforcement of its lien for unpaid Common Charges shall be held by the Condominium Board or its designee on behalf of all Unit Owners (if the Unit is the Commercial Unit) or all Residential Unit Owners only (if the Unit is a Residential Unit), excluding in each case the Condominium Board as owner of the Superintendent's Unit or other Residential Unit. The purchase price and all costs and expenses incurred in connection therewith shall be assessed to all Unit Owners (in case of the Commercial Unit so acquired by the Condominium Board) or all Residential Unit Owners only as a Residential Common Expense (in case of a Residential Unit so acquired by the Condominium Board), excluding in each case the Condominium Board as owner of the Superintendent's Unit or other Residential Unit. The Unit so acquired shall not be subject to partition or occupancy by other Unit Owners while owned or leased by the Condominium Board.

ARTICLE 7

SELLING AND LEASING OF UNITS

Section 7.1 **General.** Subject to the terms of Section 7.5 hereof, no Residential Unit Owner may sell or lease his Residential Unit except in compliance with the applicable provisions of this Article 7. Any purported sale or lease consummated in default of the applicable terms hereof shall be voidable at the sole election of the Condominium Board and, if the Condominium Board shall so elect, the selling Residential Unit Owner shall be deemed to have authorized and empowered the Condominium Board as attorney-in-fact for such Residential Unit Owner (which power shall be deemed irrevocable and coupled with an interest), to institute legal proceedings to eject the purported purchaser (in the event of an unauthorized sale) or to evict the purported tenant (in the event of an unauthorized leasing) in the name of the said Residential Unit Owner

as the owner or landlord, as the case may be. The said Residential Unit Owner shall reimburse the Condominium Board for all costs and expenses paid or incurred in connection with such proceedings, including, without limitation, reasonable attorneys' fees and disbursements and court costs.

Section 7.2 **Right of First Refusal.** (A) Subject to the terms of Sections 7.5 and 7.9 hereof, any contract to sell a Residential Unit together with its Appurtenant Interest and any lease of a Residential Unit (hereinafter collectively referred to as a **'Sale or Lease Agreement'**) shall contain the following language: "THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER ARE HEREBY MADE EXPRESSLY SUBJECT TO THE RIGHTS, IF ANY, OF THE BOARD OF MANAGERS OF THE ANSONIA CONDOMINIUM WITH RESPECT TO THE TRANSACTION EMBODIED HEREIN, PURSUANT TO THE TERMS OF SECTIONS 7.2 AND 7.3 OF THE BY-LAWS OF THE SAID CONDOMINIUM, AS THE SAME MAY HAVE BEEN AMENDED." Promptly after any such contract of sale or lease shall be fully executed, the Residential Unit Owner executing the same (hereinafter referred to as the **'Offeree Unit Owner'**) shall send written notice thereof to the Condominium Board by certified or registered mail, return receipt requested, which notice shall be accompanied by a fully executed, original counterpart of the contract of sale or the lease, as the case may be, 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 his Residential Unit, together with its Appurtenant Interest, or to lease his Residential Unit, as the case may be, to the Condominium 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 Condominium Board, on behalf of all Unit Owners, that the Sale or Lease Agreement is bona fide in all respects. Thereafter, upon the written demand of the Condominium Board, the Offeree Unit Owner shall submit to the Condominium Board, in writing, such further information with respect to the Outside Offeror and the Sale or Lease Agreement as the Condominium Board may reasonably request.

(C) The Condominium Board may elect, by sending written notice thereof to the Offeree Unit Owner by certified or registered mail not later than fifteen (15) business days after receipt of the notice referred to in paragraph (A) hereof together with such further information as may have been requested pursuant to the terms of paragraph (B) hereof, to purchase such Residential Unit together with its Appurtenant Interests (or to cause the same to be purchased by its designee, corporate or otherwise) on behalf of all Residential 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. Notwithstanding anything to the contrary contained herein, however, the Condominium Board shall not exercise any option set forth in this Section 7.2 to purchase any Residential Unit without the prior approval of Residential Unit Owners owning a majority of the Common Interests of all Residential Units.

(D) The Condominium Board shall not discriminate against any person on the basis of race, creed, color, national origin, sex, age, disability, mental status or other grounds proscribed by law.

Section 7.3 **Acceptance of Offer.** (A) In the event that the Condominium Board shall elect, within the time and in the manner provided in Section 7.2 hereof, to purchase a Residential Unit together with its Appurtenant Interest, or to cause the same to be purchased by its designee, or to lease the Residential Unit, the Offeree Unit Owner shall send to the Condominium Board for execution the Sale or Lease Agreement, as modified in accordance with the requirements of this Section 7.3. Within 10 days after receipt thereof, the Condominium Board shall execute and return to the Offeree Unit Owner the Sale or Lease Agreement, as so modified. In the event such Residential Unit is to be sold to the Condominium Board or its designee, the Sale Agreement shall be modified to the extent any term in the original Sale Agreement with the Outside Offeror is contrary, inconsistent or silent with respect to the following:

(i) the down payment shall equal the lower of 10% of the purchase price of the Residential Unit or the down payment stated in the original Sale or Lease Agreement;

(ii) the closing shall be held at the office of the attorneys for the Condominium Board on a mutually agreeable time and date within 90 days after the Sale or Lease Agreement, as modified, is received by the Condominium Board for execution or within such longer period as may have been provided in the original Sale or Lease Agreement;

(iii) the Offeree Unit Owner shall convey the Residential Unit and its Appurtenant Interest to the Condominium Board or its designee by bargain and sale deed with covenant against grantor's acts and in the form required by Section 339-0 of the Condominium Act, with all documentary stamps affixed at the expense of the Offeree Unit Owner, who shall also pay all other transfer taxes and gains taxes arising out of the sale; and

(iv) the Offeree Unit Owner and Condominium Board or its designee shall apportion as of 11:59 p.m. of the day preceding the closing (a) real estate taxes (if the Residential Unit is not separately assessed at closing, the apportionment shall be based on the amount of real estate taxes for the Property which is attributable to the Residential Unit as determined in accordance with Section 5.11 of these By-Laws), (b) Common Charges, (c) mortgage interest (if applicable) and (d) rent paid or payable under any existing lease or tenancy.

(B) If such Residential Unit and its Appurtenant Interest are to be purchased by the Condominium Board or its designee on behalf of all Residential Unit Owners, such purchase may be made from (i) the surplus funds held in the Condominium's Reserve Fund in excess of the minimum legal Reserve Fund required to be established pursuant to the New York City Reserve Fund Law (Administrative Code Chapter 51, Title YYYY) ("Surplus Funds") provided however, that the use of such Surplus Funds shall require the consent of majority of the residential members of the Condominium Board including a majority of the Independent Residential Board Members and/or (ii) funds received by or for the benefit of Residential Unit

Owners and deposited in the capital and/or expense accounts of the Condominium. If the funds in such accounts are insufficient to effectuate such purchase, the Condominium Board may levy a Special Assessment against each Residential Unit Owner (other than the Offeree Unit Owner) in accordance with the terms of paragraph (C) of Section 6.1 hereof and/or the Condominium Board may, in its discretion, finance the acquisition of such Residential 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 Residential Unit to be purchased together with its Appurtenant Interest. In addition, if the Outside Offeror was to assume or to take title to the Residential Unit subject to the Offeree Unit Owner's existing mortgage or mortgages, in the case of a sale, the Condominium Board may purchase the Residential Unit and assume or take title thereto subject to such mortgage or mortgages, as the case may be.

If the acquisition is to be financed by a bank or other institutional lender and financing is not obtainable without Sponsor guaranteeing payment of the loan amount, then with respect only to any purchase to be financed before the earlier to occur of the tenth anniversary of the First Closing or the date Sponsor's Unsold Residential Units represent 10% or less of all the Residential Units, Sponsor will agree to guarantee the loan on the standard form guarantee customarily used by the institutional lender for loans of this nature. As a prerequisite to Sponsor executing the guarantee, Sponsor, the institutional lender and the Condominium Board shall sign and deliver to Sponsor a subrogation agreement (in form and substance reasonably acceptable to Sponsor) wherein Sponsor is subrogated to the rights of the lender with respect to any payments made by Sponsor under the guarantee. If Sponsor is requested to guarantee the loan, Sponsor shall have the right (but will not be obligated) to arrange a mortgage loan from a different institutional lender which does not require Sponsor's guarantee. In the event Sponsor exercises such right and succeeds in obtaining a mortgage loan commitment on the customary terms offered by such institutional lender for similar transactions (and regardless of the terms being more or less favorable than those offered by the lender procured by the Condominium Board), Sponsor will be excused from the obligation to guarantee the loan arranged by the Condominium Board. The Condominium Board will have the option to accept or reject such commitment. If accepted, the Condominium Board shall assume the obligation to pay all costs and expenses for such loan, including (without limitation) origination fee, "points", mortgage title insurance and fees for appraisal, lender's attorney and brokerage (except that no broker fee shall be payable to Sponsor or a Person related to, or affiliated with, Sponsor). Under no circumstances shall Sponsor be obligated to provide or arrange such mortgage loan or to pay any costs or expenses for a mortgage loan commitment that Sponsor elects to arrange and the Condominium Board elects to accept.

(C) In the event that such Residential Unit is to be leased by the Condominium Board or its designee, the Offeree Unit Owner shall execute and deliver to the Condominium Board or such designee a lease covering such Unit by and between the Offeree Unit Owner, as landlord, and the Condominium 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., and shall contain all of the terms and conditions of the Sale or Lease Agreement not in conflict with 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 Condominium Board or such

designee may enter into a sublease of the premises demised thereunder without consent of the landlord.

(D) Until such Residential Unit is no longer owned by the Condominium 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 to all remaining Residential Unit Owners (other than the Condominium Board as owner of the Superintendent's Unit or other Residential Unit) as a Residential Common Expense. In the event such Residential Unit is used by the Condominium Board, the aforesaid costs plus rent and additional rent, if any, shall be assessed to all Residential Unit Owners only (other than the Condominium Board as owner of Superintendent's Unit or other Residential Unit) as a Residential Common Expense. Likewise, all income, revenue and profit derived from such Residential Unit shall be collected in behalf of all Residential Unit Owners and used to defray the Residential Common Charges.

Such Units shall not be subject to partition or occupancy by other Unit Owners.

Section 7.4 **Failure to Accept Offer.** (A) In the event that the Condominium Board shall fail to accept an offer made pursuant to the terms of Section 7.2 hereof within the respective times set forth in paragraph (C) thereof, 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 to the Offeree Unit Owner by the Condominium Board or (ii) the expiration of the period within which the Condominium 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 Residential 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 Residential Unit and its Appurtenant Interest to an Outside Offeror shall expressly provide that the acceptance thereof by the grantee shall constitute 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 Residential 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 Condominium 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 shall be for a term of not less than one (1) year;
- (ii) such lease may not be amended, modified, or extended without the prior written consent of the Condominium Board in each instance;
- (iii) 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 Condominium Board in each instance;

(iv) the Residential Unit shall be occupied only by a Permitted Occupant and used solely as a residence by the Permitted Occupant and for any lawful home occupation, all as required by Section 5.7 of these By-Laws; and

(v) the Condominium 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 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 Residential Unit Owner or that the right of first refusal provided for therein has been duly released or waived by the Condominium Board and that, as a result thereof, the rights of the Condominium Board thereunder have terminated, shall be conclusive upon the Condominium 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 Residential Unit to which the same shall relate, together with its Appurtenant Interest, may be sold, conveyed, or leased free and clear of the terms and conditions contained in Section 7.2 hereof. The Condominium Board shall furnish or cause the Managing Agent to furnish, such certificate upon written request to any Residential 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 Condominium Board (as opposed to satisfied pursuant to the express terms of Sections 7.2, 7.3 and 7.4 hereof) in the absence of a certificate that has been duly executed, acknowledged and issued by the Condominium 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 Residential Unit, together with its Appurtenant Interest, by:

(i) the owner of such Residential 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 to an entity or individual that owns more than fifty percent of the legal and beneficial interest of such Residential Unit or to any entity with respect to which such Residential Unit Owner (individual or otherwise) owns more than fifty percent of the legal and beneficial interests thereof or to a personal representative for the benefit of a judicially declared incompetent;

(ii) an owner of an Unsold Unit (including Sponsor) or any Residential Unit acquired by Sponsor;

(iii) the Condominium Board;

(iv) any proper officer conducting the sale of a Residential Unit in connection with the foreclosure of a mortgage or other lien covering such Residential Unit or delivering a deed in lieu of such foreclosure; or

(v) any Permitted Mortgagee, or his nominee, who has acquired title to any Residential 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 Residential 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 Residential 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) the Commercial Unit, together with its 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 Interest, it being the intention to prevent any severance of such 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 Interest 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 Interest 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 Interest.

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 Condominium 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 the Condominium Board or its Managing Agent stating the amount of any Common Charges with respect to such Unit may be relied upon as conclusive evidence of such fact.

Section 7.8 **Power of Attorney.** 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, if Sponsor is not then the owner of any Unsold Unit, to the Condominium 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 or then in use by the Condominium Board.

Section 7.9 **Gifts and Devises, Etc.** Any Unit Owner shall be free to convey or transfer his Unit, together with its Appurtenant Interest, by gift, or to devise the same by will or to have the same pass by intestacy, without restriction, 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 Residential Units.** If not prohibited by Law, the Condominium Board shall have the right and authority to fix by resolution and collect, before any sale or lease of a Residential Unit (other than an Unsold Unit) is consummated, a reasonable charge to cover its expenses, and any fees due to the Managing Agent or any attorney retained by the Condominium 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. Such charge shall not be fixed or collected for any sale or lease that is exempted under Sections 7.5(B) or 7.9 hereof from the right of first refusal provisions of Sections 7.2, 7.3 and 7.4 hereof. In addition, such charge shall not be collected from an offeree Unit Owner in the event the right of first refusal is exercised by the Condominium Board pursuant to Section 7.2 hereof.

ARTICLE 8

MORTGAGING OF UNITS

Section 8.1 **General.** Each Unit Owner shall have the right to mortgage his Unit, subject only to the terms and conditions contained in Section 8.2 hereof. Any Residential Unit Owner who mortgages his Unit, or the holder of such mortgage, shall supply the Condominium Board with the name and address of his mortgagee and, if requested by the Condominium Board, shall file a conformed copy of the note and mortgage with the Condominium Board. The failure to comply with the foregoing shall not affect the validity or enforceability of the mortgage. Any Residential Unit Owner who satisfies a mortgage covering his Unit shall so notify the Condominium Board and, if requested by the Condominium Board, shall file a conformed copy of the satisfaction of mortgage with the Condominium Board. The Secretary of the Condominium shall maintain such information in a book entitled "Mortgages of Units."

Section 8.2 **Restrictions on Mortgaging.** (A) No Unit Owner shall be permitted to mortgage, pledge, or hypothecate his Unit unless and until he shall have paid in full to the Condominium 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 Condominium 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 such fact. Notwithstanding the foregoing, any mortgage, pledge or hypothecation of an Unsold Unit or the Commercial Unit without complying with the provisions of this Section 8.2 shall not affect the validity of such mortgage, pledge or hypothecation.

(B) No Unit Owner shall execute any mortgage or other document mortgaging, pledging, or hypothecating title to his Unit without including therein its Appurtenant Interest, 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 Condominium 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 Condominium Board has knowledge then exists. The Condominium 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 Condominium

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 Condominium Board shall advise such Permitted Mortgagee of the default promptly after discovering such failure and (ii) if the Condominium 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 Condominium 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 Condominium Board shall accept such Permitted Mortgagee's 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 Condominium 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 these 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 three (3) Mortgage Representatives by giving written notice thereof to the Condominium Board, which Mortgage Representatives 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 Condominium 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.** (A) 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 terrace (if any) 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 Condominium 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 day period and, thereafter, to prosecute such cure with due diligence to completion, the Condominium Board or (if the Condominium Board fails to act) Sponsor (so long as Sponsor owns an Unsold Unit) shall have the right to enter such Unit Owner's Unit and/or its appurtenant Individual Limited Common Element and summarily to abate, remove, or cure such violation or breach without thereby being deemed guilty or liable in any manner of trespass. In addition, in the event that the Condominium Board or (if the Condominium Board fails to act) Sponsor (so long as Sponsor owns an Unsold Unit) 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 Condominium Board or Sponsor 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.

(B) If:

(i) the Condominium Board shall fail, within a reasonable period of time, to comply with its obligations under the By-Laws to properly (a) maintain, repair or replace any portion of the Common Elements or (b) restore any portion of the Building after damage or destruction by casualty, and maintenance, repair, replacement or restoration is necessary for the preservation or proper maintenance of the Building or the health, safety or welfare of the Unit Owners; or

(ii) a violation is noted or issued against the Building which is grounds for reducing the rent payable by tenants of Unsold Units and the condition underlying such violation is not cured within the applicable period provided by Law or is not cured promptly so as to avoid a rent reduction (regardless of whether an action, proceeding or counterclaim therefor has been instituted or made); or

(iii) a tenant of an Unsold Unit institutes a proceeding or action (including a counterclaim) for reduction of rent based on a condition in the Common Elements which the Condominium Board had failed to correct or (if the Condominium Board did not have notice and was unaware of such condition) the Condominium Board fails to correct promptly,

then Sponsor shall have the right (but not the obligation) to undertake, at the expense of the Condominium Board, such maintenance, repair, replacement or restoration (hereafter collectively called the "Work"). However, before undertaking the Work:

- (a) Sponsor must first send to any officer or member of the Condominium Board who is not related to, or affiliated with, Sponsor written notice of Sponsor's election to do the Work at the expense of the Condominium Board; and
- (b) in the case only of the failure of the Condominium Board in the situation described in clause (i) above, the Condominium Board shall fail:
 - (x) to commence the maintenance, repair or replacement within fifteen (15) days or (only if, in Sponsor's reasonable judgment, the cost of such Work is in excess of \$100,000) thirty (30) days after receipt of such notice from Sponsor or (in the case of a casualty) the Condominium Board shall fail to commence the restoration within ninety (90) days after receipt of proceeds of any insurance policies maintained by the Condominium Board; and
 - (y) to thereafter proceed with reasonable diligence to complete the maintenance, repair, replacement or restoration.

After Sponsor undertakes the Work in accordance with the foregoing, the Condominium Board shall pay for the costs and expenses incurred by Sponsor in connection with such Work or (at Sponsor's sole option) the Condominium Board shall reimburse Sponsor promptly after demand is made accompanied by bills or a detailed statement of the costs and expenses for which reimbursement is sought.

Section 9.2 **Abatement and Enjoyment.** (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 Condominium Board or (if the Condominium Board fails to act within a reasonable period of time) Sponsor (so long as Sponsor owns an Unsold Unit) shall have the right to enjoin, abate, or remedy the continuance or repetition of any such violation or breach by appropriate proceedings 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 shall give to Sponsor 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 Condominium Board or to Sponsor 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 Condominium Board or Sponsor, 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 reasonable costs and expenses incurred by (i) the Condominium Board or Sponsor in connection with the abatement, enjoinder, 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 (y) any abatement, enjoinder, or remedy of any violation or breach of the Condominium Documents pursuant to the terms of paragraph (B) of Section 9.2 hereof or (z) any maintenance, repair or replacements of the General Common Elements or Residential Limited Common Elements or the Individual Limited Common Element or restoration of any portion of the Building after damage or destruction by casualty pursuant to the terms of paragraph (B) of Section 9.1 hereof, shall be immediately payable by (a) in the event set forth in subparagraph (i) hereof, such Unit Owner to the Condominium Board or Sponsor (as the case may be) or (b) in the event set forth in subparagraph (ii) hereof, the offending party (i.e., the Condominium 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 percent per month (but in no event in excess of the maximum rate chargeable pursuant to Law). All sums payable by a Unit Owner to the Condominium Board pursuant to the terms of this Section 9.4 shall, for all purposes hereunder, constitute Common Charges payable by such Unit Owner.

Section 9.5 **Remedies Subordinate to Rights of Certain Tenants, Occupants and Unit Owners.** The provisions of this Article 9 are subject to Section 1.4 of these By-Laws. As a result, the Condominium Board shall not have the right to exercise any remedy provided in this Article 9 against a Unit Owner or a tenant or occupant of a Unit to the extent the provision of the Condominium Document sought to be enforced is void or unenforceable against such Unit Owner or such tenant or occupant of a Unit under said Section 1.4.

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 County 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 to be conducted hereunder shall be a member of a law firm having at least five (5) members 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 their dispute in any manner, including, without limitation, the manner set forth in Section 3031 of the New York Civil 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 arbitration conducted pursuant to the terms of Sections 10.1 and 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 the Condominium Documents with respect to a matter that arose prior to the first annual meeting of all Unit Owners held pursuant to the terms of Section 4.1 hereof shall be nonbinding.

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 shall be substantially upheld by the arbitrator, such fees, costs and 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 Condominium Board in connection with any arbitration held hereunder, including, without limitation, the fees and expenses of counsel and expert witnesses, shall constitute Common Expenses, if the dispute involves both Residential and the Commercial Unit, or a Residential Common Expense if the dispute involves only Residential Units and/or Residential Limited Common Elements or the Individual Limited Common Element.

ARTICLE 11

NOTICES

Section 11.1 **General.** All notices required or desired to be given hereunder except for a notice of a meeting under Section 4.4 shall be sent by registered or certified mail, return receipt requested, postage prepaid addressed:

(i) if to the Condominium Board, to the Condominium 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 as aforesaid;

(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, at 2101-2115 Broadway, New York, New York (with a copy to Sponsor’s attorney, Dreyer and Traub, 101 Park Avenue, New York, New York 10178, Attention: Alan L. Kazlow).

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 when deposited in a branch or general post office or depository maintained by the United States Postal Service located in the State of New York enclosed in a sealed, postage prepaid wrapper, addressed as aforesaid, provided, however, that notices deposited in a United States Postal Service depository located outside of the State of New York shall be deemed to have been given when received.

Section 11.2 **Waiver of Service of Notice.** Whenever any notice is required to be given by Law or 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 thereof.

Section 11.3 **Notice to Non-Purchasing Tenants.** The Condominium Board or its managing agent will notify each Non-Purchasing Tenant of a Residential Unit of changes in ownership of the Residential Unit. Such notice will be provided in writing within a reasonable period of time (not to exceed 30 days) after the change in ownership is recorded on the Condominium's books.

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 the Commercial Unit Owner or any Unsold Unit Owner and/or any Permitted Mortgagee, any provision of these By-Laws may be amended, modified, added to, or deleted by the affirmative vote of not less than 66 2/3% in number and aggregate Common Interests of all Unit Owners either taken at a duly constituted meeting thereof or given in writing without a meeting as provided in Section 4.10 hereof. Each duly 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 Condominium 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 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 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 without the consent of the Condominium Board or the Unit Owners, shall be embodied in an instrument executed and recorded in the Register's Office by Sponsor as attorney-in-fact of both the Condominium 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 certifying that the amendment, modification, addition, or deletion set forth therein was effectuated by Sponsor pursuant to the terms of the Declaration and/or these By-Laws, in which Certification there shall be set forth the Article and/or Section of 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's Office.

(B) Notwithstanding any provision contained herein to the contrary, no amendment, modification, addition or deletion of, or to, these By-Laws affecting the rights, privileges, exemptions, powers or other benefits of Sponsor, an Unsold Unit Owner or the Commercial Unit Owner under these By-Laws shall be effective in any respect against Sponsor or an Unsold Unit Owner or the Commercial Unit Owner, or against an Unsold Unit or the Commercial Unit, unless and until Sponsor, an Unsold Unit Owner and/or such Commercial Unit Owner (as the case may be) shall consent to 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.

Section 12.3 **Amendments Concerning the Commercial Unit.** The Commercial Unit Owner shall have the right to cause the Declaration, the By-Laws and the Rules and Regulations to be amended, modified, added to or deleted as the Commercial Unit Owner deems necessary, appropriate or desirable in connection with the operation, management or governance of the

Commercial Unit or (if subdivided) the Commercial Units or the subdivision of the Commercial Unit into two or more Commercial Units or the offering for sale or lease of all or any portion of the Commercial Unit, provided that such change shall not affect the rights, benefits or provisions applicable to other Units or Unit Owners. In the case of any such amendment, modification, addition or deletion which does not adversely affect the other Units or the other Unit Owners, the Commercial Unit Owner (including Sponsor if it owns the Commercial Unit) shall be, and deemed to be, the attorney-in-fact for the other Unit Owners, coupled with an interest, for the purpose of approving and executing any instrument effecting such amendment, modification, addition or deletion.

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 sublessee of a Unit Owner, an occupant of a Unit, a member of the Condominium 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 Condominium 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 Condominium 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 Condominium 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, then Sponsor is hereby authorized, as attorney-in-fact for the Condominium 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 Condominium Board, such Unit Owner, or other Person, and such document or action shall be binding on the Condominium Board, such Unit Owner, or other Person.

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 Condominium Board and shall be available for inspection by Unit Owners and their authorized agents during reasonable business hours.

Section 14.2 **Waiver.** No provision 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 breaches 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.** The rights and/or obligations of, and limitations imposed on, Sponsor, an Unsold Unit Owner, the Commercial Unit Owner or Residential Unit Owner as set forth herein, shall inure to the benefit of, and shall be binding upon, their respective successors and assignees, but a Residential Unit Owner (other than Sponsor or an Unsold Residential Unit Owner) shall not exercise any of the special rights, powers or privileges reserved to Sponsor or an Unsold Residential Unit Owner in the Declaration or these By-Laws unless expressly authorized either in the Condominium Documents or in writing by Sponsor or an Unsold Unit Owner. 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 accruing prior to the effective date of such successor.

Any mortgagee of an Unsold Unit will succeed to the rights of, and limitations and restrictions applicable to, Sponsor in the event of foreclosure or deed in lieu of foreclosure.

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 Ansonia Condominium

RULES AND REGULATIONS

OF

The Condominium Known as

THE ANSONIA CONDOMINIUM

2101-2115 Broadway
New York, New York

1. The sidewalks, entrances, passages, public halls, 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 of a Unit Owner, or to a guest, tenant, subtenant, licensee, invitee, employee, 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 by another vehicle.

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

3. AU service and delivery persons will be required to use the entrance of the Building designated by the Condominium Board for such purposes.

4. Trunks and heavy baggage shall be taken in or out of the Building only through the entrance and exit as designated by the Condominium Board or the Managing Agent for such purpose.

5. No article (including, but not limited to, garbage cans, bottles or mats) shall be placed or stored in any of the halls or on any of the staircases or fire tower landings of the Building, nor shall any fire exit thereof be obstructed in any manner.

6. Any storage room for Unit Owners shall be used by all Unit Owners, in common, only for the storage of trunks, bags, suitcases and packing cases, all of which shall be empty, and for the storage of such other articles as the Condominium 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 Condominium Board. The use of the storage rooms shall be at the sole risk of the Unit Owner or other person using the same, and the Condominium Board, its agents, or the Managing Agent 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 Condominium Board, its agents, the Managing Agent, or otherwise.

7. No clothes, sheets, blankets, laundry, or other articles of any kind shall be hung on or out of a Unit or its appurtenant Limited Common Elements.

8. There shall be no playing or lounging in the entrances, passages, public halls, vestibules, corridors or stairways of the Building, except in recreational areas or other areas designated as such in the Declaration or by the Condominium Board.

9. The Condominium 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.

10. 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 Condominium 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 or Limited Common Elements any inflammable, combustible, or explosive fluid, material, chemical, or substance, except as shall be necessary and appropriate for the permitted uses of such Unit or Limited Common Elements.

11. There shall be no barbecuing in the Units, in their appurtenant Limited Common Elements (if any), or in the Common Elements, except for those areas (if any) specifically designated for barbecuing by the Condominium Board.

12. 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 its appurtenant Limited Common Elements or permit anything to be done therein that will interfere with the rights, comforts, or conveniences of the other Unit Owners. No Unit Owner shall play upon or suffer to be played upon any musical instrument, or shall operate or permit to be operated a phonograph, radio, television set, 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 work, 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.

13. No bird, reptile, or animal shall be permitted, raised, bred, kept, or harbored in the Residential Units unless, in each instance, the same shall have been expressly permitted in writing by the Condominium Board or the Managing Agent. Any such consent, if given, shall be revocable at any time by the Condominium Board or the Managing Agent in their sole discretion. No pigeons or other birds or animals shall be fed from the windowsills, terraces, or other public portions of the Building, or on the sidewalk or street adjacent to the Building. Notwithstanding the foregoing, existing pets or "Tenant-Purchasers" and "non-purchasing tenants" (as such terms are defined in the Plan, as amended") are exempted herefrom and the consent of the Condominium Board shall not be required as to them. However, this provision shall apply to, and the consent of the Condominium Board shall be required for, any additional pet or replacement to an existing pet, subject (however) to the rights (if any) of a non-purchasing tenant under applicable Law.

14. 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.

15. 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 Condominium Board or the Managing Agent in each instance. In the event that any Unit (other than the Commercial Unit, or any portion thereof) shall be used for home occupation or other permitted purposes in conformance with the 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.

16. Unless expressly authorized by the Condominium Board in each instance, not less than eighty (80%) percent of the floor area of each Residential Unit (excepting only kitchens, pantries, bathrooms, closets and foyers) must be covered with rugs, carpeting, or equally effective noise-reducing material. Notwithstanding the foregoing, this Rule and Regulation shall not apply to Tenant-Purchaser or non-purchasing tenants whose floors do not comply herewith on the date of recording of the Declaration. However, this Rule and Regulation shall apply to the successor of such Tenant-Purchaser or non-purchasing tenant.

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 Condominium Board or the Managing Agent, which approval shall not be unreasonably withheld or delayed. All Unit Owners with children under the age of 12 are required to install window guards. The design and method of installation must be approved in advance by the Managing Agent. In no event, however, shall any exterior glass surface of any windows at the Property be colored or painted.

18. No ventilator or air conditioning device shall be installed in any Residential Unit without the prior written approval of the Condominium Board, which approval may be granted or refused in the sole discretion of the Condominium Board. Notwithstanding the foregoing, this Rule and Regulation shall not apply to ventilators and air conditioner devices which, on the date of recording of the Declaration, are installed in Residential Units of Tenant-Purchasers and non-purchasing tenants.

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 on 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 Condominium 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 Unit and its appurtenant Individual Limited Common Elements (if any) in a good state of preservation, condition, repair and cleanliness in accordance with the terms of the By-Laws.

23. The agents of the Condominium Board or the Managing Agent, and any contractor or workman authorized by the Condominium Board or the Managing Agent, may enter any room in the Building or Units 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 Condominium Board or the Managing Agent may retain a pass-key to each Residential Unit. If any lock is altered or a new lock is installed, the Condominium Board or the Managing Agent shall be provided with a key thereto immediately upon such alteration or installation. If the Residential Unit Owner is not personally present to open and permit an entry to his Residential 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 Condominium Board or the Managing Agent, then the Condominium 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 without 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 Condominium Board nor the Managing Agent shall (except as provided in Rule 25 above) be liable for injury, loss, or damage of any nature whatsoever, directly or indirectly resulting therefrom or connected therewith.

26. Unit Owners and their respective Family Members, guests, servants, employees, agents, visitors, or licensees shall not at any time or for any reason whatsoever enter upon, or attempt to enter upon, the roofs of the Building.

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

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

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