

BY-LAWS**ARTICLE 1****GENERAL**

1.1 **Purpose.** The purpose of these By-Laws is to set forth the rules and procedures concerning the conduct of the affairs of Avery (the "Condominium"). The Condominium covers the property (the "Property") consisting of approximately 29,548 square feet of land (the "Land") which forms a part of Block 1171 of Section 05 the Tax Map of the Borough of Manhattan, City, County and State of New York, the building and other improvements now or hereafter to be constructed thereon or therein, as the case may be (hereinafter collectively called the "Building"), including, without limitation, the Units and the Common Elements, all easements, rights and appurtenances belonging thereto, and all other property, real, personal or mixed, intended for use in connection therewith, all of which have been submitted to the provisions of Article 9-B of the Real Property Law of the State of New York by the recording of a Declaration (which, as the same may be amended from time to time, is herein called the "Declaration") in the New York County Office of the Register of The City of New York ("City Register's Office"), together with these By-Laws. All terms used herein which are not separately defined herein, shall have the meanings given to those terms in the Declaration or in Exhibit C thereto.

1.2 **Applicability of By-Laws.** These By-Laws are applicable to the Property and to the use and occupancy thereof. All present and future Unit Owners, mortgagees, lessees, sublessees and other occupants of Units and employees and guests of Unit Owners, as well as all other persons who may use the facilities of the Property, are and shall be subject to the Declaration, these By-Laws and the Rules and Regulations (as hereinafter defined). The acceptance of a deed or 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 these By-Laws, the Rules and Regulations and the Declaration are accepted, ratified, and will be complied with.

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

ARTICLE 2**BOARDS OF MANAGERS****2.1 Number, Term and Qualification.**

2.1.1 As more particularly set forth in Section 2.2, the affairs of the Condominium shall be governed by a board of managers of the Condominium (the "Condominium Board"), the affairs of the Residential Section shall be governed by a residential board of managers (the "Residential Board") and the affairs of the Non-Residential Section shall be governed by a Non-Residential board of managers (the "Non-Residential Board"). From and

after the first annual meetings of Residential Unit Owners and Non-Residential Unit Owners as provided in Section 3.1, the Residential Board shall consist of five (5) persons elected by the Residential Unit Owners, subject to Declarant's rights under Section 3.9.3 and the Non-Residential Board shall consist of two (2) persons. Thereafter, the Condominium Board shall consist of seven (7) persons: the five (5) members of the Residential Board and the two (2) members of the Non-Residential Board subject to Section 2.4. The Condominium Board, the Non-Residential Board, and the Residential Board, are herein sometimes referred to collectively as the "Boards" and individually as a "Board."

2.1.2 Each member of the Residential Board and of the Non-Residential Board except for the first Boards as provided in Section 2.4 and except as otherwise provided herein, shall be elected at the separate annual meetings of Residential Unit Owners and Non-Residential Unit Owners, respectively, and shall serve until the next annual meeting thereof and until successors have been elected and qualified. There shall be no limit on the number of successive terms a Board member may serve.

2.1.3 Except for Board members elected or designated by Declarant or its designee (a) all members of the Residential Board shall be either Residential Unit Owners or officers, directors, shareholders, partners, principals, members, trustees, employees or beneficiaries of corporations, partnerships, limited liability companies fiduciaries or any other entities which own Residential Units, Permitted Mortgagees, or family members of any of the foregoing, and (b) all members of the Non-Residential Board shall be either a Non-Residential Unit Owner or officers, directors, shareholders, members, managers, shareholders, partners, principals, employees or beneficiaries of corporations, partnerships, fiduciaries or any other entities which may own a Non-Residential Unit or a managing agent for such Non-Residential Unit Owner or an employee thereof, Permitted Mortgagees of the Non-Residential Units, lessees of the Non-Residential Units or portions thereof, or family members of any of the foregoing. Other than Board members elected or designated by Declarant or its designee no Board member shall continue to serve after such member ceases to be qualified as set forth above. No Residential Unit Owner may be elected to serve on the Residential Board or Condominium Board if such Board has perfected a lien against such Residential Unit Owner's Unit which lien has not been satisfied at the time of the election. As used herein the term "Permitted Mortgagee" means the holder of any mortgage ("Permitted Mortgage") of a Unit or Units which is permitted to be placed thereon pursuant to these By-Laws.

2.2 Powers and Duties.

2.2.1 The Boards shall collectively have the powers and duties necessary for or incidental to the administration of the affairs of the Condominium (except such powers and duties which by Law, the Declaration or these By-Laws may not be delegated to the Boards by the Unit Owners). All determinations, however, which (a) affect only the Residential Section and do not adversely affect the Non-Residential Section or the use of the Non-Residential Section for its permitted purposes, shall be made by the Residential Board or (b) affect only the Non-Residential Section and do not adversely affect the Residential Section or the use of Residential Units for their permitted purposes, shall be made by the Non-Residential Board. All other determinations with respect to the administration of the affairs of the Condominium including, without limitation, determinations which (i) relate to the Residential Section and

adversely affect the Non-Residential Section, or (ii) relate to the Non-Residential Section and adversely affect the Residential Section, or (iii) relate to or affect the General Common Elements, shall be made by the Condominium Board. Any dispute between the Residential Board and the Non-Residential Board with respect to whether the Residential Board or the Non-Residential Board shall be entitled to make any determination shall be settled by Arbitration; provided, however, that no such dispute with respect to whether the determination of one adversely affects the other shall be deemed to exist unless the objecting party specifies the grounds for its objection in writing to the other party within ten (10) business days of receipt by it of notice of such determination. In addition, any dispute between the Residential Board and the Non-Residential Board with respect to whether any matter is entitled to be determined by the Condominium Board shall be settled by Arbitration, which Arbitration shall be determined on the basis of what is in the best interests of the Condominium.

2.2.2 Subject to the provisions of Subsection 2.2.1 and without limiting the generality thereof, the Boards shall each have all powers and duties expressly set forth elsewhere in the Declaration and the By-Laws and shall be entitled to make such determinations and take such actions and incur such liabilities as may be required to effectuate each Board's obligations under the Declaration, the By-Laws and the Plan.

2.2.2.1 The Condominium Board shall be entitled to make determinations with respect to the following matters:

2.2.2.1(a) Operating, caring and Maintaining the General Common Elements, including contracts for utilities, services and supplies.

2.2.2.1(b) Determining the amount of General Common Charges (as hereinafter defined).

2.2.2.1(c) Employing and dismissing personnel in connection with the Maintenance and operation of the General Common Elements.

2.2.2.1(d) Adopting and amending the Rules and Regulations, as they affect the General Common Elements.

2.2.2.1(e) Making additions and improvements to, or alterations of, the General Common Elements.

2.2.2.1(f) Making repairs and restorations of the General Common Elements or parts thereof damaged or destroyed by fire or other casualty or necessitated as a result of condemnation or eminent domain proceedings.

2.2.2.1(g) Enforcing obligations of Unit Owners, the Non-Residential Board and the Residential Board.

2.2.2.1(h) Levying fines against Unit Owners, the Non-Residential Board or the Residential Board for violations of any rules and regulations adopted by the Condominium (any such fines shall constitute General

Common Charges payable by the Unit Owner or Board against which they are levied).

2.2.2.1(i) Opening and maintaining bank accounts on behalf of the Condominium (with respect to matters within its jurisdiction as provided in these By-Laws) and designating signatories therefor.

2.2.2.1(j) Adjusting and settling insurance claims (and executing and delivering releases in connection therewith) if the loss involves both the Residential Section and the Non-Residential Section or the General Common Elements, as set forth in 6.2.

2.2.2.1(k) Borrowing money on behalf of the Condominium, when required in connection with the operation, care, upkeep and Maintenance of the General Common Elements; provided, however, that (i) the consent of at least 66-2/3% in Common Interest of all Unit Owners shall be required for any borrowings in excess of the aggregate amount of \$150,000 in any one fiscal year (regardless of the balance of any loans outstanding from previous years), and (ii) no lien to secure repayment of any sum borrowed may be created on any Unit or its appurtenant interest in the Common Elements without the consent of the owner of such Unit. If any sum borrowed by the Condominium Board pursuant to the authority contained in this subparagraph is not repaid by said Board, a Unit Owner who pays to the creditor such proportion thereof as such Unit Owner's interest in the Common Elements bears to the interest of all the Unit Owners in the Common Elements shall be entitled to obtain from the creditor a release of any judgment or other lien which said creditor has filed or has the right to file against such Unit Owner's Unit.

2.2.2.1(l) Bringing actions on behalf of the Unit Owners, as their interests may appear, with respect to any cause of action relating to the General Common Elements, as the Condominium Board deems advisable.

2.2.2.1(m) Organizing corporations or limited liability companies to act as designees of the Condominium Board with respect to such matters as such Board may determine.

2.2.2.1(n) Executing, acknowledging and delivering of (i) any declaration or other instrument affecting the Property which the Condominium Board deems necessary or appropriate to comply with any Law, ordinance, regulation, zoning resolution or requirement of the Department of Buildings, the City Planning Commission, the Board of Standards and Appeals, or any other public authority, applicable to the Maintenance, demolition or construction of the Building, or (ii) any consent, covenant, restriction, easement or declaration affecting the Property which the Condominium Board deems necessary or appropriate.

2.2.2.1(o) Preparing, executing and recording, on behalf of all Unit Owners, as their attorney-in-fact, coupled with an interest, a restatement of the Declaration and/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 Declaration and/or these By-Laws.

2.2.2.1(p) Obtaining and reviewing insurance for the Property pursuant to the provisions of Section 6.2.

2.2.2.1(q) Making repairs to and restorations of the Building or parts thereof damaged or destroyed by fire or other casualty or necessitated as a result of condemnation or eminent domain proceedings as more particularly provided in these By-Laws.

2.2.2.1(r) Leasing or purchasing an apartment for use as the residence of the building superintendent, either in the Building or elsewhere (in compliance with applicable Law and regulation) and amending, modifying, extending, renewing, and otherwise dealing in any way with respect to any such apartment.

2.2.2.1(s) Leasing or licensing the General Common Elements.

2.2.2.1(t) Otherwise performing all of the acts to be performed by the Condominium Board in accordance with the terms of the Plan.

2.2.2.2 The Residential Board shall be entitled to make determinations with respect to the following matters:

2.2.2.2(a) Operating, caring for, and Maintaining the Residential Section, including contracts for utilities, services and supplies, except to the extent that same is the responsibility of the Residential Unit Owners under the terms of the Condominium Documents.

2.2.2.2(b) Determining the amount of Residential Common Charges (as hereinafter defined), subject to the determination of the Condominium Board with respect to General Common Charges.

2.2.2.2(c) Collecting of Residential Common Charges from Residential Unit Owners.

2.2.2.2(d) Employing and dismissing the personnel necessary for the Maintenance and operation of the Residential Section.

2.2.2.2(e) Adopting amendments and additions to, the Rules and Regulations as they affect the Residential Section.

2.2.2.2(f) Subject to Section 8.2 of these By-Laws, purchasing, leasing and otherwise acquiring in the name of the Residential Board (or, if required, in the name of the Condominium Board) or its designee, on behalf of all Residential Unit Owners, Residential Units and/or Storage Bins offered for sale or lease or surrendered by their owners to the Residential Board.

2.2.2.2(g) Purchasing Residential Units at foreclosure or other similar sales, in the name of the Residential Board (or, if required, in the name of the Condominium Board) or its designee, on behalf of all Residential Unit Owners.

2.2.2.2(h) Selling, leasing, subleasing, mortgaging and otherwise dealing with (but not voting the interests appurtenant to) Residential Units and Storage Bins acquired by, and subleasing Residential Units and Storage Bins leased by, the Residential Board or its designee, on behalf of all Residential Unit Owners.

2.2.2.2(i) Making additions and improvements to, or alterations of, the Residential Common Elements and the Residential Limited Common Elements.

2.2.2.2(j) Making repairs to and restorations of the Residential Section or parts thereof damaged or destroyed by fire or other casualty or necessitated as a result of condemnation or eminent domain proceedings.

2.2.2.2(k) Enforcing obligations of Residential Unit Owners and the Boards.

2.2.2.2(l) Levying fines against Residential Unit Owners for violations of the Rules and Regulations as they affect the Residential Section (any such fines shall constitute Residential Common Charges payable by the Residential Unit Owner against whom they are levied).

2.2.2.2(m) Maintaining bank accounts on behalf of the Residential Section (with respect to matters within its jurisdiction as provided in these By-Laws) and designating signatories therefor.

2.2.2.2(n) Adjusting and settling insurance claims (and executing and delivering releases in connection therewith) if the loss involves only the Residential Section as set forth in Section 6.2.

2.2.2.2(o) Borrowing money on behalf of the Residential Section when required in connection with the operation, care, upkeep and Maintenance of the Residential Section or otherwise in connection with any permitted action or activity of the Residential Board; provided, however, that (i) except as provided herein, the consent of at least 66-2/3% in Common Interest of all Residential Unit Owners shall be required for any borrowings in excess of the aggregate amount of \$150,000 (including the pro rata share of the Residential

Section with respect to any borrowing made by the Condominium Board pursuant to 2.2.2.1(k) in any one fiscal year (regardless of the balance of any loans outstanding from previous years, (ii) no lien to secure repayment of any sum borrowed may be created on any Unit or its appurtenant interest in the Common Elements without the consent of the owner of such Unit, and (iii) the Non-Residential Unit Owners will not be liable for repayment of any portion of any such loan. If any sum borrowed by the Residential Board pursuant to the authority contained in this subparagraph 2.2.2.2(o) is not repaid by said Board, a Residential Unit Owner who pays to the creditor such proportion thereof as such Unit Owner's interest in the Common Elements bears to the interest of all Residential Unit Owners in the Common Elements shall be entitled to obtain from the creditor a release of any judgment or any lien which said creditor has filed or has the right to file against such Residential Unit Owner's Unit. Organizing corporations to act as designees of the Residential Board with respect to such matters as the Residential Board may determine, including, without limitation, in connection with the acquisition of title to or the leasing or subleasing of Residential Units by the Residential Board on behalf of Residential Unit Owners.

2.2.2.2(p) Executing, acknowledging and delivering (i) any declaration or other instrument affecting only the Residential Section which the Residential Board deems necessary or appropriate to comply with any Law or requirement of the Department of Buildings, the City Planning Commission, the Board of Standards and Appeals, or any other public authority, applicable to the Maintenance, demolition or construction of the Residential Section, or (ii) any consent, covenant, restriction, easement or declaration affecting only the Residential Section which the Residential Board deems necessary or appropriate.

2.2.2.2(q) Executing, acknowledging and delivering any documents or other instruments necessary to commence, pursue, compromise or settle certiorari proceedings to obtain reduced real estate tax assessments with respect to Residential Units for the benefit and on behalf of (i) all Residential Unit Owners, or (ii) for individual Residential Unit Owners, provided that each such Residential Unit Owner indemnifies the Residential Board from and against all claims, costs and expenses (including, without limitation, reasonable attorneys' fees) resulting from such proceedings.

2.2.2.2(r) Operating, Maintaining and supervising of all Residential Common Elements and Residential Limited Common Elements.

2.2.2.2(s) Purchasing or leasing, in the name of the Residential Board, space for the storage of personal property of Residential Unit Owners, and in connection therewith the promulgation of conditions, rules and regulations for the operation and supervision thereof.

2.2.2.2(t) Imposition of move in procedures, fees and charges, and transfer fees in connection with the sale or lease of a Residential Unit,

provided that no such procedures, fees or charges or any other conditions of transfer or lease may be imposed upon the Declarant.

2.2.2.2(u) Leasing or purchasing an apartment for use as the residence of the building superintendent, either in the Building or elsewhere (in compliance with applicable Law) and amending, modifying, extending, renewing, and otherwise dealing in any way with respect to any such apartment, including, without limitation, entering into a mortgage to finance the acquisition of same.

2.2.2.2(v) Reviewing and approving alterations, additions, improvements, renovations and repairs by Residential Unit Owners to their respective Units and the Common Elements and establishing rules and procedures with respect to such alterations, additions, improvements, renovations and repairs.

2.2.2.2(w) Licensing or leasing the Residential Common Elements.

2.2.2.2(x) Otherwise performing all of the acts to be performed by the Residential Board in accordance with the terms of the Plan.

2.2.2.3 The Non-Residential Board shall be entitled to make determinations with respect to the following matters:

2.2.2.3(a) Operating, caring for and Maintaining the Non-Residential Section, including contracts for utilities, services and supplies, except to the extent that same is the responsibility of the Non-Residential Unit Owner under the terms of the Condominium Documents.

2.2.2.3(b) Determining the amount of Non-Residential Common Charges, subject to the determination of the Condominium Board with respect to General Common Charges.

2.2.2.3(c) Collecting Non-Residential Common Charges from Non-Residential Unit Owners.

2.2.2.3(d) Employing and dismissing personnel necessary for the Maintenance and operation of the Non-Residential Section.

2.2.2.3(e) Adopting amendments and additions to the Rules and Regulations as they affect the Non-Residential Section.

2.2.2.3(f) Selling, leasing, mortgaging and otherwise dealing with all or any portion of the Non-Residential Section. This 2.2.2.3(f) is not intended, except to the extent provided elsewhere to the contrary, to interfere with the ability of Non-Residential Unit Owners to sell, lease, mortgage, subdivide or combine portions of their individual Units.

2.2.2.3(g) Making additions and improvements to or alterations of the Non-Residential Common Elements or the Non-Residential Limited Common Elements.

2.2.2.3(h) Making repairs to and restorations of the Non-Residential Section or parts thereof damaged or destroyed by fire or other casualty or necessitated as a result of condemnation or eminent domain proceedings.

2.2.2.3(i) Enforcing obligations of the Non-Residential Unit Owners and the Boards.

2.2.2.3(j) Opening and maintaining bank accounts with respect to the Non-Residential Section and designating the signatories required therefor.

2.2.2.3(k) Adjusting and settling insurance claims (and executing and delivering releases in connection therewith) if the loss involves only the Non-Residential Section as set forth in Section 6.2.

2.2.2.3(l) Borrowing money on behalf of the Non-Residential Section when required in connection with the operation, care, upkeep and Maintenance of, the Non-Residential Section or otherwise in connection with any permitted action or activity of the Non-Residential Board; provided, however, that (i) the consent of at least 66-2/3% in Common Interest of all Non-Residential Unit Owners shall be required for any borrowings in excess of the aggregate amount of \$75,000 (including the pro rata share of the Non-Residential Section with respect to any borrowing made by the Condominium Board pursuant to 2.2.2.1(k)), in any one fiscal year (regardless of the balance of any loans outstanding from previous years), (ii) no lien to secure repayment of any sum borrowed may be created on any Unit or its appurtenant interest in the Common Elements without the consent of the owner of such Unit, and (iii) the Residential Unit Owners will not be liable for repayment of any portion of any such loan. If any sum borrowed by the Non-Residential Board pursuant to the authority contained in this subparagraph 2.2.2.3(l) is not repaid by said Board, a Non-Residential Unit Owner who pays to the creditor such proportion thereof as such Unit Owner's interest in the Common Elements bears to the interest of all Non-Residential Unit Owners in the Common Elements shall be entitled to obtain from the creditor a release of any judgment or any lien which said creditor has filed or has the right to file against such Non-Residential Unit Owner's Unit.

2.2.2.3(m) Organizing corporations to act as designees of the Non-Residential Section with respect to such matters as the Non-Residential Board may determine.

2.2.2.3(n) Executing, acknowledging and delivering (i) any declaration or other instrument affecting only the Non-Residential Section which the Non-Residential Board deems necessary or appropriate to comply with any

Law or requirement of the Department of Buildings, the City Planning Commission, the Board of Standards and Appeals, or any other public authority, applicable to the Maintenance, demolition or construction of the Non-Residential Section, (ii) any consent, covenant, restriction, easement or declaration affecting only the Non-Residential Section which the Non-Residential Board deems necessary or appropriate, or (iii) any easement permitting access between the Non-Residential Section and any property adjoining the Land, including the right to penetrate any General Common Elements located between the Non-Residential Section and such adjoining property, provided such penetration does not materially weaken the structural soundness of the Building.

2.2.2.3(o) Purchasing, leasing and otherwise acquiring in the name of the Non-Residential Board or its designee, on behalf of all Non-Residential Unit Owners, the Non-Residential Units or portions thereof offered for sale or lease or surrendered by their owners to the Non-Residential Board.

2.2.2.3(p) Purchasing the Non-Residential Units or portions thereof at foreclosure or other similar sales, in the name of the Non-Residential Board or its designee, on behalf of all Non-Residential Unit Owners.

2.2.2.3(q) Selling, leasing, subleasing, mortgaging and otherwise dealing with (but not voting the interests appurtenant to) the Non-Residential Units or portions thereof acquired by, and subleasing the Non-Residential Units or portions thereof leased by, the Non-Residential Board or its designee, on behalf of all Non-Residential Unit Owners.

2.2.2.3(r) Operating, Maintaining and supervising of all Non-Residential Common Elements and the Non-Residential Limited Common Elements.

2.2.2.3(s) Leasing or purchasing an apartment for use as the residence of the building superintendent, either in the Building or elsewhere (in compliance with applicable Law) and amending, modifying, extending, renewing, and otherwise dealing in any way with respect to any such apartment.

2.2.2.3(t) Reviewing and approving alterations, additions, improvements, renovations and repairs by Unit Owners to their respective Units and the Common Elements and establishing rules and procedures with respect to such alterations, additions, improvements, renovations and repairs.

2.2.2.3(u) Licensing or leasing the Non-Residential Common Elements.

2.2.2.3(v) Otherwise performing all of the acts to be performed by the Non-Residential Board in accordance with the terms of the Plan.

2.2.3 Notwithstanding anything to the contrary contained in these By-Laws, so long as Declarant or the owner of Unsold Residential Units continue to own at least twenty-five

percent (25%) of the Residential Units but in no event later than five (5) years from the First Closing of a sale made under an Offering Plan, neither the Condominium Board nor the Residential Board may, without Declarant's prior written approval: (i) make any addition, alteration or improvement to the Common Elements or to the Residential Limited Common Elements or to any Residential Unit; (ii) increase or decrease the number, or change the kind of employees initially hired for the Residential Section of the Condominium; (iii) enter into any service or Maintenance contract for work not covered in the initial projected budget for the Condominium or Residential Section or otherwise provide services in excess of those contemplated by such projected budget, except as is required to reflect normal annual increases in operating services; (iv) borrow money on behalf of the Condominium or on behalf of the Residential Section; (v) assess any General Common Charges or Residential Common Charges for the creation of, addition to or replacement of all or part of a reserve, contingency or surplus fund; or (vi) exercise a right of first refusal to lease or purchase a Residential Unit; provided that Declarant's written consent is not necessary to perform any function or take any action described in items (i) through (vi) above if and only if the performance of such function or the carrying out of such an action is necessary and no other alternative is available to enable the Condominium Board or Residential Board to comply with applicable Laws of any governmental authority having jurisdiction over the Condominium.

2.3 Managing Agents and Managers. With respect to matters the determinations concerning which the Condominium Board is entitled to make, the Condominium Board may employ a managing agent and/or a manager at a compensation established by the Condominium Board to perform such duties and services as the Condominium Board shall authorize. The Condominium Board may delegate to such managing agent or manager other powers granted to the Condominium Board by these By-Laws, except the powers set forth in Subsections 2.2.2.1(b), (e), (g), (h), (1), (m), (n) and (o), 2.2.2.2(b), (e), (o), (p), (q) and (r); 2.2.2.3(b), (e), (f), (l), (m) and (n).

2.4 First Board. The Condominium Board shall initially consist of three (3) persons, two (2) of whom will comprise the initial Residential Board and one of whom will comprise the initial Non-Residential Board. The foregoing members shall be deemed to have been "elected" as members of the Condominium Board for the purposes of these By-Laws. Within one (1) year after the date of the First Closing the Condominium Board will call for the first annual meetings of Residential Unit Owners and Non-Residential Unit Owners for the purpose of electing new Boards in accordance with the provisions of 3.1 of these By-Laws and subject to the rights of Declarant to designate certain members of the Residential Board as more particularly described in Section 3.9.3 of these By-Laws. The terms of each such member of the Residential Board and the Non-Residential Board shall expire annually. Notwithstanding the foregoing, for as long as Declarant has the voting power to elect all members of both the Residential Board and the Non-Residential Board, the Residential Board shall have three (3) members, the Non-Residential Board shall have two (2) members and the Condominium Board shall have five (5) members.

2.5 Resignation and Removal. Any Board member may resign at any time by written notice delivered or sent by certified mail, return receipt requested, to the Condominium Board. Such resignation shall take effect at the time specified therein and, unless specifically requested, acceptance of such resignation shall not be necessary to make it effective. Subject to the provisions of Subsection 3.9.3, any Condominium Board member may be removed, with or

without cause, by a majority vote of Residential Unit Owners, present in person or by proxy at a regular or special meeting of Residential Unit Owners at which a quorum is present. Any Board member whose removal has been proposed shall be given an opportunity to be heard at the meeting. Notwithstanding the above, Board members designated by Declarant or its designee may only be removed by members other than Declarant or its designees with cause and such members shall be replaced as described in Section 2.6. In addition, any member of the Condominium Board who is designated as such by Declarant or its designee, may be removed by such designating party at any time, with or without cause, and the party making such removal shall have the right to designate the replacement for such member.

2.6 Vacancies. Subject to the provisions of Section 3.9.3, any vacancy on a Board for whatever reason shall be filled by the members of a Board then in office, at a special meeting of the Board held for that purpose promptly after the occurrence of any such vacancy even though the members present at such meeting may constitute less than a quorum, and any person so elected shall be a member of the Board until the next annual meeting of the Unit Owners when a successor shall be elected for the remainder of the term of the member creating such vacancy. Notwithstanding anything to the contrary contained in these By-Laws, in the case of a vacancy on a Board, created by the resignation, removal or any other cause which results in any Board member designated by Declarant or its designee, ceasing to be a member of any such Board, Declarant or its designee, as the case may be, shall have the sole right to designate a replacement for such member.

2.7 Organizational Meetings of the Boards. The first meetings of the Residential Board following each annual meeting of each of the Residential Unit Owners shall be held immediately following each such annual meeting.

2.8 Regular Meetings of Boards. Regular meetings of the Residential Board and Non-Residential Board may be held at such time and place in the Borough of Manhattan as shall be determined from time to time by a majority of the members thereof. Written notice of regular meetings shall be given to each member thereof, by personal delivery, mail, facsimile or e-mail, at least five business days prior to the day named for such meeting.

2.9 Special Meetings of Boards. Special meetings of the Residential Board and Non-Residential Board may be called by the respective President or Vice President of the Residential Board or Non-Residential Board by giving five (5) business days' prior written notice to each member of such Board by personal delivery, mail, facsimile or e-mail, which notice shall state the time, place (in the Borough of Manhattan) and purpose of the meeting. Special meetings of the Residential Board or of the Non-Residential Board shall be called in like manner and on like notice on the written request of at least two (2) members of the Residential Board or one member of the Non-Residential Board, respectively.

2.10 Meetings of Condominium Board. No organizational or regular meetings of the Condominium Board shall be held unless otherwise required by applicable law in which event such required meetings shall be held at such time and place in the Borough of Manhattan as shall be determined by the Condominium Board, provided that written notice thereof be given to Board members by personal delivery, mail, facsimile or e-mail at least five (5) business days prior to the day named for such meeting. Special meetings of the Condominium Board may be called by the

President of the Condominium Board by giving five (5) business days' prior written notice to each member of the Condominium Board by personal delivery, mail or telegram, which notice shall state the time, place (which shall be in the Borough of Manhattan) and purpose of the meeting.

2.11 Resolutions of Boards. The Residential Board and the Non-Residential Board shall each cause to be promptly delivered to the other copies of all resolutions adopted by it except to the extent (a) of matters privileged under applicable Law, (b) relating to the terms of the sale, leasing or subleasing of any Unit or portion of any Unit, other than the nature of the use thereof, and (c) relating to matters not related to the Property.

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

2.13 Determinations by Board; Quorums.

2.13.1 Except as otherwise set forth in 2.13.4, all determinations by any Board shall be made at a meeting of such Board at which a quorum thereof is present. At any Non-Residential, Condominium, or Residential Board meeting, a majority of the members thereof shall constitute a quorum, and the votes of a majority of such members present shall constitute the decision of such Board.

2.13.2 When the Residential Board and the Non-Residential Board, with each acting in accordance with the provisions of this Article 2, have made the same determination as to any matter which is required or permitted to be determined by the Condominium Board, such determination shall constitute the determination of the Condominium Board. No meeting of the Condominium Board as such shall be necessary for any determination by it to be made. However, in the event any meeting of the Condominium Board is held, a majority of the members of the Condominium Board shall constitute a quorum for the transaction of business and a majority of the votes cast at any meeting at which a quorum is present shall constitute the decision of such Board.

2.13.3 If at a Condominium Board meeting there is less than a quorum present, a majority of those present may adjourn the meeting from time to time. At any such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

2.13.4 Members of the Condominium Board may participate in a meeting thereof by means of a conference telephone or similar communications equipment by means of which all persons participating in such meeting can hear each other and such participation shall constitute presence at such meeting. Notwithstanding anything to the contrary contained herein, action permitted or required to be taken at a meeting of the Condominium Board may be taken without a meeting if all members of such Board consent in writing to the adoption of a Resolution authorizing such action and the writing or writings are filed with the minutes of such Board.

2.14 Compensation. No member of the Condominium Board shall receive any compensation for acting as such.

2.15 Liability of Boards and Unit Owners.

2.15.1 To the extent permitted by applicable Law, no member of the Condominium Board shall have any personal liability with respect to any contract, act or omission of the Condominium Board or of any managing agent or manager in connection with the affairs or operation of the Condominium, the Non-Residential Section, or the Residential Section (except in their capacities as Unit Owners) and the liability of any Unit Owner with respect thereto shall be limited as hereinafter set forth. Every contract made by the Condominium Board or by any managing agent or manager thereof shall state or be deemed to state that it is made by such Board, managing agent or manager only as agent for all Unit Owners, Residential Unit Owners, or Non-Residential Unit Owners, as the case may be, that such Board members or managing agent or manager shall have no personal liability thereon (except in their capacities as Unit Owners) and shall also state the applicable limitations of liability of Unit Owners provided for in the next sentence. The liability of any Unit Owner with respect to any contract, act or omission with respect to the Condominium or the Residential or Non-Residential Section, as the case may be, shall be limited to such proportionate share of the total liability as the interest of such Unit Owner bears to the aggregate Common Interests of all Unit Owners, Residential Unit Owners, or Non-Residential Unit Owners, as the case may be, and, unless expressly stated to the contrary in such contract (as determined by the relevant Board in its sole and absolute discretion), to the extent permitted by applicable Law, shall be limited to such Unit Owner's interest in such Unit Owner's Unit and such Unit Owner's appurtenant Common Interest so that such Unit Owner shall have no personal liability for such contract, act or omission. Nothing in the preceding sentence shall limit a Unit Owner's liability for the payment of Common Charges. Any such contract or agreement may also provide that it covers the assets, if any, of the Board on whose behalf the contract or agreement is made. Board members shall have no liability to Unit Owners except that a Board member shall be liable for such member's own bad faith or willful misconduct. All Unit Owners shall severally, to the extent of their respective interests in their Units and their appurtenant Common Interests, indemnify each Condominium Board member and each Residential or Non-Residential Board member, as the case may be, against any liability or claim except those arising out of such member's own bad faith or willful misconduct. The Condominium Board may contract or effect any transaction with any Board member, any Unit Owner, Declarant, Declarant's designee or any affiliate of any of them without, except in cases of bad faith or willful misconduct, incurring any liability for self-dealing.

2.15.2 No Board or any member thereof shall be liable for either (i) any failure or interruption of any utility or other service to be obtained by, or on behalf of, such Board or to be paid for as a Common Expense, except when any such failure or interruption is caused by the acts of bad faith or willful misconduct of such Board or any member thereof; or (ii) any injury, loss or damage to any individual or property, occurring in or about either a Unit or any General or Limited Common Element.

2.16 Fidelity Bonds. Each Board shall obtain or ensure maintenance of fidelity bonds or insurance, in amounts deemed appropriate by it, for all of its members, officers and employees

and for the managing agent or manager, if any, employed by it and the premiums on such bonds or insurance shall constitute General Common Expenses, Non-Residential Common Expenses, or Residential Common Expenses, as the case may be.

2.17 Committees. Each Board may, subject to such limitations and exceptions as such Board may prescribe, appoint an Executive Committee and such other committees as such Board may deem appropriate, each to consist of as many members as such Board shall deem appropriate for the purpose of making such reports and studies as each such Board deems appropriate. Any Executive Committee of the Condominium Board shall be required to consist of at least one member of the Residential Board and one member of the Non-Residential Board. For so long as Declarant is entitled to designate members to the Condominium Board, any committee appointed by any such Board shall have as at least one of its members a member appointed by Declarant.

2.18 Principal Offices of Boards. The principal offices of the Boards shall each be located within the Property or at such other place in the Borough of Manhattan reasonably convenient thereto as may be designated from time to time by such Boards.

2.19 Status of Boards. In addition to the status conferred upon each of the Boards under or pursuant to the provisions of the Condominium Act, each of the Boards shall, to the extent permitted by applicable Law, be deemed to constitute a separate association for all purposes under and pursuant to the provisions of the General Associations Law of the State of New York. In the event of the incorporation of any of the Boards pursuant to the provisions of 2.20, the provisions of this Section 2.19 shall no longer be applicable to such Board.

2.20 Incorporation of Boards. To the extent and in the manner provided in the Condominium Act, each of the Boards may by action of such Board as provided in this Article 2, be incorporated under the applicable statutes of the State of New York. In the event that the Condominium Board so incorporates, it shall have, to the extent permitted by applicable Law, the status conferred upon it under such statutes in addition to the status conferred upon such Board under or pursuant to the provisions of the Condominium Act. The certificate of incorporation and by-laws of any such resulting corporation shall conform as closely as practicable to the provisions of the Declaration and these By-Laws and the provisions of the Declaration and these By-Laws shall control in the event of any inconsistency or conflict between the provisions hereof and the provisions of such certificate of incorporation and by-laws.

2.21 Boards as Agents of Unit Owners. In exercising their respective powers and performing their respective duties under the Declaration and these By-Laws, each Board shall act in good faith as, and shall be, the agent of the Unit Owners such Board represents, subject to and in accordance with the provisions of the Declaration and these By-Laws.

ARTICLE 3**UNIT OWNERS**

3.1 Annual Meetings. The first annual meeting of Non-Residential Unit Owners shall be called on or no more than one (1) year after the First Closing. Such meeting shall be held not less than ten (10) days nor more than forty (40) days after such date. At such meeting, the incumbent Non-Residential Board shall resign and the Non-Residential Unit Owners shall elect or designate the Non-Residential Board's three members in accordance with Section 2.1 and as otherwise provided in these By-Laws. Thereafter, annual meetings of Non-Residential Unit Owners shall be held within approximately thirty (30) days of each anniversary of the first annual meeting. At each such annual meeting, the incumbent Non-Residential Board members shall resign and new Board members shall be elected or designated in accordance with Section 2.1 and as otherwise provided in these By-Laws. Within ten (10) days following each annual meeting, the Non-Residential Board shall elect or designate in accordance with Section 2.1 and these By-Laws two (2) representatives to the Condominium Board. On or no more than one (1) year after the First Closing, the Residential Board will also call the first annual meeting of the Residential Unit Owners. Such meetings shall be held not less than ten (10) days nor more than forty (40) days after such date. At such meeting, the incumbent Residential Board shall resign and the Residential Unit Owners shall elect (in accordance with the provisions of Section 2.1 and as otherwise provided in these By-Laws, including the rights of Declarant to designate certain members to the Residential Board pursuant to Section 3.9.3 of these By-Laws) a Residential Board consisting of five (5) members. Thereafter, annual meetings of Residential Unit Owners shall be held within approximately thirty (30) days of each anniversary of the first annual meeting. At such meetings, the incumbent Board members shall resign and the members of the Residential Board shall be elected and there shall also be transacted such other business as may properly come before such meetings. The members of the Residential Board shall also serve as members of the Condominium Board. No joint annual meeting of Residential Unit Owners and the Non-Residential Unit Owners shall be required to be held unless otherwise required by Law, in which event each such joint annual meeting shall be held on the date above specified for the annual meeting of Residential Unit Owners.

3.2 Place of Meetings. Meetings of all or any Unit Owners, Residential Unit Owners or Non-Residential Unit Owners, as the case may be, shall be held at the principal office of the Condominium or the Residential or Non-Residential Section, respectively, or, at such other suitable and convenient place in the Borough of Manhattan, as may be designated by the appropriate Board.

3.3 Special Meetings. The President of the Residential or Non-Residential Board shall call a special meeting of respective Unit Owners, if so directed by resolution of the respective Board or upon a petition signed and presented to the Secretary of the respective Section by not less than twenty-five percent (25%) in Common Interest of Unit Owners in such Section. The President and the Vice President of the Condominium shall call a special joint meeting of all Unit Owners if so directed by resolution of the Condominium Board or upon a petition signed and presented to the Secretary of the Condominium by not less than twenty-five percent (25%) in Common Interest of Residential Unit Owners or 66-2/3% in Common Interest of Non-Residential Unit Owners.

3.4 Notice of Meetings and Actions Taken. Notice of each annual or special meeting shall be given by the appropriate Secretary to all Unit Owners of record entitled to vote thereat as of the date of said notice. Each such notice shall state the purposes of the meeting and the time and place where it is to be held and no business shall be transacted thereat except as stated in the notice. All notices hereunder shall be given by personal delivery, regular mail, recognized overnight courier or telegram, at least ten (10) but no more than thirty (30) business days prior to the day named for the meeting and shall be given or sent to the Unit Owners entitled to receive same at their address at the Property or at such other address at the Property or elsewhere as any Unit Owner has designated by notice in writing to the appropriate Secretary at least ten (10) days prior to the giving of notice of the applicable meeting. However, if the business to be conducted at any meeting of the Unit Owners shall include consideration of a proposed amendment to the Declaration or to these By-Laws, the notice of such meeting shall be given to all Unit Owners as provided above at least thirty (30) days prior to the day fixed for such meeting, and such notice shall be accompanied by a copy of the text of such proposed amendment.

3.5 Adjournment of Meetings. If any joint or separate meeting of Unit Owners cannot be held because a quorum is not present, a majority of Unit Owners who are present at such meeting, either in person or by proxy, may adjourn the meeting to a time not less than forty-eight (48) hours from the time fixed for the original meeting.

3.6 Order of Business. The order of business at all joint or separate meetings of Unit Owners shall be as follows:

- (a) Call to order;
- (b) Roll call;
- (c) Proof of notice of meeting;
- (d) Reading of minutes of preceding meeting;
- (e) Reports of officers;
- (f) Reports of members of the Board;
- (g) Reports of committees;
- (h) Election of inspectors of election (when so required);
- (i) Election of members of the Board (when so required);
- (j) Unfinished business;
- (k) New business; and
- (l) Adjournment.

3.7 Title to Units. Title to Units may be taken by any individual, corporation, partnership, association, limited liability company, trust or other entity, or any two or more of such owners as joint tenants, tenants in common or tenants by the entirety, as may be appropriate, but not as owners in severalty.

3.8 Voting.

3.8.1 Each Unit Owner or a person designated by such Unit Owner to act as proxy on such Unit Owner's behalf and who need not be a Unit Owner, shall be entitled to cast the votes appurtenant to such Unit as set forth herein and in the Declaration at all meetings of

Residential Unit Owners or Non-Residential Unit Owners and at all joint meetings of Unit Owners. The designation of any such proxy shall be made in writing to the Secretary of the appropriate Board and shall be revocable at any time by written notice to such Secretary by the Unit Owner so designating; provided, however, that no designation to act as a proxy shall be effective for a period in excess of six (6) months except a designation of a Permitted Mortgagee to act as the proxy of its mortgagor. A fiduciary shall be the voting member with respect to any Unit owned in a fiduciary capacity. No Board or its designee shall be entitled to vote the interest appurtenant to any Unit owned by such Board and the Common Interest of such Unit shall be excluded from the total Common Interests when computing the interest of Unit Owners for voting purposes.

3.8.2 Except as otherwise set forth herein or in the Declaration, at all meetings of Unit Owners, each Unit Owner (or such Unit Owner's proxy) entitled to vote thereat (including Declarant with respect to Units owned by Declarant or its designee) shall be entitled to cast one vote for each .0001% (rounded off to the nearest .0001%) of Common Interest attributable to such Unit Owner's Unit.

3.8.3 Whenever a particular percentage of Common Interest must be reached for voting purposes and such required percentage is in terms of the Residential Unit Owners, as a group, or the Non-Residential Unit Owners as a group (as opposed to all Unit Owners as a whole), such required percentage shall mean a percentage in terms of total Common Interests attributable to that particular group and not the percentage of Common Interests attributable to all Unit Owners.

3.8.4 Notwithstanding anything to the contrary set forth above, Unit Owners may vote to amend the Declaration and these By-Laws pursuant to Article 20 of the Declaration and Article 13 of these By-Laws, without a meeting, provided that such Unit Owners receive no less than thirty (30) days notification of such proposed amendment from the Condominium Board, the Residential Board or the Non-Residential Board as the case may be, together with a copy of the text of such proposed amendment and a proxy with respect to such vote.

3.9 Election of Board Members; Rights of Declarant.

3.9.1 All elections of Board members shall be determined by plurality vote.

3.9.2 When voting for members of the Residential or Non-Residential Board, respectively, the voting shall be by ballot and each ballot shall state the name of the Unit Owner voting and the percentage of Common Interests owned by such Unit Owner, and in addition, the name of the proxy if such ballot is cast by a proxy. Each Unit Owner shall be entitled to cast the number of votes determined in accordance with Section 3.8.2 for each member to be elected by the Unit Owners. Nothing contained in these By-Laws shall be deemed to permit cumulative voting.

3.9.3 Notwithstanding any other provision of this Section 3.9 or any other provision of these By-Laws to the contrary, commencing with the first annual meeting of Residential Unit Owners, Declarant shall have the right to vote all of the Common Interests attributable to Unsold Units owned by it until Declarant has closed title to all of the Unsold Units

owned by it. Declarant shall hold a majority of seats on the Residential Board and the Condominium Board until the later to occur of (i) five (5) years from the date of the First Closing or (ii) that date upon which the votes cast at any election of Residential Board members constitute less than a majority of the votes cast for Declarant's nominees at such meeting (the "Initial Control Period"). Any vacancy created by removal of a Board member designated by Declarant, or by any other cause which results in a Board member designated by Declarant ceasing to be a member of the Board, shall be filled by a person designated by Declarant. In addition, (a) for so long as Declarant owns less than fifty percent (50%) of the Residential Units but more than fifteen percent (15%) of the Unsold Residential Units Declarant shall have the right to designate at least two (2) members of the Residential Board and (b) for so long as Declarant owns at least two (2) of the Unsold Residential Units Declarant shall have the right to designate at least one (1) member of the Residential Board who shall also sit on the Condominium Board. For so long as Declarant owns at least two (2) of the Unsold Residential Units the number of members of the Residential Board may not be increased without the consent of Declarant. Within ten (10) days after the Initial Control Period, one (1) of the Declarant designated members of the Residential Board shall resign and in such event a Residential Unit Owner meeting will be held to elect a new board member unrelated to the Declarant within thirty (30) days after the expiration of the Initial Control Period.

3.9.4 Nothing contained herein shall be deemed to limit the right of Declarant to cast its votes for individuals nominated to the Residential Board who are not nominated or designated by Declarant, which individuals, if elected, shall not be deemed Declarant nominees or designees and shall not be deemed to cause Declarant to control either the Condominium Board or the Residential Board.

3.9.5 Until Declarant and the owner of any Unsold Residential Units have conveyed title to all Residential Units, but in no event later than five (5) years after the First Closing, the Condominium Board or the Residential Board may not take any of the following actions without Declarant's prior written consent: (a) make any addition, alteration or improvement to the Common Elements or to any Unit, or (b) assess any General Common Charges, or Residential Common Charges for the creation of, addition to or replacement of all or part of a working capital, reserve, contingency or surplus fund, or (c) increase or decrease the number, or change the kind of, employees referred to in the Plan, or (d) enter into any service or Maintenance contract for work not covered by contracts in existence on the date of the First Closing or otherwise provide services in excess of those referred to in the Plan, except as is required to reflect normal annual increases in operating services, or (e) borrow money on behalf of the Condominium, or the Residential Section, or (f) exercise a right of first refusal to lease or purchase a Residential Unit; provided, however, that Declarant's written consent is not necessary to perform any function or take any action described in clauses (a) through (f) above, if, and only if, the performance of such function or the carrying out of such an action is necessary (and no other alternative is available) to enable the Condominium Board or the Residential Board to comply with Laws of any governmental authority having jurisdiction over the Condominium.

3.9.6 Notwithstanding anything to the contrary set forth above, if required under the terms of any Permitted Mortgage held by Declarant or a Non-Residential Unit Owner, in the event of a default under such Permitted Mortgage, the Permitted Mortgagee will be entitled to

designate, remove or replace the members of the Boards whose Units are subject to the lien of said Permitted Mortgage.

3.10 Majority of Unit Owners. Except as may otherwise be provided by Law, as used in these By-Laws, the terms "Majority of Residential Unit Owners," "Majority of Non-Residential Unit Owners" and "Majority of Unit Owners" means either those Residential Unit Owners, Non-Residential Unit Owners, or Unit Owners, as the case may be, having more than fifty percent (50%) of the total votes cast (in person or by proxy) at any meeting at which a quorum is present of either Residential Unit Owners, Non-Residential Unit Owners, or all Unit Owners, as the case may be, determined in accordance with the provisions of 3.8.

3.11 Quorum. Except as otherwise provided in these By-Laws, the presence in person or by proxy of (a) Residential Unit Owners owning more than thirty percent (30%) of the Common Interests attributable to all Residential Units shall constitute a quorum at all meetings of Residential Unit Owners, (b) Non-Residential Unit Owners owning more than fifty percent (50%) of the Common Interests attributable to all Non-Residential Unit Owners shall constitute a quorum at all meetings of Non-Residential Unit Owners, and (c) Unit Owners owning more than fifty percent (50%) of the Common Interests attributable to all Units shall constitute a quorum at all joint meetings of Unit Owners, except that the Non-Residential Board shall have the absolute right to require an adjournment of such joint meetings for not longer than thirty (30) days unless an Emergency exists.

3.12 Majority Vote. Except where otherwise provided by Law, the Declaration or these By-Laws, (a) at all separate meetings of Residential Unit Owners, the affirmative vote of a Majority of Residential Unit Owners shall be binding upon all Residential Unit Owners for all purposes, (b) at all separate meetings of Non-Residential Unit Owners, the affirmative vote of a Majority of Non-Residential Unit Owners shall be binding upon all Non-Residential Unit Owners for all purposes, and (c) at all joint meetings of Unit Owners, the affirmative vote of a Majority of Unit Owners shall be binding upon all Unit Owners for all purposes.

3.13 Determination of Unit Owners. When the Residential Unit Owners and Non-Residential Unit Owners, with each acting separately in accordance with the provisions of this Article 3, have made the same determination as to any matter which is required or permitted to be determined by all Unit Owners, such determination shall constitute the determination of all Unit Owners. No joint meeting of Residential Unit Owners and the Non-Residential Unit Owners shall be necessary for any such determination to be made by all Unit Owners. Notwithstanding anything to the contrary set forth herein as to any matter as to which the Residential Unit Owners or Non-Residential Unit Owners are permitted or required to act at any meeting of such Unit Owners, such action may be taken without a meeting if the requisite number of such Unit Owners, in number and Common Interest, consent in writing (by proxy or otherwise) to such action and the writing or writings are filed with the minutes of such Board.

ARTICLE 4

OFFICERS

4.1 **Designation.** The principal officers of the Condominium shall be (a) for the Residential Board, a President, Vice President, Secretary and Treasurer thereof, all of whom shall be elected by the members of the Residential Board, (b) for the Non-Residential Board, a President, Vice-President, Secretary and Treasurer thereof, all of whom shall be elected by the members of the Non-Residential Board, and (c) for the entire Condominium, (i) a President thereof, who shall be the same person serving as President of the Residential Section, (ii) a Vice President and Treasurer thereof, who shall be the same person serving as President of the Non-Residential Section, and (iii) a Secretary thereof, who shall be the same person serving as Secretary of the Residential Board. ~~The Condominium Board, Non-Residential Board and the Residential Board~~ may each appoint an Assistant Treasurer, Assistant Secretary and such other officers as in their judgment may be desirable. Any officer or director of the Residential Section may also be an officer or director of the Non-Residential Section and any officer or director of the Non-Residential Section may also be an officer or director of the Residential Section. None of the officers of the Residential Board, the Non-Residential Board or the Condominium Board need be Unit Owners or have any interest therein or be Board members until the first organizational meeting of the Residential Board after the first annual meeting of Residential Unit Owners. Thereafter, the President and Vice President of the Residential Board must be members of the Residential Board.

4.2 **Election of Officers.** The officers of the Residential Board and the Non-Residential Board shall be elected annually by the members of the Residential Board and the Non-Residential Board, respectively, at the organizational meetings thereof, except that the initial officers of the Residential Board and the Non-Residential Board shall be elected, respectively, by the initial Residential Board members and the initial Non-Residential Board members and shall hold office at the pleasure of such Boards and until their successors are elected.

4.3 **Resignation and Removal of Officers.** Any officer may resign at any time by written notice delivered or sent by certified mail, return receipt requested, to the Board which elected such officer. Such resignation shall take effect at the time specified therein and, unless specifically requested, acceptance of such resignation shall not be necessary to make it effective. Upon the affirmative vote of a majority of the members of the Board electing him, any officer may be removed, either with or without cause. A successor officer may be elected at any regular Board meeting or at any special Board meeting called for such purpose.

4.4 **Presidents.** The President of the Condominium Board shall be the chief executive officer of the Condominium and shall preside at all joint meetings of Unit Owners and at all meetings of the Condominium Board. The President of the Residential Board shall be the chief executive officer thereof and shall preside at all meetings of the Residential Board and Residential Unit Owners. The President of the Non-Residential Board shall be the chief executive officer thereof and shall preside at all meetings of the Non-Residential Board and the Non-Residential Unit Owners. Each of said Presidents shall have all of the general powers and duties which are incident to the office of president of a stock corporation organized under the

Business Corporation Law of the State of New York, including, but not limited to, the power to appoint committees from among Unit Owners or Residential Unit Owners or Non-Residential Unit Owners from time to time as the President decides is appropriate to assist in the conduct of the affairs of the entire Condominium or of the Residential or Non-Residential Section, as the case may be.

4.5 Vice Presidents. Each of the Vice Presidents shall take the place of the President under whom such Vice President serves and perform the duties of the President whenever such President shall be absent or unable to act. If both the President and the Vice President of the Residential Board, the Non-Residential Board, or the Condominium Board are unable to act, the Board under whom such President and Vice President serves shall appoint some member of such Board to act in the place of such President and Vice President on an interim basis. Each Vice President shall also perform such other duties as shall from time to time be imposed upon him by the Board or by the President under whom such Vice President serves.

4.6 Secretaries. The Secretary of the Condominium shall keep the minutes of all joint meetings of Unit Owners and of the Condominium Board. The Secretary of the Residential Section shall keep the minutes of the meetings of the Residential Board and Residential Unit Owners. The Secretary of the Non-Residential Section shall keep the minutes of the meetings of the Non-Residential Board and the Non-Residential Unit Owners. Each of the Secretaries shall have charge of such books and papers as the Board under which such Secretary serves shall direct and shall in general perform all the duties incident to the office of secretary of a stock corporation organized under the Business Corporation Law of the State of New York.

4.7 Treasurers. Each of the Treasurers shall have the care and custody of the funds and securities of the Condominium, the Non-Residential or the Residential Section, as the case may be, 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. Each of the Treasurers shall be responsible for the deposit of all funds and other securities in the name of the Board for which such Treasurer serves (or in the name of the managing agent appointed by such Board) in such depositories as may from time to time be designated by such Board and shall in general perform all of the duties incident to the office of treasurer of a stock corporation organized under the Business Corporation Law of the State of New York.

4.8 Execution of Documents. Unless otherwise delegated by the Board, all agreements, contracts, deeds, leases, checks and other instruments of the Condominium or of the Residential or Non-Residential Section shall be executed by any officer thereof or by such other person or persons as may be designated by the applicable Board. However, the Condominium Board can, by resolution, determine that an expenditure in excess of a specified amount by said Board must be countersigned by two (2) members of said Board.

4.9 Compensation of Officers. Except as otherwise provided by the Board for which such officer serves, no officer shall receive any compensation for acting as such.

ARTICLE 5

NOTICES

5.1 **Notices.** All notices required or desired to be given hereunder to the Condominium Board shall be personally delivered or sent by registered or certified mail to the office of such Board or to such other address as such Board may designate from time to time, by notice in writing to the other Board and to all Unit Owners and to all Permitted Mortgagees, as the case may be, and if there is a managing agent of such Board, a duplicate shall be sent in like manner to such managing agent. All notices to any Residential Unit Owner or Non-Residential Unit Owner shall, except as otherwise provided herein, be personally delivered or sent by registered or certified mail to the Property address of such Residential Unit Owner or Non-Residential Unit Owner or to such other address as may have been designated by such Unit Owner from time to time, in writing, to the Condominium Board and the Non-Residential or Residential Board. All notices to Permitted Mortgagees shall be personally delivered or sent by mail to their respective addresses, as designated by them from time to time, in writing to the Condominium Board, Non-Residential Board and the Residential Board. All notices shall be deemed to have been given when personally delivered or mailed in a postage prepaid sealed wrapper, except notices of change of address which shall be deemed to have been given when received.

5.2 **Waiver of Service of Notice.** Whenever notice is required to be given by Law, the Declaration or these By-Laws, 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.

ARTICLE 6

OPERATION OF THE PROPERTY

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

6.1.1 Except as otherwise provided herein the General Common Expenses (as hereinafter defined) shall be determined by the Condominium Board as set forth below, and shall be borne by the Residential Board and the Non-Residential Board. General Common Expenses shall be defined to include the following: (i) all costs and expenses attributable to the Maintenance and operation of, and any alteration, addition or improvement to, the Common Elements, (ii) all such other items provided for in the Declaration or these By-Laws to be General Common Expenses and (iii) such amounts as the Condominium Board may deem proper for a general operating reserve or for a reserve for working capital or for replacements with respect to the General Common Elements. The Condominium Board shall from time to time and at least annually prepare a budget to meet General Common Expenses and shall allocate and assess to the Residential Unit Owners and the Non-Residential Unit Owners, pro rata in accordance with the aggregate respective Common Interests of the Residential Unit Owners and Non-Residential Unit Owners (except as otherwise provided in the Declaration or these By-Laws or to the extent a different method of allocation is described in Schedule B, Projected Budget for First Year of Condominium Operation), charges as set forth in the Plan ("General Common

Charges”) to meet General Common Expenses. General Common Charges shall also be deemed to include any special assessment imposed by the Condominium Board on Unit Owners. In addition to basing charges on Common Interests, the Condominium Board may also make allocations and assessments of General Common Expenses in accordance with submetering, contract allocations and usage (both projected and actual) so long as such allocations are reasonable under the circumstances and are in accordance with applicable provisions of the Law. Notwithstanding anything to the contrary set forth above, the Condominium Board may not modify its method of allocations and assessments or increase the number of building employees servicing the Non-Residential Units or categories of services, utilities or supplies provided to the Non-Residential Units in such a manner as would increase the Common Charges otherwise payable by the Non-Residential Unit Owners, without the consent of the Non-Residential Unit Owners.

6.1.2 Except as otherwise provided herein Residential Common Expenses (as hereinafter defined) shall be determined exclusively by the Residential Board and shall be borne solely by the Residential Unit Owners in proportion to their respective Common Interests. Residential Common Expenses shall be defined to include the following (i) all costs and expenses in connection with the Maintenance and operation of and any alteration, addition or improvement to, Residential Common Elements or the Residential Limited Common Elements, (ii) such amounts as the Residential Board may deem proper for a general operating reserve or for a reserve for working capital or for replacements with respect to the Residential Common Elements or the Residential Limited Common Elements (including without limitation the rental or purchase of an apartment to be used as the residence of the Building resident manager and all costs and expenses associated therewith) and (iii) all such other items provided for in the Declaration or these By-Laws to be Residential Common Expenses. Notwithstanding anything to the contrary in this Section 6.1.2, if a Residential Common Element or Residential Limited Common Element benefits only certain Residential Unit Owners, then the costs of operation, alteration, addition, repair, replacement and restoration thereto (except in connection with a casualty or condemnation) shall be borne solely by those Unit Owners who benefit from the Residential Common Element or Residential Limited Common Element in the proportion that the Common Interest of each benefiting Residential Unit Owner bears to the Common Interest of all benefiting Residential Unit Owners. In addition, except as otherwise provided in the By-Laws, such Unit Owners shall be responsible for the normal operation and Maintenance and repair, including but not limited to the cost of staff necessary for such operation and maintenance of any such Residential Common Element or Residential Limited Common Element at their sole cost and expense. The Residential Board shall from time to time and at least annually prepare a budget to meet Residential Common Expenses and shall allocate and assess to the Residential Unit Owners, pro rata in accordance with their respective Common Interests (except as otherwise provided in the Declaration or these By-Laws), charges (“Residential Common Charges”) to meet (a) Residential Common Expenses and (b) the Residential Unit Owners’ pro rata share of General Common Charges. Residential Common Charges shall also be deemed to include any special assessment imposed by the Residential Board on Residential Unit Owners. From time to time the Residential Board may increase or decrease the amount of Residential Common Charges payable for a fiscal year or any portion thereof to meet a revised estimate or determination of Residential Common Expenses for such fiscal year or any portion thereof. During the Condominium’s initial two (2) fiscal years but not thereafter, the Residential Board’s authority shall include the right to base the amount of Residential Common Charges on actual

costs and expenditures and/or to make retroactive adjustments to the amount of Residential Common Charges payable by Residential Unit Owners for any period to reflect actual operating costs for such period. In addition to basing charges on Common Interests, the Residential Board may also make allocations and assessments of Residential Common Expenses in accordance with submetering, contract allocations and usage (both projected and actual) so long as such allocations are reasonable under the circumstances and are in accordance with applicable provisions of Law. The Residential Board shall advise all Residential Unit Owners promptly in writing of the amount of Residential Common Charges payable by each of them and shall furnish copies of each annual budget to all Residential Unit Owners at least five (5) days prior to the adoption thereof and provide a copy to Permitted Mortgagees upon request therefor. In the event that the annual receipts levied against Unit Owners exceed the actual expenses less income from sources other than Unit Owners for that period accounted for on an accrual basis, the receipts from Unit Owners over and above such amount may be rebated to the Unit Owners by the Condominium Board in proportion to each Unit's percentage of Common Interest. Rebates, if any, attributable to Units purchased from Declarant during the first year of condominium operation will be distributed by the Condominium Board to Declarant and the Residential Unit Owner(s) in proportion to the amount of time Declarant and each Residential Unit Owner owned such Unit.

6.1.3 Except as otherwise provided herein, all costs and expenses in connection with the Maintenance and operation of, Non-Residential Common Elements or Non-Residential Limited Common Elements ("Non-Residential Common Expenses") shall be determined by the Non-Residential Board and shall be borne solely by the Non-Residential Unit Owners. Notwithstanding anything to the contrary in this Section 6.1.3, if a Non-Residential Common Element or Non-Residential Limited Common Element benefits only certain Non-Residential Unit Owners, then the Non-Residential Section's costs of alteration, addition, repair, replacement and restoration thereto (except in connection with a casualty or condemnation) shall be borne solely by those Non-Residential Unit Owners who benefit from the Non-Residential Common Element or Limited Common Element in the proportion that the Common Interest of each benefiting Non-Residential Unit Owner bears to the Common Interest of all benefiting Non-Residential Unit Owners. In addition, except as otherwise provided in the By-Laws, such Non-Residential Unit Owners shall be responsible for the normal operation and Maintenance, including but not limited to the cost of staff necessary for such operation and Maintenance, of any such Non-Residential Common Element or Non-Residential Limited Common Element at their sole cost and expense. Non-Residential Common Expenses shall also include such amounts as the Non-Residential Board may deem proper for a general operating reserve or for a reserve for working capital or for replacements with respect to the Non-Residential Common Elements, and such amounts, determined by the Non-Residential Board as may be required for the purchase, lease or sublease by the Non-Residential Board or its designee, corporate or otherwise, on behalf of all Non-Residential Unit Owners, of any portion of a Non-Residential Unit whose owner has elected to sell, lease, transfer or convey such portion of the Unit or which is to be sold at a foreclosure or other sale. Non-Residential Common Expenses shall also include all such other items provided for in the Declaration or these By-Laws to be Non-Residential Common Expenses. The Non-Residential Board shall from time to time and at least annually prepare a budget to meet Non-Residential Common Expenses and shall allocate and assess to the Non-Residential Unit Owners, pro rata in accordance with their respective Common Interests (except as otherwise provided in the Declaration or these By-Laws), charges ("Non-Residential Common

Charges”) to meet (a) Non-Residential Common Expenses, and (b) the Non-Residential Unit Owners’ pro rata share of General Common Charges. Such budgets shall include such amounts for reserves as the Non-Residential Board deems appropriate. In addition to basing charges on Common Interests, the Non-Residential Board may also make allocations and assessments of Non-Residential Common Expenses in accordance with sub-metering, contract allocations and usage (both projected and actual) so long as such allocations are reasonable under the circumstances and are in accordance with applicable provisions of Law. The Non-Residential Board shall advise all Non-Residential Unit Owners promptly in writing of the amount of Non-Residential Common Charges payable by each of them and shall furnish copies of each budget on which such Non-Residential Common Charges are based to all Non-Residential Unit Owners at least five (5) days prior to the adoption thereof and provide a copy to Permitted Mortgagees upon request therefor.

6.1.4 The excess of all rents, profits and revenues derived from the rental or use of any space or facility forming part of or included in any General Common Element remaining after the deduction of any non-capital expenses paid or incurred in connection therewith shall be collected by the Condominium Board as agent for and on behalf of the Unit Owners, or forming a part of or included in any Residential or Non-Residential Common Element remaining after the deduction of any non-capital expenses paid or incurred in connection therewith shall be collected by (i) the Residential Board if a Residential Common Element is involved, as agent for and on behalf of the Residential Unit Owners or (ii) the Non-Residential Board if a Non-Residential Common Element is involved, as agent for and on behalf of the Non-Residential Unit Owners. Notwithstanding any provision contained in these By-Laws or in the Declaration to the contrary, 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.

6.1.5 Common Expenses shall include real estate taxes on the Property until the Units are separately assessed.

6.1.6 Notwithstanding anything to the contrary herein, no part of the net earning of the Condominium may inure (other than by acquiring, constructing, or providing management, Maintenance, and care of association property, and other than by a rebate of excess membership dues, fees, or assessments) to the benefit of any Unit Owner or individual.

6.2 Insurance.

6.2.1 The Condominium Board shall be required to obtain and maintain to the extent obtainable the following insurance: (a) property insurance with all risk extended coverage, vandalism and malicious mischief endorsements and increased cost of construction endorsements, insuring the entire Building (other than the Units and all fixtures, furniture, furnishings or other personal property contained in such Units), together with all service machinery contained therein and covering the interests of the Condominium, each of the Boards and all Unit Owners and their Permitted Mortgagees, as their respective interests may appear, in an amount equal to the full replacement value of the Building (exclusive of foundation and footings and, at the election of the Condominium Board in its sole and absolute discretion, terrorism insurance), said

policies shall contain a New York standard mortgagee clause in favor of each Permitted Mortgagee which shall provide that the loss, if any, thereunder shall be payable to such Permitted Mortgagee as its interest may appear, subject however, to the loss payment provisions hereinafter set forth; (b) rent insurance in an amount equal to Common Charges for one year; (c) worker's compensation and New York State disability benefits insurance; (d) boiler and machinery insurance; (e) plate glass insurance to the extent, if any, determined by the Condominium Board; (f) water damage insurance to the extent, if any, determined by the Condominium Board; (g) elevator liability and collision insurance; (h) fidelity insurance covering all Boards and all officers, directors, managing agents and employees of the Condominium, the Residential Section, and the Non-Residential Section; (i) directors and officers liability insurance; and (j) such other insurance as the Condominium Board may determine. The premiums for all insurance referred to above shall be a General Common Expense.

6.2.2 All such policies shall provide that adjustment of loss shall be made exclusively by (a) the Residential Board if the loss involves only the Residential Section, (b) the Non-Residential Board if the loss involves only the Non-Residential Section, (c) the Condominium Board if the loss involves both the Residential Section and the Non-Residential Section, or the General Common Elements. Insurance proceeds with respect to any loss shall be payable to the Board entitled to adjust such loss, as aforesaid, except that the proceeds of all policies of physical damage insurance, if in excess of \$1,000,000, shall be payable to a New York City bank or trust company designated by the Condominium Board as Insurance Trustee (as hereinafter defined) pursuant to the provisions of Section 12.5. Notwithstanding anything to the contrary set forth above, to the extent required under the Permitted Mortgage, a Permitted Mortgagee holding such Permitted Mortgage secured by a Non-Residential Unit will have the right to participate in any adjustments regarding loss or damage to the General Common Elements and the Non-Residential Section and no such adjustment will be made without the consent of such Permitted Mortgagee. Any dispute between or among the Boards under this Subsection 6.2.2 shall be determined by Arbitration.

6.2.3 All policies of physical damage insurance shall contain, to the extent obtainable, waivers of subrogation and waivers of any defense based on (i) co-insurance, (ii) other insurance, (iii) invalidity arising from any acts of the insured, or (iv) pro rata reduction of liability, and shall provide that such policies may not be canceled or substantially modified without at least ten (10) days' prior written notice to all of the insureds, including all Unit Owners and Permitted Mortgagees. The Boards and all Unit Owners hereby waive their subrogation rights.

6.2.4 Except for Workers Compensation and New York Statutory Disability Insurance coverages the Boards and the Unit Owners each agree that they shall make no claim for recovery against each other for damages to or loss of the demised premises or improvements and betterments thereon, and injury or damage arising out of operations if such damage injury or loss is covered by valid and collectible insurance protecting the Boards and the Unit Owners and which contains a clause permitting the insured to waive such rights prior to the occurrence of a loss. Such waiver of subrogation shall apply to all stated insurance coverages herein. The Boards and each Unit Owner, by acceptance of a deed for a Unit, shall be deemed to have waived their rights of subrogation.

6.2.5 The Condominium Board shall also be required to obtain and maintain, comprehensive general liability insurance against claims for personal injury, death or property damage occurring upon, in or about the Property, in such limits as such Board may from time to time determine, covering (i) each Board, the managing agent or agents thereof, each Board member, and each officer and employee of the Condominium and Residential and Non-Residential Section, (ii) the Non-Residential Unit Owners, all officers, directors and employees thereof, and its managing agent or agents and each Residential Unit Owner, except that such policy will not cover liability of a Unit Owner arising from occurrences within such Unit Owner's own Unit or within the Limited Common Elements, if any, appurtenant to such Unit Owner's Unit. The Condominium Board shall review such limits once each year. The insurance required in accordance with this Subsection 6.2.5 shall also cover cross-liability claims of one insured against another.

6.2.6 Any insurance maintained by the Condominium Board may provide for such deductible amounts as such Board determines.

6.2.7 The Condominium Board is not required to obtain or maintain any insurance with respect to the Unit or any personal property contained in a Unit. A Unit Owner shall, at the Unit Owner's own cost and expense, obtain and keep in full force and effect (a) comprehensive personal liability insurance against any and all claims for personal injury, death or property damage (including, but not limited to, loss due to water damage) occurring in, upon, or from the Unit or any part thereof, with minimum combined single limits of liability of \$1,000,000 for bodily injury or death arising out of any one occurrence including \$1,000,000 for damage to property plus at least \$2,000,000 umbrella liability coverage and (b) tenant's "all-risk" property insurance in respect of property damage occurring in, upon, or from the Unit or any part thereof (including, but not limited to appropriate coverage for additions, alterations improvements and betterments and loss due to water damage and personal property). The limits of liability set forth in (a) and (b) above may be increased by the Condominium Board from time to time. The insurance required above shall be written in form reasonably satisfactory to the Condominium Board by good and solvent insurance companies of recognized standing, admitted to do business in the State of New York. Upon ten (10) days' written notice from the Condominium Board or the Managing Agent, the Unit Owner shall deliver to the Condominium Board a duplicate original of the aforesaid policies, certificates evidencing such insurance or such other confirmation satisfactory to the Condominium Board. To the extent a party is insured for loss or damage to property, such party will look to its own insurance policies for recovery. Policies maintained by Unit Owners pursuant to this Subsection must provide that they cannot be canceled without at least thirty (30) days prior notice to the Condominium Board.

6.3 Repair or Reconstruction after Fire or Other Casualty.

6.3.1 In the event that either (i) the Building or any part thereof (other than the Units) is damaged or destroyed by fire or other casualty ("Casualty Loss") or (ii) the General Common Elements and/or Residential Common Elements and/or Residential Limited Common Expense, or any part thereof is taken in condemnation or by eminent domain ("Taking"), the net insurance proceeds payable under the insurance policies maintained by the Condominium Board pursuant to the terms of Section 6.2 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 \$1,000,000 or less in the aggregate, or to the Insurance Trustee, if the same shall exceed \$ 1,000,000 in the aggregate. In either instance, all such monies actually received ("Trust Funds") shall be held in trust for the benefit of all Unit Owners, with respect to the portion thereof allocated to a Casualty Loss to or Taking of the General Common Elements and the Units, and for the benefit of all Residential Unit Owners with respect to the portion thereof allocated to a Casualty Loss to or Taking of the Residential Common Elements, the Residential Limited Common Elements and the Residential Units, and their Permitted Mortgagees and shall be disbursed pursuant to the terms of this Section 6.3. Notwithstanding anything to the contrary contained either in this Subsection 6.3.1 or elsewhere in this Section 6.3, however, no Unit Owner whose Unit, its appurtenant Residential Limited Common Elements, if any, 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.

6.3.2 Except as otherwise provided herein, the Condominium Board with respect to the General Common Elements, the Residential Board with respect to the Residential Common Elements and the Residential Limited Common Elements and the Non-Residential Board with respect to the Non-Residential Common Elements shall arrange for the prompt repair or restoration ("Work") of: (i) in the event of a Casualty Loss, the portion(s) of the Building affected by such Casualty Loss or (ii) in the event of a Taking, the portion(s) of the Common Elements affected by such Taking. Damage or destruction to a Unit shall be promptly repaired and reconstructed by the Owner of the affected Unit(s). If, pursuant to the immediately preceding sentences, Work is to be performed in or to Units, Common Elements that service or enclose Units and other Common Elements, or any combination of the foregoing, the Work shall be performed to the extent practicable, first in or to the Units, next in or to the Common Elements that service or enclose Units and then in or to the balance of the Common Elements. If a Residential Unit Owner fails to repair or reconstruct such Unit Owner's Unit, the Condominium Board or the Residential Board may cause the Residential Unit to be repaired or reconstructed and the costs incurred in connection therewith shall be a charged to the defaulting Unit Owner as a Special Assessment. Nothing contained herein shall be deemed to obligate a Non-Residential Unit Owner to restore a Non-Residential Unit except to the extent that such restoration shall be necessary to maintain that portion of the Building visible to the public in good, clean and neat appearance, in conformity with the dignity and character of the Building.

6.3.3 In the event that Work shall be performed pursuant to the terms of Subsection 6.3.1 and 6.3.2, the Condominium Board or the Insurance Trustee, as the case may be, shall disburse the Trust Funds to the contractors engaged in the Work in appropriate progress payments. If only the Non-Residential Section (including the Non-Residential Common Elements or the Non-Residential Limited Common Elements) is destroyed or damaged by fire or other casualty and if the net insurance proceeds are less than sufficient to cover, or exceed, the cost of repairs and restoration, the Non-Residential Unit Owners, in proportion to their respective Common Interests, will bear the entire amount of the deficit as a Non-Residential Common Expense, or shall receive all of the surplus, as the case may be. Similarly, if only the Residential Section (including the Residential Units, Residential Common Elements and/or the Residential Limited Common Elements) is damaged or destroyed by fire or other casualty and the insurance proceeds are less than sufficient to cover, or exceed, the cost of repairs and restoration, the deficit or surplus, as the case

may be, will be borne as a Residential Common Expense or profit, respectively, and shared entirely by all Residential Unit Owners in proportion to their respective Common Interests. If said damage or destruction by fire or other casualty affects the Non-Residential Section, the Residential Section and the General Common Elements, or any combination of two thereof, then any deficit or surplus in insurance proceeds shall be borne or shared by all Unit Owners in proportion to their respective Common Interests in the proportion that the cost of repairing the damage or destruction to the Residential Section, Non-Residential Section and General Common Elements, as the case may be, bears to the total cost of repairing all damage or destruction. However, the Non-Residential Board shall still have the right to make all arrangements for the prompt repair and restoration of the Non-Residential Units to the extent they are affected by such damage or destruction. If said damage or destruction, however, affects only the General Common Elements, then any deficit or surplus in insurance proceeds shall be borne as a General Common Expense or profit, respectively, as provided in 6.1.1 or shared by all Unit Owners in proportion to their Common Interests. Any surplus payable to any Unit Owner pursuant to this Section 6.3 shall be lessened by such amounts as may be required to reduce unpaid liens (other than mortgages which are not Permitted Mortgages) on any such Unit in the order or priority of such liens.

6.3.4 If seventy-five percent (75%) or more of the Building is destroyed or substantially damaged by fire or other casualty, the Work shall not be performed unless seventy-five percent (75%) or more of all Unit Owners (including Declarant, if Declarant shall then own any Units), shall promptly resolve to proceed with the same. In the event that a sufficient number of Unit Owners shall so resolve, the Work shall be performed pursuant to the terms of Subsections 6.3.1 and 6.3.2 hereof. Conversely, in the event that a sufficient number of Unit Owners shall either fail or refuse to so resolve, the Work shall not be performed and the Property shall be subject to an action for partition by any Unit Owner or lienor, as if owned in common, in which event the net proceeds of the resulting sale, together with any Trust Funds, shall be paid to all Unit Owners in proportion to their respective Common Interest, to the extent allocated to destroyed or damaged portions of the General Common Elements and to all Residential Unit Owners in proportion to their respective Residential Common Interest, to the extent allocated to destroyed or damaged portions of the Residential Units or the Residential Common Elements or the Residential Limited Common Elements, and to the Non-Residential Unit Owner, to the extent allocated to destroyed or damaged portions of the Non-Residential Unit, 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 pay off unpaid liens on the Unit Owner's Unit (other than mortgages that are not Permitted Mortgages) in the order of priority of such liens.

6.3.5 If (i) a portion of any Unit shall be taken in condemnation or by eminent domain and (ii) the Condominium shall not be terminated by reason of a simultaneous Taking pursuant to the terms of Section 6.3.4 hereof, the Common Interest appurtenant to such Unit shall be adjusted in the proportion that the total floor area of such Unit and its appurtenant Residential Limited Common Elements, if any, after such Taking bears to the total floor area of such Unit and its appurtenant Residential Limited Common Elements, if any, 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, the votes appurtenant to such Unit shall be based upon the new Common Interest 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.

6.3.6 As used in this Section 6.3, the terms:

(i) "Prompt repair or restoration" shall mean that the Work is to be commenced not more than either: (a) sixty (60) days after the date upon which the Insurance Trustee notifies the Condominium Board that it has received Trust Funds sufficient to discharge the estimated cost and expense of the Work, or (b) ninety (90) days after the date upon which the Insurance Trustee notifies the Condominium Board 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 Subsection 6.3.1, 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 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.

6.3.7 Any dispute that may arise under this Section 6.3 between any Unit Owners or any Boards shall be resolved by Arbitration.

6.4 Payment of Common Charges.

6.4.1 The Residential Unit Owners and the Non-Residential Unit Owners shall be obligated to pay to the Condominium Board the General Common Charges assessed to them by the Condominium Board pursuant to the provisions of Section 6.1 at such time or times as the Condominium Board determines. All Residential Unit Owners and Non-Residential Unit Owners shall be obligated to pay Residential or Non-Residential Common Charges, as the case may be, assessed by the Residential and Non-Residential Boards pursuant to the provisions of Section 6.1 at such time or times as such Boards determine. The Boards may jointly determine to cause the Condominium Board to act as their respective agent to collect Residential Common Charges and Non-Residential Common Charges as applicable. Unless otherwise determined by the Board to which they are payable, Common Charges shall be payable monthly, in advance, on the first day of each month.

6.4.2 No Unit Owner shall be liable for the payment of any part of the Common Charges assessed against such Unit Owner's Unit subsequent to a sale or other conveyance by

him (made in accordance with these By-Laws) of such Unit together with its appurtenant Common Interests. Any Unit Owner may, subject to the terms and conditions of these By-Laws and provided that (a) such Unit is free and clear of liens and encumbrances other than Permitted Mortgages and the statutory lien for unpaid Common Charges, and (b) no violation of any provision of the Declaration, these By-Laws or the Rules and Regulations then exists with respect to such Unit, convey for no consideration such Unit together with its appurtenant Common Interests, to the Residential or Non-Residential Board or the Condominium Board or their designees, corporate or otherwise, and in such event (except as hereinafter set forth), be exempt from Residential or Non-Residential Common Charges or General Common Charges, as the case may be, thereafter accruing. A purchaser of a Unit shall be liable for the payment of Common Charges accrued and unpaid against such Unit prior to the acquisition by him of such Unit, except that, to the extent permitted by Law, a purchaser of a Unit at a foreclosure sale of a Permitted Mortgage shall not be liable for, and such Unit shall not be subject to, a lien for the payment of Common Charges accrued and unpaid against such Unit prior to the acquisition by said purchaser of such Unit. However, in the event of a foreclosure sale of a Unit by a Permitted Mortgagee, the owner of such Unit prior to the foreclosure sale shall remain liable for the payment of all unpaid Common Charges which accrued prior to such sale. Except to the extent prohibited by Law, the Residential Board, on behalf of all Residential Unit Owners, shall have a lien on each Residential Unit for unpaid Residential Common Charges, together with interest thereon, assessed against such Unit. Except to the extent prohibited by Law, the Non-Residential Board, on behalf of all Non-Residential Unit Owners, shall have a lien on each Non-Residential Unit for unpaid Non-Residential Common Charges, together with interest thereon, assessed against such Unit. In addition, except to the extent prohibited by Law, the Condominium Board, on behalf of all Unit Owners, shall have a lien for General Common Charges unpaid to it by (i) the Residential Unit Owners, together with interest thereon, on all Residential Units, in proportion to their respective Common Interests, and (ii) the Non-Residential Unit Owners, together with interest thereon, on the Non-Residential Units, in proportion to their respective Common Interests. No Unit Owner may be exempted from liability for such Unit Owner's Common Charges by waiving use of any Common Elements or by abandonment of such Unit Owner's Unit. Dissatisfaction with the quantity or quality of maintenance or services furnished to the Property or the degree to which the construction in the Building shall have been complete shall not be grounds for a Unit Owner withholding or failure to pay all or any portion of the Common Charges or any other assessments.

6.4.3 All liens provided for in Subsection 6.4.2, to the extent permitted by applicable Law, shall be subordinate to the lien of any first Permitted Mortgage of record and to liens for real estate taxes on the Unit.

6.4.4 Notwithstanding Subsection 6.4.2, neither the seller nor the purchaser of a Residential Unit shall be liable for, nor shall the Residential Unit be conveyed subject to a lien for, any unpaid Common Charges against such Residential Unit accrued prior to such conveyance in excess of the amount set forth in a written statement from the Residential Board.

6.4.5 In the event that prior to the Units being separately assessed for real estate tax purposes, a Board pays real estate taxes on behalf of a Unit Owner, the amount of such real estate taxes shall be deemed to be Common Charges, and such Board shall have a lien (as provided in Subsection 6.4.2) for any such accrued and unpaid amounts.

6.5 Collection of Common Charges. Each Board shall take prompt action to collect any Common Charges due to such Board which remain unpaid for more than thirty (30) days after the due date for payment thereof.

6.6 Default in Payment of Common Charges and other Obligations. In the event any Unit Owner fails to make payment of Common Charges or Assessments when due, such Unit Owner shall be obligated to pay (a) a "late charge" equal to the greater of \$150.00 or one (1%) percent of such amounts which remain unpaid for more than ten days from their due date (although nothing herein shall be deemed to extend the period within which such amounts are to be paid), and (b) interest at the rate of 1.5% per month (but in no event in excess of the maximum rate permitted by Law) on such unpaid amounts computed from the due date, thereof, together with all expenses, including, without limitation, attorneys' fees paid or incurred by the Condominium Board or by any managing agent in any proceeding brought to collect such unpaid Common Charges or in any action to foreclose the lien on such Unit arising from said unpaid Common Charges as provided in Section 339-z of the New York Condominium Act, in the manner provided in Section 339-aa thereof or in any other manner permitted by Law. All such "late charges," interest and expenses shall be added to and shall constitute Common Charges payable by such Unit Owner. Notwithstanding the foregoing, each Board may establish its own alternate fees for late payments, whether such fees are more or less than the charges set forth herein. In addition a Board may suspend a Unit Owner's voting rights and privileges for failure to pay any Common Charges or Assessments due.

6.7 Foreclosure of Liens for Unpaid Common Charges.

6.7.1 In any action brought by the Condominium Board to foreclose a lien on a Unit because of unpaid Common Charges, the Unit Owner shall be required to pay a reasonable rental for the use and occupancy of such Unit Owner's Unit and the plaintiff in such foreclosure action shall be entitled to the appointment, without notice, of a receiver to collect the same. The Residential Board, acting on behalf of all Residential Unit Owners, shall have the power to purchase any such Residential Unit, and the Non-Residential Board, acting on behalf of all Non-Residential Unit Owners, shall have the power to purchase any such Unit or portion thereof at the foreclosure sale thereof and to acquire, hold, lease, mortgage, convey or otherwise deal with such Unit or portion thereof (but not to vote the votes appurtenant to such Unit or portion thereof). A suit to recover a money judgment for unpaid Common Charges shall be maintainable without foreclosing or waiving the lien securing such charges. In the event the net proceeds received on such foreclosure sale (after deduction of all legal fees, advertising costs, brokerage commissions and other costs and expenses incurred in connection therewith) are insufficient to satisfy the defaulting Unit Owner's obligations, such Unit Owner shall remain liable for the deficit.

6.7.2 The Condominium Board at the request of the Non-Residential Unit Owner, will enter into a nondisturbance agreement (the "Condominium Nondisturbance Agreement") with a tenant occupying a Unit, on the terms set forth in this Section 6.7.2; provided such lease is an "arms-length" lease and provided further that such Unit Owner has not received a notice of default under the terms of the Declaration or these By-Laws at the time of such request. Under the terms of the Condominium Nondisturbance Agreement, the tenant will acknowledge that the lease is subject and subordinate to the Declaration and the Condominium

Board will agree that so long as there no event of default exists under said lease, as would entitle the Unit Owner, or any successor landlord under the lease, to terminate the lease or dispossess the tenant thereunder, the tenant shall not be named or joined in any action or proceeding to foreclose the Board's lien for Common Charges on a Unit or any other sums of any sort, recognize all of tenant's rights under the lease and will not diminish, terminate or disturb tenant's possession or rights under the lease, expand any of tenant's obligations under the lease or under the Condominium Declaration or these By-Laws, or obligate tenant to comply with any of the provisions of the Declaration or these By-Laws, except as expressly provide herein, and will recognize tenant as the direct tenant of the Board or its successor on the same terms and conditions as are contained in the lease and the tenant's use, possession, or enjoyment of the Unit in question shall not be interfered with, nor shall the leasehold estate granted by the lease be affected in any manner, nor shall any of the rights of the tenant granted under the lease be affected in any manner, in any foreclosure or other action or proceeding instituted under or in connection with such lien or in the exercise of any rights of the Board, or, in case the Board takes possession of said Unit pursuant to any provision of the Declaration or By-Laws, or otherwise; provided however that if the Condominium Board or any other party succeeds to the interests of the Unit Owner under the lease the tenant will agree to be bound to the Condominium Board or party under all of the terms, covenants and conditions of the lease and the tenant will attorn to the Board or party as its landlord. The Condominium Board, at the request of the Unit Owner entering into a lease with the tenant, shall execute and deliver promptly the Condominium Nondisturbance Agreement and any other agreement that any tenant may reasonably request in confirmation of the foregoing in form reasonably satisfactory to the Board.

6.8 Statement of Common Charges. Each Board shall promptly provide the other Boards and any Unit Owner who so requests, with a written statement of all unpaid Common Charges due to it from Unit Owners.

6.9 Maintenance and Repairs.

6.9.1 Except as otherwise provided in the Declaration or these By-Laws, all Maintenance, whether structural or nonstructural, ordinary or extraordinary, (a) in or to any Unit (excluding Common Elements included therein except as otherwise provided in these By-Laws) and the entrance doors thereto shall be made by the owner of such Unit at such Unit Owner's sole cost and expense, (b) in or to the General Common Elements shall be made by the Condominium Board and the cost and expense thereof shall be charged to the Residential Unit Owners and the Non-Residential Unit Owners as a General Common Expense, (c) in or to the Residential Common Elements or the Residential Limited Common Elements shall be made by the Residential Board and the cost and expense thereof shall be charged to all Residential Unit Owners as a Residential Common Expense, (d) in or to the Non-Residential Common Elements or the Non-Residential Limited Common Elements shall be made by the Non-Residential Board and the cost and expense thereof shall be charged to all Non-Residential Unit Owners as a Non-Residential Common Expense.

6.9.2 Notwithstanding the provisions of Subsection 6.9.1:

6.9.2.1 In the event that any Maintenance to the Property or any part thereof is necessitated by the negligence, misuse or neglect of (a) any Unit Owner or any guest,

agent, licensee, tenant or invitee of a Unit Owner, the entire cost thereof shall be borne by such Unit Owner, (b) the Condominium Board, the entire cost thereof shall be charged to the Residential Unit Owners and the Non-Residential Unit Owners as a General Common Expense, (c) the Non-Residential Board, the entire cost thereof shall be charged to all Non-Residential Unit Owners as a Non-Residential Common Expense, or (d) the Residential Board, the entire cost thereof shall be charged to all Residential Unit Owners as a Residential Common Expense, except in all such cases to the extent such cost is covered by the proceeds of any insurance maintained pursuant to the provisions hereof.

6.9.2.2 The interior and exterior glass surfaces of all windows located in any Residential Unit shall not be colored or painted and no neon or colored lights may emanate therefrom and the windows may not be modified, altered or replaced without the consent of the Residential Board. All normal Maintenance of any Terrace shall be made by the Residential Unit Owner having access to such at such Unit Owner's own cost and expense, but any structural or extraordinary repairs or replacements to such Terrace (including any leaks which are not caused by the negligence of the Residential Unit Owner having access to the same) shall be made by the Residential Board and the cost and expense thereof shall be charged to all Residential Unit Owners as a Residential Common Expense. The Condominium Board and the Residential Board will have the right to require a Residential Unit Owner to obtain the consent of the Condominium Board and/or the Residential Board prior to installing plantings, surface coverings and other furniture, equipment and installations on the Terraces and may require a Residential Unit Owner to remove same, at such Residential Unit Owner's sole cost and expense, if the Condominium Board or the Residential Board determines, in their respective discretion, that such plantings, surface coverings, furniture, equipment or other installations adversely affect the integrity of the roofs or adversely affect the appearance of the Building. A Residential Unit Owner will be obligated, at such Unit Owner's sole cost and expense, to remove plantings, surface coverings and other furniture, equipment and installations from the Terrace, if requested by a Board, to facilitate access to the roofing system or other Common Elements pursuant to the Declaration or these By-Laws. No Terrace may be enclosed without the express written consent of the Condominium Board. The Condominium Board and the Residential Board may establish such other rules and regulations as they deem necessary to protect the Common Elements and the Units and to insure the integrity of the Building and the health and safety of the occupants.

6.9.2.3 The exterior surface of all windows in the Residential Section if so determined by the Residential Board, shall be washed and cleaned by such Board and the cost and expense thereof shall be a Residential Common Expense. Otherwise, the exterior of all windows in the Residential Section shall be washed or cleaned at the cost and expense of the Residential Unit Owner. The interior glass surfaces of all windows located in any Unit and the exterior glass surfaces of all windows located in the Non-Residential Units shall be washed and cleaned by the Unit Owner or occupant thereof at such Unit Owner's sole cost and expense. No Unit Owner or occupant shall clean or permit to be cleaned any window or require, permit or allow it to be cleaned, from the outside, in violation of Section 202 of the Labor Law of the State of New York, or any future Law of like import, or (if applicable) in violation of the rules of the Board of Standards and Appeals of the City of New York or any other governmental authority having jurisdiction over the Land or the Building. Each Unit Owner shall indemnify the Condominium Board and the other Unit Owners, and their respect agents and employees, for all losses, damages, or fines suffered by any of them as a result of a violation of Law.

6.9.2.4 The exterior of all front doors of Residential Units shall not be painted or decorated other than with the consent of the Residential Board.

6.9.2.5 No awnings, air conditioning equipment, ventilators or other Facilities or equipment will be installed or modified in the Residential Section without prior written approval of the Condominium Board.

6.9.2.6 Any repairs or Maintenance work performed with respect to the incremental HVAC units in each Residential Unit shall only be performed by a company or individual previously approved by the Residential Board.

6.9.2.7 Routine maintenance and repairs of the vault space in the Cellar shall be the obligation of the Residential Board or the Non-Residential Unit Owners having the exclusive use thereof. The costs of any structural repairs, including repairs to the foundations or retaining walls adjacent to the vaults and the closing of the vaults shall be performed by the Condominium Board and the cost therefor shall be a General Common Expense.

6.9.3 Each Unit and all portions of the Common Elements shall be kept in first-class condition (and with respect to any Terrace, roof or other part of the Property exposed to the elements, free of snow, ice and accumulation of water to the extent same would cause damage to the Building) by the Unit Owner or Board, whichever is responsible for the Maintenance thereof as set forth herein, and such Unit Owner or Board, as the case may be, shall promptly make or perform, or cause to be made or performed, all Maintenance necessary in connection therewith. In addition, the public areas of the Building and those areas exposed to public view shall be kept in good, clean and neat appearance, in conformity with the dignity and character of the Building, by (a) each Board with respect to such parts of the Building required to be Maintained by it, (b) each Unit Owners with respect to such Unit Owner's Unit and any Limited Common Elements required to be Maintained by the Unit Owner, including, without limitation shades, venetian or other blinds, drapes, curtains or other window decorations in or in or appurtenant to such Unit Owner's Unit. Notwithstanding anything to the contrary set forth above, the Condominium Board shall not, without the consent of the Non-Residential Unit Owner, decrease the level of services (including, but not limited to heat and cooling) supplied to the Non-Residential Units as of the date of the filing of the Declaration.

6.9.4 In the event of an Emergency (i) affecting the Residential Section, Non-Residential Section employees will assist Residential Section employees, and (ii) affecting the Non-Residential Section, Residential Section employees will assist Non-Residential Section employees and the costs thereof shall be appropriately allocated to the Section receiving the benefit of such assistance.

6.9.5 Each Unit Owner will be obligated to maintain the appropriate temperature in such Unit Owner's Unit in order to avoid causing damage to the Common Elements or the Units. In the event a Unit Owner that fails to so maintain the Unit, such Unit Owner may be liable for any damage arising from such failure, including, without limitation, any claims pertaining to environmental hazards such as mold or other bacterial contamination.

6.9.6 Residential Unit Owners will be able to utilize any bicycle storage facilities located in the Building (hereinafter, each a "Bicycle Room") on a first-come, first-served basis, to store individual bicycles in facilities (hereinafter referred to as "Bicycle Racks") located therein. The Residential Board has the right to charge Residential Unit Owners for the use of the Bicycle Room and Bicycle Racks and to establish rules and regulations relating to the use of the Bicycle Room and Bicycle Racks. The Residential Board shall not be liable for any theft or damage to any bicycles or other objects stored in the Bicycle Room, unless due to the gross negligence of the Residential Board. The Bicycle Room will be unattended and Residential Unit Owners will store bicycles in the Bicycle Room at such Residential Unit Owners' own risk.

6.10 Violations of Obligations.

6.10.1 In the event that any Residential Unit Owner, within a reasonable time after receipt of written notice from the Residential Board, fails to perform any of its obligations with respect to the Maintenance of its Unit as provided in this Article 6 or of any Limited Common Element for which such Unit Owner is responsible under the Declaration or these By-Laws, the Residential Board may, but shall not be obligated to, perform or cause to be performed such Maintenance unless such Residential Unit Owner, within thirty (30) days after receiving notice of such default from the Residential Board (or sooner in the case of Emergency), cures such default, or in the case of a default not reasonably susceptible to cure within such period, commences and thereafter prosecutes to completion, with due diligence, the curing of such default. All sums expended and all costs and expenses incurred in connection with the making of any such Maintenance by the Residential Board, together with ten percent (10%) for overhead and interest thereon at the rate of two percent (2%) per month from the date on which such Board first incurs any cost or expense (but in no event in excess of the maximum rate permitted by Law), shall be immediately payable by such Residential Unit Owner to such Board and shall, for all purposes hereunder, constitute Common Charges payable by such Residential Unit Owner.

6.10.2 In the event that any Non-Residential Unit Owner fails or neglects in any way to perform any obligation with respect to the Maintenance of such Unit Owner's portion of the Non-Residential Units, the Non-Residential Board may, but shall not be obligated to, perform or cause to be performed any such Maintenance provided that (a) the Non-Residential Board gives the Non-Residential Unit Owner written notice that such repair or replacement is necessary and that the Non-Residential Board will complete such repair or replacement in the event the Non-Residential Unit Owner does not promptly act or complete the repair or replacement, and (b) the Non-Residential Unit Owner, within five (5) days after receiving such notice, fails to cure its default, or in the case of a default not reasonably susceptible to cure within such period, fails to commence and to thereafter prosecute to completion, with due diligence, the curing of such default. All sums expended and all costs and expenses incurred in connection with the making of any such Maintenance by the Non-Residential Board, together with together with ten percent (10%) for overhead interest thereon at the rate of two percent (2%) per month from the date on which the Non-Residential Board first incurs any cost or expense (but in no event in excess of the maximum rate permitted by Law) shall be payable by such Non-Residential Unit Owner to the Non-Residential Board and shall, for all purposes hereunder, constitute Non-Residential Common Charges payable by such Non-Residential Unit Owner. The Non-Residential Board

shall have the right, in the event that the Non-Residential Unit Owner disputes the amount of such payment or whether the Non-Residential Unit Owner is obligated to pay the same, to submit such dispute to Arbitration. The Non-Residential Unit Owner shall pay the cost of such repair or replacement only after a determination by Arbitration to the effect that (i) the repair or replacement was required to be performed by the Non-Residential Unit Owner, (ii) the Non-Residential Unit Owner failed to perform such repair or replacement, and (iii) the cost of such repair or replacement by the Non-Residential Board was reasonable. Any repair or replacement performed by the Non-Residential Board in accordance with the terms of this Subsection 6.10.2 shall be its sole responsibility with respect to the quality of such repair or replacement and the proper completion thereof. The Non-Residential Board shall indemnify the Non-Residential Unit Owner and hold it harmless from and against any claims, costs, expenses or liabilities whatsoever, including reasonable counsel fees, in any way incurred by the Non-Residential Unit Owner, in connection with the manner of completion of such Maintenance by the Non-Residential Board of any defect described herein (but not for the existence of the condition requiring such repair or replacement).

6.10.3 Each Unit Owner must strictly comply with the provisions of the Declaration, these By-Laws, and the rules and regulations. Failure to comply is grounds for an action for damages or injunctive relief, or both, but such forms of relief will not be exclusive of other remedies provided by Law.

6.11 Alterations, Additions, Improvements and Repairs of Units.

6.11.1 Except as otherwise provided in the Declaration, no Residential Unit Owner shall make any alteration, addition, improvement or repair to any Unit involving structural work or which impact upon Building systems, in or to such Unit Owner's Unit without the prior written approval of the Residential Board. No Non-Residential Unit Owner shall make any structural alteration, addition, improvement or repair to any Unit involving structural work or impacting upon Building systems, in or to such Unit Owner's Unit without the prior written approval of the Non-Residential Board which shall not be unreasonably withheld. With respect to any alteration, addition, improvement or repair the Non-Residential Board or the Residential Board, as the case may be, may exercise the right to reasonably approve the contractors and suppliers, performing alteration, addition, improvement or repair in any Unit and may, at its option, require the Unit Owner to execute an agreement in form and substance satisfactory to the Non-Residential Board or the Residential Board, as the case may be, setting forth the terms and conditions under which such alteration, addition, improvement or repair may be made, including, without limitation, the days and hours during which any work may be done. A Board may impose fees upon a Unit Owner to reimburse the Board for its costs incurred in reviewing or supervising the aforesaid work and providing appropriate security with respect thereto. In addition, the Residential Board will have the right, as a condition to approving a Unit Owner's request to renovate kitchens and bathrooms, to require such Unit Owner to replace plumbing, steam and gas risers running through or adjacent to the Unit or to contribute to the Condominium, the sum necessary to enable the Condominium to perform such replacements in the same is necessary as a result of Unit Owner's work. The foregoing provisions shall not apply to Declarant or its designee or a Permitted Mortgagee (or its designee) of Declarant or its assignee, which shall not be required to obtain the approval of any Board for any alteration, addition, improvement or repair, whether structural or non-structural in or to Unsold Residential Units or the Non-Residential

Unit, enter into any alteration agreement with respect thereto or perform any additional work as a condition thereof and may perform any work in the Building required to complete the Building in accordance with the provisions of the Plan or to otherwise satisfy its obligations under the Plan.

6.11.2 All alterations, additions, improvements and repairs by Unit Owners shall be made in compliance with all Laws, rules, ordinances and regulations of all governmental authorities having jurisdiction thereof. A Unit Owner making or causing to be made any alteration, addition, improvement or repair shall agree, and shall be deemed to have agreed, to hold each Board and all other Unit Owners harmless from any costs or liability arising therefrom.

6.11.3 Any application to any department of The City of New York or to any other governmental authority having jurisdiction thereof for a permit to make a structural alteration, addition, improvement or repair in or to any Unit so approved by the appropriate Board (if such approval is required) shall, if required by Law or such department or authority, be executed by said Board or, if required, by the Condominium Board, provided that no Board shall incur any liability, cost or expense in connection with such application or to any contractor, subcontractor, materialman, architect or engineer on account of such alteration, addition, improvement or repair or to any person having any claim for injury to person or damage to property arising therefrom. Notwithstanding anything to the contrary set forth above, Declarant or its designee or a Non-Residential Unit Owner is hereby authorized on behalf of the Boards to execute the Required Documentation required to undertake, perform and complete such work to the Building (including the Units and Common Elements) as Declarant is obligated or entitled to perform in accordance with the terms of the Plan or the Declaration and these By-Laws (including, without limitation, any certificates as may be required to amend the existing certificate of occupancy to reflect a reconfiguration of the Units and/or a change in use) and to obtain such certificates of completion as may then be required by Law and, the appropriate Board, if requested by Declarant or its designee or a Non-Residential Unit Owner, shall execute the Required Documentation.

6.11.4 No alterations, additions, improvements or repairs shall made by any Residential Unit Owner shall materially delay, prevent or adversely affect, or create a significant risk of materially delaying, preventing or adversely affecting, whether directly or indirectly, the issuance or reissuance of a temporary or permanent certificate of occupancy for other Units or the Building. Prior to the issuance of the permanent certificate of occupancy for the Building, any Residential Unit Owner desiring to perform such alterations, in addition to satisfying any other requirements of these By-Laws with respect to such alterations, must also notify Declarant, in writing, of the scope of the proposed alterations and satisfy other reasonable requirements of Declarant. In furtherance thereof, a Residential Unit Owner performing alterations, shall indemnify Declarant and the Boards for any cost, expense, claim or liability incurred or suffered by Declarant or any Board as a result of any violation of Law or delay in obtaining a temporary or permanent certificate of occupancy. In the event the alterations performed by a Residential Unit Owner do adversely affect the issuance or validity of the certificate of occupancy then upon the written request of Declarant, the Condominium Board or any other Board whose Unit Owners are affected, the Unit Owner shall restore the Unit, at such Unit Owner's sole cost and expense, to its original condition. If such Unit Owner fails to commence diligently and continuously restoring the Unit within fifteen (15) days of receipt of the written request, then the

Declarant or the Board, as the case may be, requesting such restoration shall be entitled to enter and restore the Unit at the expense of the Unit Owner and to exercise any other remedies provided in these By-Laws.

6.11.5 Until such time as the initial construction of the Building is complete, including the completion of "punch list" work, no Board or Unit Owner shall use or suffer to be used in any part of the Building any labor forces incompatible with the labor forces which are completing the construction of the Building on behalf of Declarant. In addition, Declarant shall have an easement through all parts of the Building for the prosecution of the work necessary to complete initial construction of the Building, including the completion of "punch list" work by or on behalf of Declarant, which work shall take precedence over the prosecution of any other work at the Building.

6.12 Alterations, Additions, Improvements or Repairs to Common Elements. Except as otherwise provided in the Declaration or these By-Laws, all alterations, additions, improvements or repairs in or to (i) any General Common Elements shall be made by the Condominium Board and the cost and expense thereof shall be charged to the Residential Unit Owners and the Non-Residential Unit Owners as a General Common Expense (ii) in or to the Residential Common Elements shall be made by the Residential Board and the cost and expense thereof shall be charged to all Residential Unit Owners as a Residential Common Expense, (iii) in or to the Non-Residential Common Elements shall be made by the Non-Residential Board and the cost and expense thereof shall be charged to all Non-Residential Unit Owners as a Non-Residential Common Expense, (iv) in and to a Unit by the Unit Owner thereof at the Unit Owner's sole cost and expense. Whenever in the judgment of the Residential Board, the Non-Residential Board or the Condominium Board, as the case may be, the cost of any alteration, addition, improvement or repair would exceed \$100,000 in the aggregate in any calendar year (except if such alteration, addition, improvement or repair is provided for in a duly approved budget), then such proposed alteration, addition, improvement or repair shall not be made unless first approved by a Majority of Residential Unit Owners, a Majority of Non-Residential Unit Owners, or a Majority of Unit Owners, as the case may be, who shall be required to bear the cost and expense thereof as aforesaid and by the Residential Mortgage Representatives (as hereinafter defined), as the case may be, if any, with respect to alterations, additions, improvements or repairs made by the Residential or Non-Residential Board, respectively. Except as otherwise provided in the Declaration or these By-Laws, all such alterations, additions, improvements or repairs costing in the aggregate \$100,000 or less in any calendar year may be made as aforesaid without the approval of the Unit Owners or said Mortgage Representatives.

6.13 Alterations of Certain Common Elements.

6.13.1 In the event that pursuant to any of the provisions of these By-Laws, any consent by any Board, Mortgage Representative or Unit Owner is required as a condition precedent to any alteration, addition or improvement to any Common Element (sometimes collectively referred to in this Section 6.13 as an "Alteration"), proposed to be made by Declarant or its designee, Unit Owners or any Board (sometimes collectively referred to herein as the "Proponent"), such consent shall not be unreasonably withheld or delayed by such Board, Mortgage Representative or Unit Owner (referred to in this Section 6.13 as the "Opposing Party") whose consent is so required. The Proponent shall give to the Opposing Party notice

setting forth in reasonable detail the material aspects of such proposed Alteration. If the Opposing Party does not give notice of any objection to the Proponent within thirty (30) days after the Proponent gives its notice, then the Opposing Party shall be deemed to have consented to the making of the proposed Alteration. If the Opposing Party does give notice of objection (which notice of objection shall set forth in reasonable detail the specific objections of the Opposing Party) within such 30-day period and the Proponent considers such objection unreasonable, then the Proponent may submit to Arbitration the question of whether or not the Opposing Party unreasonably withheld its consent. If in such Arbitration it is determined that the Opposing Party unreasonably withheld its consent, the Proponent, as its sole remedy, may make the proposed Alteration. In no event shall any arbitrator in such Arbitration determine that the Opposing Party reasonably withheld its consent to such proposal if (a) the Proponent makes or causes to be made reasonable provisions providing (i) for the costs and expenses of the Alteration to be paid by it, and (ii) that all costs and expenses for Maintaining such Alteration after its completion will not be charged to Unit Owners represented by the Opposing Party as Common Expenses (b) the proposed Alteration would not materially interfere with the use and enjoyment of the owners, tenants and occupants of those Units represented by the Opposing Party; and (c) the proposed Alteration would not materially weaken the structure of the building.

6.13.2 Nothing contained in Subsection 6.13.1 shall in any way be deemed to limit (a) the Proponent's right to modify any proposal made by it thereunder in such a manner as such Proponent believes will meet the objections of the Opposing Party or of any arbitrator, or (b) any party's right, pursuant to the other applicable provisions of these By-Laws or the Declaration, to make any Alteration to a Common Element without the Opposing Party's approval.

6.13.3 A Non-Residential Unit Owner shall be entitled, at its sole cost and expense to make any alteration, addition, improvement or repair in or to the Non-Residential Common Elements or Non-Residential Limited Common Elements, or the exterior facade of the Building adjacent to such Unit Owner's Unit at such Unit Owner's cost and expense, with the prior written approval of the Non-Residential Board, which shall not be unreasonably withheld.

6.14 Restrictions on Use of Units.

6.14.1 In order to provide for congenial occupancy of the Property and for the protection of the values of the Units, each Residential Unit shall be used for residential purposes only, except as otherwise herein expressly provided. A Residential Unit may be owned by an individual, corporation, partnership, limited liability company, fiduciary, limited liability company or any other entity (including, but not limited to, the United States government and any instrumentality thereof and foreign governments and any embassy, consulate or other instrumentality thereof). A Residential Unit may only be occupied by (i) the individual Unit Owner (or members of such Unit Owner's family, guests or domestic employees), (ii) an officer, director, stockholder or employee of such corporation (or members of such Unit Owner's family, guests or domestic employees), (iii) a partner or employee of such partnership (or members of such Unit Owner's family, guests or domestic employees), (iv) the fiduciary or beneficiary of such fiduciary (or members of such Unit Owner's family, guests or domestic employees), or (v) a principal or employee of such other entity (or members of such Unit Owner's family, guests or domestic employees) as the case may be. Unless otherwise consented to by the Residential

Board, occupants of a leased Residential Unit must be (a) an individual lessee (or members of such Unit Owner's family, guests or domestic employees), (b) an officer, director, stockholder or employee of a corporate lessee (or members of such Unit Owner's family, guests or domestic employees), (c) a partner or employee of a partnership lessee (or members of such Unit Owner's family, guests or domestic employees), (d) a fiduciary or beneficiary of a fiduciary lessee (or members of such Unit Owner's family, guests or domestic employees), or (e) a principal or employee of such other entity which is a lessee (or members of such Unit Owner's family, guests or domestic employees). "Members of such Unit Owner's family" or words of similar import whenever used herein shall be deemed to mean spouse, parents, parents-in-law, grandparents, brothers, sisters, children, stepchildren and grandchildren and nothing contained herein shall be deemed to prohibit the exclusive occupancy of any Residential Unit by such family members or guests. Notwithstanding the foregoing, the Residential Board may consent to occupancy of a Residential Unit by persons other than those set forth above.

6.14.1.1 The Residential Board, may, in its discretion, grant permission for the use of a Residential Unit as a professional office or for any other purpose, provided such use (1) is permitted by Law, (2) does not violate the then existing certificate of occupancy for such Residential Unit, (3) does not adversely affect the use and enjoyment of neighboring or adjacent Residential Units for residential purposes, and (4) complies with all applicable governmental regulations. Such permission by the Residential Board shall be in writing and shall be personal to the Residential Unit Owner. Any successor in title to such Residential Unit shall be required to obtain the prior written approval of the Residential Board before using such Residential Unit as a professional office or for any other purpose.

6.14.1.2 No portion of a Residential Unit (other than the entire Unit) may be sold, conveyed, leased or subleased, and no transient occupant (other than a guest permitted under this Subsection 6.14.1) may be accommodated therein.

6.14.1.3 Each Residential Unit Owner is obligated to notify the Managing Agent in writing when a child or children under the age of eleven (11) years lives or resides (even temporarily) in the Residential Unit. Each Unit Owner shall be obligated to install, at such Unit Owner's expense, the required window guards in all windows of the Unit. The Residential Unit Owner shall be obligated to Maintain all window guards installed in the Unit and not to remove same until permitted by applicable Law and in any event, without full knowledge of the Managing Agent.

6.14.2 Notwithstanding the provisions of Subsection 6.14.1, Declarant or its designee may, without the permission of the Residential Board, (a) grant permission for the use of any Unsold Residential Unit as a professional office or for any purpose including, without limitation, use as a long or short term rental or other use, provided such use is permitted by Law, does not violate the certificate of occupancy for such Residential Unit (subject to Declarant's right to amend the certificate of occupancy to conform to use as provided in Section 6.14.4 of these By-Laws) and the user of such Unit complies with all applicable governmental regulations with respect to such use, and (b) use any Unsold Residential Units as models and sales and/or promotion offices in connection with the sale or rental of the Units or for any other purpose, subject only to the provisions of the Declaration and these By-Laws and in compliance with applicable Law.

6.14.3 No Unit Owner shall use, store, generate, treat, transport, handle or dispose of within its Unit or elsewhere in the Building any Hazardous Substances, other than ordinary cleaning fluids which are used, stored, generated, treated, transported, handled and disposed of by an Occupant in strict compliance with applicable Law. "Hazardous Substances" means any pollutants, contaminants, toxic or hazardous substances, materials, wastes, constituents, compounds or chemicals (including, without limitation, petroleum or any by-products or fractions thereof, any form of natural gas, lead, asbestos and asbestos-containing materials, building construction materials and debris, polychlorinated biphenyls ("PCBs") and PCB-containing equipment, radon and other radioactive elements, ionizing radiation, electromagnetic field radiation and other non-ionizing radiation, infectious, carcinogenic, mutagenic, or etiologic agents, pesticides, defoliants, explosives, flammables, corrosives and urea formaldehyde foam insulation) that are regulated by, or may now or in the future form the basis of liability under, any Law.

6.14.4 The Non-Residential Units may be used for any purpose permitted by law except that the same shall not be used in any business operation involving the exhibition, sale or rental of pornographic materials, or any obscene or pornographic or commercial sex use or any commercial use involving nude or semi-nude performances or employees, the sale of sexual paraphernalia, massage parlor, peep show store, head shop store, topless or strip club, adult book store (which shall mean a store which primarily sells or offers for sale sexually explicit printed materials, audio or videotapes, films or sexual devices), or any other similar store or adult entertainment facility, use as an operation for the sale of fireworks, or for liquor stores or taverns; a drug treatment clinic, dry cleaning or laundry service except such shall be permitted if cleaning and other services are generally performed on an "off-premises" basis; methadone clinic; drug or alcohol rehabilitation facility, medical testing laboratory or other similar medical facility; exterminating services, tattoo parlor or for lottery ticket sales or gambling. In no event may any Board adopt or enforce any rule or regulation or any amendment to the Declaration or these By-Laws which would have the effect of restricting or limiting the operation of the Non-Residential Units.

6.14.5 Consistent with the foregoing, in the event Declarant or its designee or a Non-Residential Unit Owner seeks to change an existing use, Declarant, its designee and/or such Non-Residential Unit Owner shall have the right, from time to time, to amend the certificate of occupancy for the Non-Residential Building to reflect such changed usage. In the event required by applicable Law, the Condominium Board shall cooperate with the Declarant or its designee or a Non-Residential Unit Owner, at the requesting party's expense, execute all applications, authorizations and other instruments reasonably required to enable the Declarant or its designee or a Non-Residential Unit Owner to amend the certificate of occupancy, provided that the Condominium Board shall not incur any liability, cost or expense in connection with such application or to any person having any claim for injury to person or damage to property arising therefrom. In addition to the foregoing, Declarant or its designee or a Non-Residential Unit Owner shall have the authority to execute the foregoing on behalf of the Boards, in accordance with Section 6.11.3 of these By-Laws.

6.15 Use of Common Elements.

6.15.1 Common Elements may be used only for the furnishing of the services and facilities and for the other uses for which they are reasonably suited.

6.15.2 No furniture, packages or objects of any kind shall be placed in the lobbies, vestibules, public halls, stairways, public elevators or any other parts of the General or Limited Common Elements other than in (a) Residential Limited Common Elements for the exclusive use of a particular Residential Unit Owner or (b) in the areas designated as storage areas, with the prior consent of the Residential Board as to the Residential Common Elements, the Non-Residential Board as to Non-Residential Common Elements or Non-Residential Limited Common Elements or the Condominium Board as to General Common Elements. The lobbies, vestibules, public halls, stairways and public elevators shall be used only for normal passage through them.

6.15.3 Residential Unit Owners shall require their tradesmen to utilize exclusively the elevator and entrance designated by the Residential Board for transporting packages, merchandise or other objects.

6.15.4 In the event that the Condominium Board erects a sidewalk bridge or other scaffolding at the Building, the Condominium Board shall give due regard to the use of the Non-Residential Units at the time in question and shall use best efforts to (i) minimize any disruption to the use of such Non-Residential Units and (ii) not restrict ingress or egress through the exterior doorways to the Non-Residential Units. In furtherance thereof, the Condominium Board agrees to consult with the Non-Residential Unit Owners prior to the installation of such sidewalk bridge or other scaffolding and to permit the Non-Residential Unit Owners to install, at their cost and expense, signs upon the sidewalk bridge and scaffolding.

6.15.5 The Storage Bins may only be used in accordance with Law and only for the storage of the personal effects of the Residential Unit Owner having exclusive access to such Storage Bin and nothing can be stored in the Storage Bins which would constitute a threat to the health or safety of the Unit Owners or other occupants of the Building or otherwise create a nuisance in the Building. The Residential Board will be responsible for assigning the Storage Bins among the Residential Unit Owners. Residential Unit Owners will be responsible for all normal Maintenance to the Storage Bins; however the costs and expenses of any structural or extraordinary repairs or replacements shall be a Residential Common Expense charged to all Residential Unit Owners. The Residential Board has the authority to promulgate rules regarding use of and access to the Storage Bins.

6.15.6 Except pursuant to rules adopted by the Condominium Board, which may not be adopted or amended without the Non-Residential Board's consent, and the terms and provisions of the Declaration and these By-Laws, in no event shall the Condominium Board or Unit Owners impair, restrict or impede the use of the General Common Elements described in the Declaration, by the Non-Residential Unit Owners or anyone claiming by, through or under the Non-Residential Unit Owners including, but not limited to, the tenants and occupants of any portion of the Non-Residential Units or their respective licensees or invitees.

6.15.7 The owner of any two (2) or more Residential Units, which Units are serviced or benefited by any Common Element adjacent or appurtenant to such Units (for example, that portion at the end of any residential hallway which is directly adjacent to any such Units located on opposite sides of such hallway) shall, to the extent permitted by Law and with the consent of the Residential Board (which consent shall not be unreasonably withheld or delayed), have the exclusive right of use of such Common Element as if it were a part of such Units (including the right, in the above example of a portion of a hallway, to enclose such portion) and no amendment to the Declaration nor reallocation of Common Interests shall be made, provided such owner agrees, at its sole cost and expense, to (a) be responsible for the operation and Maintenance of such Common Element for so long as such owner exercises such exclusive right of use, and (b) restore such Common Element to its original condition, reasonable wear and tear excepted, after such owner ceases to exercise such exclusive right of use. The owner of any such Units which are Unsold Residential Units shall have the rights set forth in the preceding sentence without the necessity for obtaining the consent of the Board. Notwithstanding the above, if an owner transfers or conveys its Residential Units to a successor owner, the transferor need not comply with (b) above provided that the transferee agrees to abide by (a) and (b) above.

6.16 **Other Provisions as to Use.** No nuisance shall be allowed in the Residential Section nor shall any use or practice be allowed in the Residential Section which is a source of annoyance to the residents or occupants of the Property or which 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 Residential Section or any portion thereof. All valid Laws of governmental bodies having jurisdiction thereof, relating to any portion of the Property shall be complied with at the full expense of the respective Unit Owners or the Boards, whoever shall have the obligation to maintain or repair such part of the Property. Except as otherwise provided in the Declaration, the Non-Residential Section may be used for any lawful purpose including, without limitation, department and other retail stores, health clubs, theaters, banks, restaurants, commercial and professional offices; and no sale, lease, sublease or use of all or any portion of the Non-Residential Section shall be deemed to adversely affect the Residential Section.

6.17 **Right of Access.**

6.17.1 Each Residential Unit Owner grants a right of access to such Unit Owner's Unit to each of the Boards, the managing agents, managers, superintendents and/or any other person authorized by any of the foregoing. The Non-Residential Unit Owners, upon the same terms and conditions as set forth in Section 6.24.1, and the Residential Unit Owners grant a right of access to their respective Units to each of the Boards, the managing agents, managers, superintendents and/or any other person authorized by any of the foregoing for the purpose of making inspections of, or for the purpose of removing violations noted or issued by any governmental authority against, the General or Limited Common Elements or any other part of the Property, or for the purpose of curing defaults hereunder or under the Declaration or Rules and Regulations by such Unit Owner or correcting any conditions originating in such Unit Owner's Unit and threatening another Unit or all or any part of the General or Limited Common Elements, or for the purpose of performing installations, alterations or repairs to the mechanical or electrical services or other portions of the General or Limited Common Elements within such

Unit Owner's Unit or elsewhere in the Building, or for the purpose of reading, Maintaining or replacing utility meters relating to the General or Limited Common Elements, Unit or any other Unit in the Building or to correct any condition which violates the provisions of any Permitted Mortgage covering another Unit, provided that requests for such entry are made not less than one day in advance and that any such right shall be exercised in such a manner as will not unreasonably interfere with the normal conduct of business by the tenants and occupants of the Non-Residential Units or with the use of the Residential Units for their permitted purposes. In case of an Emergency, such right of entry shall be immediate, without advance notice, whether or not the Unit Owner is present.

6.17.2 Each Unit Owner grants a right of access to such Unit Owner's Unit, and the Boards shall grant rights of access to the General Common Elements and the respective Limited Common Elements to Declarant and its contractors, subcontractors, architects, engineers, agents and employees, for the completion of the Building and any punch list work therein, provided that access thereto shall be exercised upon reasonable notice during reasonable hours in such a manner as will not unreasonably interfere with the use of the Units for their permitted purposes.

6.18 **Rules and Regulations.** Annexed hereto as Schedule A and made a part hereof are rules and regulations (the "Residential Rules and Regulations") concerning the use of the Residential Common Elements and the Residential Limited Common Elements. The Residential Board may from time to time, modify, amend or add to the Residential Rules and Regulations except that a Majority of Residential Unit Owners may overrule such Board with respect to any such modification, amendment or addition. The Residential Board shall also have the authority to promulgate special rules and regulations concerning the use of storage space, if any, for the personal property of the Residential Unit Owners. The Non-Residential Board may adopt and from time to time, modify, amend or add to reasonable Rules and Regulations as they affect the use of the Non-Residential Units, the Non-Residential Common Elements and the Non-Residential Limited Common Elements, except that a Majority of Non-Residential Unit Owners may overrule said Board with respect to any adoption, modification, amendment or addition and provided further that the Non-Residential Unit Owners having exclusive access to the Non-Residential Limited Common Elements, may overrule said board with respect to any adoption, modification, amendment or addition affecting such Non-Residential Unit Owners. The Condominium Board may adopt and from time to time, modify, amend or add to the Rules and Regulations as they affect the General Common Elements, except that a Majority of Unit Owners may overrule said Board with respect to any such adoption, modification, amendment or addition. Copies of any newly adopted Rules and Regulations, or any modifications, amendments or additions thereto, shall be furnished by the Board responsible therefor to each affected Unit Owner not less than thirty (30) days prior to the effective date thereof.

6.19 **Real Estate Taxes, Water Charges and Sewer Rents.** Water and sewer services shall be supplied to and for all of the Units and the Limited Common Elements through one or more building systems by the City of New York or such other utility servicing the Unit. Except to the extent Unit Owners are billed directly by the City Collector, the Condominium Board shall pay all such charges, together with all related sewer rents arising therefrom, promptly after the bills for the same shall have been rendered. The Non-Residential Board shall collect such charges from the Non-Residential Unit Owners based on separate submetering of such Units, and

will remit such amount to the Condominium Board. The remaining costs for the Building will be paid by the Residential Unit Owners and included in Residential Common Charges. Until the Units are separately assessed for real estate tax purposes, the Residential and Non-Residential Unit Owners shall pay their respective pro rata share of all real estate taxes with respect to the Property (in the proportion that the Purchase Price of all Residential Units or Non-Residential Units, as the case may be, bears to the Purchase Price of all Units) to the Condominium Board as Common Charges, which will in turn pay such taxes to the proper authorities of The City of New York. In the case of the Unsold Units, Declarant shall pay to the Condominium Board its allocable share of real estate taxes as Common Charges within two (2) business days of such real estate taxes being due and payable to the property taxing authorities. In the event that the payments made by Unit Owners are less than or more than the amount of taxes paid for the period in question, Unit Owners will be reimbursed for any overpayment of taxes or assessed for an underpayment. In the event of a proposed sale of any Residential Unit, the Residential Board, on request of the selling Residential Unit Owner, shall execute and deliver to the purchaser of such Unit or to such purchaser's title insurance company, a letter agreeing to pay all charges for water, sewer rents and real estate taxes (so long as such Board is still collecting and paying such charges) affecting such owner's Unit to the date of the closing of title to such Unit, promptly after such charges have been billed by the proper authorities.

6.20 Steam. Steam for the Building shall be supplied from the Con Edison steam distribution system and the charges therefor shall be paid by the Condominium Board. The costs incurred by the Condominium Board shall be allocated to the Residential and Commercial Unit Owners as a General Common Charge. At such time as the steam for the Commercial Units is submetered, the Commercial Board will collect such charges from the Commercial Unit Owners based on their respective submetered usages. The remaining Condominium costs will be paid by the Residential Unit Owners and included in Residential Common Charges. Until such time as the Units are submetered, the cost of Steam shall be allocated as set forth in "Schedule B-Projected Budget for First Year of Condominium Operation" in Part I of the Plan.

6.21 Gas. Gas for the Residential Section will be supplied by the utility company servicing the gas distribution system and charges therefor shall be paid by the Residential Board. The cost of gas consumed in the Residential Section will be borne by the Residential Unit Owners as a Residential Common Charge. Gas consumed in the Non-Residential Section will be separately metered and billed directly to each Non-Residential Unit Owner utilizing gas.

6.22 Electricity. Electricity for each Residential and Non-Residential Unit (including tenants occupying portions of the Non-Residential Units) shall be supplied by the utility company servicing the Units and separately metered for each Unit (or portion thereof). Each Unit Owner shall be required to pay the bills for electricity consumed or used in such Unit Owner's Unit (or portion thereof) and the Limited Common Elements to which such Unit has exclusive access, directly to the utility company as directed by such Board. Electricity for the Residential Common Elements shall be supplied through one or more separate meters therefor and the cost thereof will be paid by the Residential Board and will be borne by the Residential Unit Owners as Residential Common Charges.

6.23 Utilities Serving the General Common Elements. Except as otherwise provided in this Article 6, the cost and expense of water, sewer facilities, steam, electricity and

gas serving or benefiting (a) any General Common Element shall be (i) considered part of the expense of maintaining such General Common Element, (ii) determined by the Condominium Board, and (iii) charged as a General Common Expense, (b) any Residential Common Element shall be (i) considered part of the expense of Maintaining such Residential Common Element, (ii) determined by the Residential Board, and (iii) charged as a Residential Common Expense or (c) any Non-Residential Common Element shall be (i) considered part of the expense of Maintaining such Non-Residential Common Element, (ii) determined by the Condominium Board, and (iii) charged as a Non-Residential Common Expense. Any dispute as to the amount of such cost or expense shall be determined by Arbitration.

6.24 Abatement and Enjoinment of Violations by Unit Owners.

6.24.1 The violation of any of the Rules and Regulations or the breach of any By-Law contained herein, or the breach of any provision of the Declaration, shall give (a) the Condominium Board with respect to matters affecting the General Common Elements, (b) the Residential Board with respect to matters affecting the Residential Section, and (c) the Non-Residential Board with respect to matters affecting the Non-Residential Section, the right, in addition to such other rights set forth in these By-Laws, (i) to enter any Residential Unit or Non-Residential Unit or General or Limited Common Element in which, or as to which, such violation or breach exists and to summarily abate and remove, at the expense of the defaulting Unit Owner, any structure, thing or condition resulting in such violation or breach and such Board shall not thereby be deemed guilty or liable in any manner of trespass, or (ii) to enjoin, abate or remedy by appropriate legal proceedings, either at Law or in equity, the continuance of any such violation or breach.

6.24.2 The violation or breach of any of the provisions of these By-Laws, any of the Rules and Regulations or the Declaration with respect to any rights, easements, privileges or licenses granted to Declarant or its designee shall give to Declarant and the owner of any Unsold Residential Unit the right, in addition to any other rights set forth in these By-Laws or the Declaration, to enjoin, abate or remedy by appropriate legal proceedings, either at Law or in equity, the continuance of any such violation or breach.

6.24.3 In the event Condominium Board, the Residential Board, the Non-Residential Board and/or the Declarant (hereinafter the "Creditor Party") takes any action or brings any proceeding against a Unit Owner (hereinafter the "Defaulting Unit Owner") pursuant to the provisions of this Section, the Defaulting Unit Owner shall reimburse the Creditor Party for all reasonable costs and charges incurred by the Creditor Party in connection therewith, including without limitation, attorneys fees, together with all reasonable out-of-pocket costs and expenses incurred by the Creditor Party, together with interest on all of the foregoing at the rate of interest of 1.5% per month (but in no event in excess of the maximum rate permitted by Law) from the date of the payment or performance of the service by the Creditor Party or due date (if otherwise provided herein), until fully paid by the Defaulting Unit Owner. The Creditor Party may bill the Defaulting Unit Owner therefor at any time. Funds expended by the Creditor Party plus interest earned thereon, as aforesaid, shall be deemed a charge assessed against the Defaulting Unit Owner's Unit and the failure to make such reimbursement shall be deemed a default in the payment of Common Charges subject to the provisions governing such defaults as

set forth in the Condominium Act and the By-Laws and the Condominium Board, upon receipt of such funds from the Defaulting Party shall promptly reimburse the Creditor Party.

ARTICLE 7

MORTGAGES

7.1 Notice to Boards. A Unit Owner who mortgages such Unit Owner's Unit, or the holder of any mortgage encumbering such Unit, shall notify the Residential Board in the case of a Residential Unit or the Non-Residential Board in the case of all or a portion of any Non-Residential Unit, of the name and address of the mortgagee and shall file a conformed copy of the note and mortgage with such Board. The mortgage secured by a Residential Unit shall be substantially in the form of the New York Board of Title Underwriters or such other forms customarily used by lenders making loans secured by individual residential condominium units. Such Unit Owner shall, prior to making such mortgage, satisfy all unpaid liens against such Unit Owner's Unit other than Permitted Mortgages. A Unit Owner who satisfies a mortgage covering such Unit Owner's Unit shall so notify the applicable Board and shall file a conformed copy of the satisfaction of mortgage with such Board. Each of such Boards shall maintain such information in a book entitled "Mortgages of Units."

7.2 Notice of Default and Unpaid Common Charges. Whenever so requested in writing by a Permitted Mortgagee of any Unit, the Residential Board with respect to Permitted Mortgagees of Residential Units and the Non-Residential Board with respect to Permitted Mortgagees of any Non-Residential Unit, shall promptly report to such Permitted Mortgagee any default in the payment of Residential Common Charges or Non-Residential Common Charges, as the case may be, or any other default by the Unit Owner of such Unit under the provisions of the Declaration or these By-Laws which of which such Board may have received notice.

7.3 Performance by Permitted Mortgagees. The Residential Board, Non-Residential Board or Condominium Board, as the case may be, shall accept, by any Permitted Mortgagee of a Unit Owner, payment of any sum or performance of any act required to be paid or performed by such Unit Owner pursuant to the provisions of the Declaration, these By-Laws or the Rules and Regulations, with the same force and effect as though paid or performed by such Unit Owner. The Condominium Board or the Non-Residential Board, as the case may be, shall accept, by any Permitted Mortgagee of Declarant or a Non-Residential Unit Owner, payment of any sum or performance of any act required to be paid or performed by such Non-Residential Unit Owner or Declarant pursuant to the provisions of the Declaration, these By-Laws or the Rules and Regulations, with the same force and effect as though paid or performed by such Non-Residential Unit Owner or Declarant and in such event the Permitted Mortgagee shall be entitled to an additional ten (10) day period after expiration of applicable notice and cure periods, within which to cure any monetary default by a Unit Owner hereunder and an additional thirty (30) days after expiration of applicable notice and cure periods; provided however, that in the case of a non-monetary default that cannot, in the exercise of diligence, be cured within such the thirty (30) day period, the Permitted Mortgagee shall have such time as is reasonably necessary to cure such non-monetary default (including any time reasonably necessary to obtain possession of the Property covered by such Permitted Mortgage if possession is necessary to enable such Permitted Mortgagee to cure or remedy such default or event of

default) provided that such Permitted Mortgagee proceeds with all due diligence to cure or remedy such breach or default and/or obtain possession. In the event that more than one Permitted Mortgage is secured by a Unit, the senior Permitted Mortgagee shall be entitled to take all actions permitted under this Article unless all the Permitted Mortgagees otherwise designate a different Permitted Mortgagee to so act, by notice to the Condominium Board.

7.4 Examination of Books. Each Unit Owner and Permitted Mortgagee shall be permitted to examine the books of account of the Condominium (including, in the case of Residential or Non-Residential Unit Owners and Permitted Mortgagees thereof, the books of account of the Residential Section or the Non-Residential Section, as the case may be) at reasonable times, on business days, but not more than once a month.

7.5 Representatives of Mortgagees.

7.5.1 In the manner more particularly set forth in Subsection 7.4.2, the holders of Permitted Mortgages (as hereinafter defined) secured by Residential Units, may, at their election, designate one (1) or more (but not more than three (3)) representatives ("Residential Mortgage Representatives") who shall be empowered to act on behalf of all holders of Permitted Mortgages, with respect to any matter requiring their consent or approval under the Declaration or these By-Laws. If any Residential Mortgage Representatives are so designated and notice thereof is given to the Residential Board, the act of any such Representative (or a majority of such Representatives if more than one is so designated) shall be deemed binding upon the holders of all Permitted Mortgages. As used herein the term "Permitted Mortgage" means any first mortgage covering a Unit or Units, the initial holder of which is (i) Declarant or its designee (ii) a savings bank, savings and loan association, bank or trust company, insurance company, real estate investment trust, investment or finance company, mortgage trust or other entity which is in the business of providing loans secured by condominium units, or (iii) a federal, state, municipal, teacher's or union employee, welfare, pension or retirement fund or system.

7.5.2 Any designation of a Residential Mortgage Representative made by the holders of Institutional Residential Mortgages, constituting a majority in principal amount of all Institutional Residential Mortgages shall be binding upon the holders of all Institutional Residential Mortgages. Any such designation of any Residential Mortgage Representative shall remain effective until (a) any subsequent designation thereof is made pursuant to the provisions hereof, and (b) notice of such subsequent designation is given to the appropriate Board. Unless otherwise required by Law, all Permitted Mortgagees other than holders of an Institutional Residential Mortgage, shall have no right to participate in the selection of Residential Mortgage Representatives, but such Permitted Mortgagees shall be subject to all determinations made by such Residential Mortgage Representatives pursuant to the Declaration or these By-Laws.

7.6 Consent of Mortgagees. 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 any Board, officer or Unit Owner; provided, however, that nothing contained herein shall be deemed to limit or affect the rights of any mortgagee against such Unit Owner's mortgagor.

ARTICLE 8**SELLING, LEASING AND MORTGAGING OF UNITS**

8.1 **Selling and Leasing.** No Residential Unit Owner, other than Declarant or its designee may sell or lease such Unit Owner's Unit except by complying with the following provisions.

8.1.1 Any Residential Unit Owner who receives a bona fide offer to (a) purchase such Unit Owner's Residential Unit together with its appurtenant Common Interest, or (b) lease such Unit Owner's Residential Unit (such offer to purchase or lease a Residential Unit, as the case may be, is called an "Outside Offer," the party making any such Outside Offer is called an "Outside Offeror" and the Residential Unit Owner to whom the Outside Offer is made is called an "Offeree Unit Owner"), which the Offeree Unit Owner intends to accept, shall give notice by certified or registered mail, return receipt requested, to the Residential Board and Declarant ("Inside Offeror") of the receipt of such Outside Offer. Said notice shall include the name and address of the Outside Offeror, the terms of the proposed transaction (including, but not limited to, the intended closing date in the event of a purchase or intended occupancy date in the event of a lease) and such other information as the Inside Offeror may reasonably require. The giving of such notice to the Inside Offeror, on behalf of all the Unit Owners represented by such Board, together with a copy of the fully executed contract of sale for such Unit, shall constitute an offer by the Offeree Unit Owner to sell such Unit Owner's Residential Unit together with its appurtenant Common Interest or to lease such Unit Owner's Residential Unit to the Inside Offeror, or its respective designee, corporate or otherwise, upon the same terms and conditions as contained in such Outside Offer and shall also constitute a representation and warranty by the Offeree Unit Owner to the Inside Offeror acting on behalf of all Residential Unit Owners that the Offeree Unit Owner believes the Outside Offer to be bona fide in all respects. The Offeree Unit Owner shall submit in writing such further information with respect thereto as the Inside Offeror may reasonably request. Not later than twenty (20) days after receipt of such notice together with such information as may have been requested, either of the Inside Offeror may elect, by sending written notice to such Offeree Unit Owner before the expiration of said twenty (20) day period, by hand delivery or by certified or registered mail, return receipt requested, to purchase such Residential Unit together with its appurtenant Common Interest or to lease such Residential Unit, as the case may be (or to cause the same to be purchased or leased by its designee, corporate or otherwise), in the case of the Residential Board, on behalf of all Unit Owners represented by the Residential Board, upon the same terms and conditions as contained in the Outside Offer and as stated in the notice from the Offeree Unit Owner.

8.1.2 In the event an Inside Offeror shall timely elect to purchase a Residential Unit together with its appurtenant Common Interest or to lease such Residential Unit or to cause the same to be purchased or leased by its designee, corporate or otherwise, then (a) with respect to a purchase, title shall close at the office of the attorneys for the Inside Offeror in accordance with the terms of the Outside Offer, within forty-five (45) days after the giving of notice by the Inside Offeror of its election to accept such offer and (b) with respect to a lease, the lease, upon the terms set forth in the Outside Offer, shall be executed and deemed effective on the date the Residential Board elects to accept such offer. Notwithstanding the foregoing, in the event that the closing date with respect to a purchase or the commencement date of the term of the lease, as

the case may be, set forth in the Outside Offer, shall be later than forty-five (45) days after the giving of notice by an Inside Offer's election to accept the aforesaid offer, the Inside Offeror shall be required to perform or cause to be performed all of the terms of the Outside Offer (except as otherwise expressly set forth in this Article 8) including, but not limited to, payment of a Deposit or advance rentals and security deposits, as the case may be, and such closing of title or the commencement of the term of the lease shall be the date set forth in the notice to the Inside Offeror referred to in 8.1.1 as the intended closing date or commencement date, as the case may be. If pursuant to such Outside Offer, the Outside Offeror was to assume or take title to the Residential Unit subject to the Offeree Unit Owner's existing mortgage or mortgages, the Inside Offeror may purchase the Residential Unit and assume or take title to the Residential Unit subject to said existing mortgage or mortgages, as the case may be. At the closing, the Offeree Unit Owner, if such Residential Unit together with its appurtenant Common Interest is to be sold, shall convey the same to the Inside Offeror, or to its designee, corporate or otherwise, on behalf of all Residential Unit Owners, by deed in the form required by Section 339 of the Real Property Law of the State of New York, with all tax and/or documentary stamps affixed at the expense of such Offeree Unit Owner, who shall also pay all other taxes arising out of such sale. Real estate taxes (including water charges and sewer rents if separately assessed), mortgage interest, if any, and Common Charges shall be apportioned between the Offeree Unit Owner and the Inside Offeror, or its designee, corporate or otherwise, as of the closing date. In the event such Residential Unit is to be leased, the Offeree Unit Owner shall execute and deliver to the Inside Offeror, or to its designee, corporate or otherwise, a lease between the Offeree Unit Owner, as landlord, and the Inside Offeror, or its designee, corporate or otherwise, as tenant, covering such Residential Unit, for the rental and term contained in such Outside Offer.

8.1.3 In the event an Inside Offeror or its designee shall fail to accept such offer within twenty (20) days after receipt of notice, as aforesaid, the Offeree Unit Owner shall have an additional sixty (60) days to accept the Outside Offer by executing and delivering a contract or lease, as the case may be. In the event the Offeree Unit Owner shall not, within such 60-day period, accept in writing the Outside Offer, or if the Offeree Unit Owner shall accept the Outside Offer within such 60-day period but such sale or lease, as the case may be, shall not be consummated within an additional sixty (60) days following the expiration of such 60-day period, then, should such Offeree Unit Owner thereafter elect to sell such Residential Unit together with its appurtenant Common Interest or to lease such Residential Unit, as the case may be, the Offeree Unit Owner shall be required to again comply with all the terms and provisions of this Section 8.1. Notwithstanding the foregoing, an Inside Offeror, in its discretion, may waive the Offeree Unit Owner's obligation to comply with either or both of the 60-day periods described herein or may extend either or both such periods, provided that such waiver or extension shall only be effective if in writing.

8.1.4 Any deed to an Outside Offeror shall be deemed to provide that the acceptance thereof by the grantee shall constitute an assumption of the provisions of the Declaration, these By-Laws and the Rules and Regulations, as the same may be amended from time to time.

8.1.5 Any lease executed in connection with the acceptance of any Outside Offer to lease a Residential Unit shall be consistent with these By-Laws and shall provide that it may not be materially modified, amended or extended without the prior consent in writing of the

Residential Board, that the tenant shall not assign such Unit Owner's interest in such lease or sublet the demised premises or any part thereof without the prior consent in writing of the Residential Board and that the Residential Board, if permitted by applicable Law, shall have 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 (i) a default by the tenant in the performance of its obligations under such lease, or (ii) a foreclosure of the lien granted by Section 339-z of the Real Property Law of the State of New York.

8.1.6 Except as hereinbefore set forth, the form of any such lease executed by the Residential Board or an Outside Offeror shall be a printed, reasonably applicable form of residential lease which is generally approved by the Board which governs the Unit to be leased and is accepted in New York City, such as an appropriate Real Estate Board of New York, Inc. or Blumberg form, and shall contain such modifications as shall be approved in writing by the Residential Board. Any lease executed by the Residential Board as tenant shall provide that the Residential Board may enter into a sublease of the premises without the consent of the landlord.

8.1.7 The foregoing restrictions of this Section 8.1 shall not apply to Unsold Residential Units, or Units rented to or by Declarant or its designee, or the Non-Residential Units (or any non-residential condominium units into which the Non-Residential Units may hereafter be divided). Declarant or its designee, and the Non-Residential Unit Owners shall have the right to freely sell their respective Units, or to freely lease all or any part of the Unsold Residential Units or the Non-Residential Units, as the case may be, without having to first offer the same for sale or lease to any Board or pay any fees or costs to any Board.

8.2 Consent of Residential Unit Owners to Purchase or Lease of Residential Units by Residential Board. The Residential Board shall not exercise any option hereinabove set forth to purchase or lease any Residential Unit without the prior approval of a Majority of Residential Unit Owners and subject to the right of the Declarant to veto such purchase or lease in accordance with these By-Laws. However, the Residential Board shall have the right to release or waive such option without the prior approval of a Majority of Residential Unit Owners.

8.3 Sovereign Immunity. Notwithstanding anything to the contrary set forth above, before any Residential Unit is conveyed to a government or governmental mission, or to a department, agency or consulate of a government, or to any other party who or which may be entitled under applicable laws, conventions or treaties (including, without limitation, the United States Foreign Sovereign Immunities Act as same may be amended) to any present or future claim to any immunity, whether characterized as sovereign immunity or otherwise (or diplomatic or consular immunity, if applicable), from any legal or equitable proceedings in the United States of America or elsewhere, the Residential Board may require that the potential grantee enter into an agreement with the Residential Board, on terms acceptable to the Residential Board and its counsel, in which the potential grantee (i) agrees to a specified arrangement for service of process, (ii) expressly and irrevocably waives, to the full extent permitted by law (including, without limitation, the United States Foreign Sovereign Immunities Act, as same may be amended), with respect to the potential grantee, and with respect to any and all other intended occupants of the Unit, any present or future claim to any immunity, whether characterized as sovereign immunity or otherwise, (and diplomatic and consular immunity, if applicable) from

any legal or equitable proceedings in the United States of America or elsewhere, brought by the Residential Board or any other party claiming with respect to the Unit (including without limitation, immunity from service of process, immunity from jurisdiction of any court or tribunal, and immunity of any of that party's property from attachment prior to entry of judgment and from attachment in aid of execution, and from execution itself, upon a judgment), (iii) agrees that any legal action or proceeding with respect to the Unit may be brought in the courts of the State of New York, and in the City of New York, or in the United States District Court for the Southern District of New York, as the Residential Board shall elect, and (iii) permits execution and enforcement of any judgment obtained by the Residential Board. The foregoing provisions do not apply to sales of Unsold Residential Units.

8.4 No Severance of Ownership.

8.4.1 No Unit Owner shall execute any deed, mortgage or other instrument conveying or mortgaging title to such Unit Owner's Unit without including therein its appurtenant Common Interest, it being the intention to prevent any severance of such combined ownership. Any such deed, 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. No part of the Common Interest appurtenant to 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 interest is appurtenant or as part of a sale, conveyance or other disposition of such part of the appurtenant Common Interests of all Units. Nothing in this Section 8.3 shall permit the lease of any Unit without the simultaneous lease of its appurtenant Common Interest.

8.4.2 Notwithstanding anything to the contrary set forth in the Declaration or these By-Laws, in the event a Non-Residential Unit is subdivided into Non-Residential Units, each of which constitutes an individual storage space for the storage of materials, such Non-Residential Units can only be sold to another Residential Unit Owner, to the Condominium Board or Residential Board or to a party who is simultaneously acquiring a Residential Unit. Declarant or its designee shall be entitled to lease or sell any such Non-Residential Units to a any party whether or not a Residential Unit Owner.

8.5 Release by Residential Board of Right of First Refusal. The right of first refusal contained in 8.1 may be released or waived by each Inside Offeror only in the manner provided in Section 8.5. In the event an Inside Offeror shall release or waive its right of first refusal as to any Residential Unit, such Residential Unit together with its appurtenant Common Interest may be sold, conveyed or leased, free and clear of the provisions of Subsections 8.1.1 and 8.1.2, provided that such sale, conveyance or lease occurs within any applicable time periods required pursuant to Subsection 8.1.3.

8.6 Certificate of Termination of Right of First Refusal. A certificate executed by an officer of the Residential Section stating that the provisions of Subsection 8.1.1 have been met by a Residential Unit Owner or stating that the right of first refusal contained therein has been duly released or waived by the Inside Offeror, and that as a result thereof the rights of the Inside Offeror thereunder have terminated (provided that any sale, conveyance or lease occurs within any applicable time periods required pursuant to Subsection 8.1.3), shall be conclusive upon the

Inside Offeror and the Residential Unit Owners in favor of all persons who rely on such certificate in good faith. Each Inside Offeror shall furnish such certificate upon request to any Residential Unit Owner with respect to whom the provisions of Subsection 8.1.1 have, in fact, terminated.

8.7 Financing of Purchase of Residential Units by Residential Board. The purchase of any Residential Unit by the Residential Board or its designee, on behalf of all Residential Unit Owners, may be made from the funds deposited in the capital and/or expense accounts of the Residential Board. If the funds in such accounts are insufficient to effectuate any such purchase, the Residential Board may levy an assessment against each Residential Unit Owner in proportion to such Unit Owner's respective Common Interest, as a Common Charge, and/or the Residential Board may, in its discretion, finance the acquisition of such Unit; provided, however, that no such financing may be secured by an encumbrance or hypothecation of any portion of the Property other than the Unit to be purchased together with its (their) appurtenant Common Interest(s).

8.8 Exceptions. The provisions of Section 8.1 shall not apply with respect to any lease, sale or conveyance of any Residential Unit together with its appurtenant Common Interest by (a) the Unit Owner thereof to such Unit Owner's spouse, adult children or grandchildren, parents, grandparents, adult siblings or to any one or more of them or to any affiliate of the Unit Owner thereof, (b) Declarant or its designee, (c) the Residential Board, (d) 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 (e) a Permitted Mortgagee or such Unit Owner's nominee, who has acquired title to any Residential Unit at any foreclosure sale of such Unit Owner's 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 such Unit Owner's Residential Unit subject to, the provisions of this Article 8. In addition, the provisions of Section 8.1 shall not apply to any lease, sale or conveyance of the Non-Residential Units or any part thereof. The term "affiliate" shall be deemed to be an individual or entity which owns more than fifty percent (50%) of the beneficial interest of such Unit Owner, or an entity with respect to which such Unit Owner owns more than fifty percent (50%) of the legal and beneficial interest. In the event a Unit Owner is not a natural person, the provisions of Section 8.1 shall apply to any lease, sale or conveyance of the beneficial or legal ownership of such Residential Unit Owner to any party which is not an affiliate of the Residential Unit Owner.

8.9 Gifts and Devises, etc. Any Residential Unit Owner shall be free to convey or transfer such Unit Owner's Residential Unit by gift, or may devise such Unit Owner's Residential Unit by will or have such Unit Owner's Residential Unit pass by intestacy, without being subject to the restrictions of Section 8.1; provided, however, that each succeeding Residential Unit Owner shall be bound by, and such Unit Owner's Residential Unit shall remain subject to, the provisions of this Article 8.

8.10 Storage Bins. A Unit Owner may assign its Storage Bin License only to another Unit Owner. Upon conveyance of a Unit, the Residential Board will enter into a new Storage Bin License with the transferee of such Unit, in such form then required by the Residential Board. A Unit Owner may lease a Storage Bin, but only to another Unit Owner, the Residential

Board or Declarant, as the case may be and only under such terms as may be required by the Residential Board. In no event may a Unit Owner retain use or rights to a Storage Bin after conveyance or transfer of such Unit Owner's Unit. In the event a Residential Unit Owner elects to terminate a Storage Bin License and does not transfer same to another Residential Unit Owner, the rights to the Storage Bin in question will devolve to the Residential Board which shall have the right to issue a new Storage Bin License to another Residential Unit Owner in its sole discretion.

8.11 Unauthorized Sales or Leases of Residential Units. Any purported sale or lease of a Residential Unit consummated in violation of Sections 8.1, 8.3 or 8.4 shall be voidable at the election of the Residential Board and if the Residential Board shall so elect, the Residential Unit Owner shall be deemed to have authorized and empowered the Residential Board to institute legal proceedings to eject the purported purchaser (in case of an unauthorized sale) or to evict the purported tenant (in case of an unauthorized leasing), in the name of the said Residential Unit Owner as the owner or landlord, as the case may be. Said Residential Unit Owner shall reimburse the Residential Board for all expenses (including attorneys' fees and disbursements) incurred in connection with such proceedings.

8.12 Charges Imposed on Sale or Lease of Residential Units. If permitted by Law, the Residential Board shall be entitled to fix by resolution and collect, before any sale or lease of a Residential Unit is consummated, a reasonable charge to cover its expenses, and any fees due the Managing Agent or any attorney retained by the Residential Board, in connection with the sale or lease.

8.13 Power of Attorney. At the time of acquiring title to a Residential Unit and as a condition thereof, the new Unit Owner shall duly execute, acknowledge and make arrangements for recording in the City Register's Office, the Power of Attorney required by Article 17 of the Declaration, in the form set forth as Exhibit E to the Declaration.

8.14 Notices Concerning Residential Unit Occupancy. Within five (5) days following acquisition of a Residential Unit or the commencement of a lease relating thereto, the new Unit Owner or lessor, as the case may be, shall notify the Managing Agent of the Unit involved, the name of the purchaser or lessee and the names of the individuals, as permitted by the By-Laws, who will be using or occupying the Unit. The individuals so designated may be changed by the purchaser or lessor, from time to time, by further notice to the Managing Agent.

8.15 Waiver of Right of Partition with Respect to Units Acquired on Behalf of Unit Owners as Tenants-in-Common. In the event that any Unit shall be acquired by the Residential Board or the Non-Residential Board, or their respective designees, corporate or otherwise, on behalf of all Residential Unit Owners or all Non-Residential Unit Owners, as the case may be, as tenants-in-common, all such Unit Owners shall be deemed to have waived all rights of partition with respect to such acquired Unit as herein provided.

8.16 Payment of Assessments. No Residential Unit Owner shall be permitted to convey, mortgage, pledge, hypothecate or lease such Unit Owner's Residential Unit unless and until the Unit Owner shall have paid in full to the appropriate Board all unpaid Common Charges theretofore assessed by said Board against such Residential Unit and until such Residential Unit

Owner shall have satisfied all unpaid liens against such Unit Owner's Residential Unit other than Permitted Mortgages.

8.17 Mortgage of Units. Subject to Article 7 and this Section 8.17, each Unit Owner shall have the right to mortgage such Unit Owner's Unit without restriction, provided that, with respect to any mortgage covering a Residential Unit, the Residential Unit Owner making such mortgage shall notify in writing the Residential Board of the making of such mortgage.

8.18 Lease or Purchase of Residential Unit or Other Apartment for Superintendent's/Resident Manager Residence. The Residential Board or the Condominium Board shall have the right to lease or purchase and finance the purchase of a Residential Unit or other apartment for the resident manager's unit (whether or not in the Building) and shall have the right to amend, modify, extend, renew and otherwise deal in any way with respect to any such lease, purchase or financing without the approval of a Majority of Unit Owners.

ARTICLE 9

CONDEMNATION

In the event of the taking in condemnation or by eminent domain of all or any part of the General or Limited Common Elements, each Board, subject to the provisions set forth below, will arrange for the prompt repair and restoration of such part of the General or Limited Common Elements so taken which, pursuant to the provisions of these By-Laws, are required to be maintained by such Board. The award made for any such taking shall be payable to the Board responsible for the repair and restoration thereof, as aforesaid; provided, however, that if any such award exceeds \$1,000,000, such award shall be payable to the Insurance Trustee and shall be disbursed to the contractors engaged in such repair and restoration, if any, in appropriate progress payments. If the net proceeds of any such award are insufficient to cover, or if such net proceeds exceed the cost of any repairs and restorations, the deficit or surplus, as the case may be, will be (a) borne and shared by all Unit Owners with respect to any taking of the General Common Elements pro rata, as follows: first, to the Residential Unit Owners and the Non-Residential Unit Owners in accordance with their respective Common Interests; thereafter, each Board shall allocate such deficit or surplus, as the case may be, pro rata, to the Residential Unit Owners and to the Non-Residential Unit Owners, respectively, in accordance with their respective Common Interests; (b) borne and shared by all Residential Unit Owners with respect to any taking of the Residential Common Elements pro rata in accordance with their Common Interests; and (c) borne and shared by all Residential Unit Owners having exclusive access to the Residential Limited Common Elements pro rata in accordance with their respective interest in such Residential Limited Common Interests; (d) borne and shared by all Non-Residential Unit Owners with respect to any taking of the Non-Residential Common Elements pro rata in accordance with their Common Interests, and (e) borne and shared by all Non-Residential Unit Owners having exclusive access to the Non-Residential Common Elements with respect to any taking of the Non-Residential Limited Common Elements pro rata in accordance with respective interest in such Non-Residential Limited Common Interests. Notwithstanding any provisions contained herein to the contrary, in the event that (1) seventy-five percent (75%) of all Residential Unit Owners and/or seventy-five percent (75%) of all Non-Residential Unit Owners do not duly and promptly resolve to proceed with such repair or restoration of their respective

Limited Common Elements, or (2) seventy-five percent (75%) of all Unit Owners do not duly and promptly resolve to proceed with such repair and restoration of the General Common Elements, then such repairs or restorations of the Limited Common Elements and/or General Common Elements shall not be made and the net proceeds of any such award with respect thereto shall be divided among the Unit Owners pro rata in the same manner as is set forth in (a), (b) and (c) above, after first paying out of the share of each Unit Owner the amount of any unpaid liens on such Units other than mortgages which are not Permitted Mortgages. As used in this Article 9 the words "promptly resolve" shall mean not more than sixty (60) days from the date of such taking. Any dispute between any Boards under this Article 9 shall be settled by Arbitration.

ARTICLE 10

RECORDS AND AUDITS

10.1 Records. Each Board or the managing agent for that Board, if any, shall keep detailed records of the actions of such Board, minutes of the meetings of such Board, minutes of the meetings of the Unit Owners for whom such Board serves and financial records and books of account with respect to the activities of such Board, including a listing of all receipts and expenditures. In addition, the Residential Board shall keep a separate account for each Residential Unit, which, among other things, shall contain the amount of each assessment of Common Charges made by the Residential Board against each such Unit, the date when due, the amounts paid thereon and the balance, if any, remaining unpaid.

10.2 Audits. Within four (4) months after the end of each fiscal year, an annual report of receipts and expenditures prepared and certified by an independent certified public accountant shall be submitted by (a) the Residential Board to all Residential Unit Owners, (b) the Non-Residential Board to all Non-Residential Unit Owners, and (c) the Condominium Board to the Residential Board and the Non-Residential Board, and, if so requested, to any Permitted Mortgagee, as the case may be. The cost of such report submitted by (1) the Residential Board, shall be paid by the Residential Unit Owners as a Residential Common Expense, (2) the Non-Residential Board, shall be paid by the Non-Residential Unit Owners as a Non-Residential Common Expense, and (3) the Condominium Board shall be paid by the Residential Board and the Non-Residential Board as a General Common Expense.

10.3 Availability 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, except that Unit Owners and their authorized agents may not be permitted to inspect same in excess on one (1) time per month.

ARTICLE 11

ARBITRATION

11.1 General Procedure. Any arbitration provided for in these By-Laws shall be conducted in accordance with the provisions of this Article 11 (an "Arbitration"). Each Arbitration shall be conducted before one (1) arbitrator in New York City by the American Arbitration Association or any successor organization thereof, in accordance with its rules then in effect and the decision rendered in such Arbitration shall be binding upon the parties and may be entered in any court having jurisdiction. In the event that the American Arbitration Association is not then in existence and has no successor, any arbitration hereunder shall be conducted in New York City before one arbitrator appointed, on application of any party, by any justice of the highest court of appellate jurisdiction located in the County of New York having jurisdiction over the matter. The decision of the arbitrator so chosen shall be given within ten (10) days after such arbitrator's appointment. Any arbitrator appointed or selected in connection with any Arbitration under this Article 11 shall be a lawyer or real estate owner, developer, or manager familiar with condominium properties and having general legal or real estate experience, as the case may be, of not less than fifteen (15) years.

11.2 Costs and Expenses. The fees, costs and expenses of the arbitrator will be borne by the losing party in the Arbitration or, if the position of neither party to the dispute will be substantially upheld by the arbitrator, such fees, costs and expenses will be borne equally by the disputants unless otherwise set by the arbitrator. Each disputant will also bear the fees and expenses of such Unit Owner's counsel and expert witnesses. 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, will constitute General Common Expenses.

11.3 Agreement by Parties. The parties to any dispute required or permitted to be submitted to Arbitration hereunder may, by mutual agreement between them, vary any of the provisions of Section 11.1 with respect to the Arbitration of such dispute, or may agree to resolve their dispute in any other manner, including, without limitation, the manner set forth in Section 3031 of the New York Civil Practice Law and Rules and known as the "New York Simplified Procedure for Court Determination of Disputes."

ARTICLE 12

MISCELLANEOUS

12.1 Waiver. No provision contained in these By-Laws or the Rules and Regulations shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

12.2 Captions. The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of these By-Laws nor the intent of any provision hereof.

12.3 Certain References.

12.3.1 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.

12.3.2 The terms "herein," "hereof" or "hereunder" or similar terms used in these By-Laws refer to these entire By-Laws and not to the particular provision in which the terms are used, unless the context otherwise requires.

12.3.3 Unless otherwise stated, all references herein to Articles, Sections or other provisions are references to Articles, Sections or other provisions of these By-Laws.

12.4 **Severability.** Subject to the provisions of the Declaration, if any provision of these By-Laws is invalid or unenforceable as against any person, party or under certain circumstances, the remainder of these By-Laws and the applicability of such provision to other persons, parties or circumstances shall not be affected thereby. Each provision of these By-Laws shall, except as otherwise herein provided, be valid and enforced to the fullest extent permitted by Law. In the event any provision of these By-Laws or the Rules and Regulations conflicts with the provisions of the Declaration, the provisions of the Declaration shall control.

12.5 **Insurance Trustee.** The Insurance Trustee shall be a bank or trust company in The City of New York, designated by the Condominium Board and having a capital surplus and undivided profits of \$500,000,000 or more. In the event the Insurance Trustee resigns or the Condominium Board wishes to replace it, the Condominium Board shall promptly appoint a new Insurance Trustee. The Condominium Board shall pay the fees and disbursements of any Insurance Trustee and such fees and disbursements shall constitute a General Common Expense. The Insurance Trustee shall hold all such proceeds in accordance with Section 254(4) of the Real Property Law of the State of New York. If required by Declarant's construction or permanent lender, such lender shall be the Insurance Trustee until its release of all Units from the lien of its mortgage.

12.6 **Successors and Assigns.** Except as set forth herein or in the Declaration to the contrary, the rights and/or obligations of Declarant or its designee as set forth herein shall inure to the benefit of and be binding upon any successor or assign of Declarant or its designee or, with the consent of Declarant or its designee, any transferee of some or all then Unsold Residential Units then owned by Declarant or its designee, as the case may be. The rights and/or obligations of the Non-Residential Unit Owners as set forth herein shall inure to the benefit of and be binding upon any successors or assigns of the Non-Residential Unit Owners. Subject to the foregoing, Declarant, its designee, and/or the Non-Residential Unit Owners, as the case may be, shall have the right, at any time in their sole discretion, to assign or otherwise transfer their respective interests herein, whether by sale, merger, consolidation, lease, assignment or otherwise.

12.7 Covenant of Further Assurances.

12.7.1 Any party which is subject to the terms of these By-Laws, whether such party is a Unit Owner, a lessee or sublessee of a Unit Owner, an occupant of a Unit, a member or

officer of any Board, or otherwise, shall, upon prior reasonable written request at the expense of any such other party requesting the same, execute, acknowledge and deliver to such other party such instruments, in addition to those specifically provided for herein, and take such other action, as such other party may reasonably request to effectuate the provisions of these By-Laws or of any transaction contemplated herein or to confirm or perfect any right to be created or transferred hereunder or pursuant to any such transaction.

12.7.2 If any Unit Owner or other party which is subject to the terms of these By-Laws fails, within ten (10) days after request therefor, either (i) to execute, acknowledge or deliver any instrument, or to take any action which such Unit Owner or party is required to execute, acknowledge and deliver or to take pursuant to these By-Laws, or (ii) to deliver a written notice to the party requesting such execution, acknowledgment or delivery, and to the Board representing such Unit Owners, stating the reasons why such Unit Owner or other party refuses to execute, acknowledge or deliver such instrument or take such action, then the Board which represents such Unit Owner, or other party is hereby authorized, as attorney-in-fact for such Unit Owner or other party, 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 party and such document or action shall be binding on such Unit Owner or other party.

12.7.3 If any Unit Owner, Board or other party which is subject to the terms of these By-Laws fails, within ten (10) days after request therefor, either (i) to execute, acknowledge or deliver any instrument, or to take any action which such Unit Owner, Board or party is required to execute, acknowledge and deliver or to take pursuant to these By-Laws at the request of Declarant or its designee, or (ii) to deliver a written notice to Declarant or its designee, as applicable, and to the Board representing such Unit Owners stating the reasons why such Unit Owner, Board or other party refuses to execute, acknowledge or deliver such instrument or take such action, then Declarant or its designee is hereby authorized, as attorney-in-fact for such Unit Owner, Board or other party, coupled with an interest, to execute, acknowledge and deliver such instrument, or to take such action, in the name of such Unit Owner, Board or other party and such document or action shall be binding on such Unit Owner, Board or other party, as the case may be.

ARTICLE 13

AMENDMENT TO BY-LAWS

13.1 **Amendments by Unit Owners.** Except as specifically provided herein or in the Declaration with respect to amendments, modifications, additions or deletions affecting Declarant or its designee, or any Unsold Residential Units, or the Non-Residential Units or any Non-Residential Unit Owner, (a) any provision of these By-Laws may be added to, amended, modified or deleted by the vote of at least 66-2/3% in number and in Common Interest of all Unit Owners taken in accordance with the provisions of these By-Laws, provided, however, that the Common Interest appurtenant to each Unit as expressed in the Declaration shall not be altered without the written consent of all Unit Owners directly affected, (b) any provision of these By-Laws benefiting, protecting or otherwise affecting only the Residential Section or the Residential Unit Owners may be amended, modified, added to or deleted by affirmative vote of at least 66-2/3% in number and in Common Interest of all Residential Unit Owners taken in accordance with the provisions of these By-Laws and (c) any provision of these By-Laws benefiting,

protecting or otherwise affecting only the Non-Residential Section or the Non-Residential Unit Owners may be amended, modified, added to or deleted by affirmative vote of at least 66-2/3% in number and in Common Interest of all Non-Residential Unit Owners taken in accordance with the provisions of these By-Laws. Subject to the provisions contained herein or in the Declaration with respect to amendments, modifications, additions or deletions affecting Declarant or its designee, Permitted Mortgagees, any Unsold Residential Units, the Non-Residential Section or any Non-Residential Unit Owner, any such amendment, modification, addition or deletion shall be executed by (1) the Residential Board, as attorney-in-fact for the Residential Unit Owners coupled with an interest, which Residential Board is hereby authorized by such Residential Unit Owners so to act as their attorney-in-fact or (2) the Non-Residential Board, as attorney-in-fact for the Non-Residential Unit Owners, coupled with an interest, which Non-Residential Board is hereby authorized by such Non-Residential Unit Owners to act as their attorney-in-fact or (3) the Condominium Board, as attorney-in-fact for all Unit Owners, coupled with an interest, which Condominium Board is hereby authorized by such Unit Owners so to act as their attorney-in-fact. Notwithstanding the foregoing and subject to the provisions contained herein or in the Declaration with respect to amendments affecting Declarant or its designee, any Unsold Residential Units, the Non-Residential Section or the Non-Residential Unit Owners, (i) no amendment, modification, addition or deletion pursuant to the provisions of clause (a) above shall be effective without the written consent (which consent shall not be unreasonably withheld or delayed) of the Residential Representatives, if any, (ii) no amendment, modification, addition or deletion pursuant to the provisions of clause (b) above shall be effective without the written consent (which consent shall not be unreasonably withheld or delayed) of the respective Residential Mortgage Representatives, if any, and (iii) the provisions of this Section 13.1 may not be amended, modified, added to or deleted unless (in addition to the consent, if required, of the Residential Mortgage Representatives, as the case may be), eighty percent (80%) in number and in Common Interest of all Unit Owners affected thereby approve such amendment, modification, deletion or addition in the manner set forth above.

13.2 Amendments Affecting Declarant or its Designee or the Non-Residential Unit Owner. Notwithstanding any provision contained herein to the contrary, no amendment, modification, addition or deletion of or to these By-Laws, the Declaration or the Rules and Regulations shall be effective in any way (a) without the prior written consent of the affected Non-Residential Unit Owner(s) with respect to any amendment, modification, addition or deletion of or to these by-laws, the Declaration or the Rules and Regulations modifying the permitted uses of any Non-Residential Unit or affecting the rights, privileges, easements, licenses or exemptions granted to any Non-Residential Unit Owner, (b) without the prior written consent of Declarant or its designee or the owner of any Unsold Residential Unit, as the case may be, with respect to any amendment, modification, addition or deletion of or to these by-laws, the Declaration or the Rules and Regulations modifying the permitted uses of the Building or any portion thereof or affecting the rights, privileges, easements, licenses or exemptions granted to Declarant or its designee or the owner of any Unsold Residential Unit, as the case may be, or otherwise adversely affecting Declarant or its designee or the owner of any Unsold Residential Unit, as the case may be, or (c) without the prior written consent of the holder of any present or future mortgage, pledge, or other lien or security interest covering any Unsold Residential Unit or Non-Residential Unit, with respect to any amendment, modification, addition or deletion of or to these by-laws, the Declaration, or the Rules and Regulations modifying the permitted uses of such Unsold Residential Unit or Non-Residential Unit, or affecting the rights,

privileges, easements, licenses or exemptions granted to the owner of such Unsold Residential Unit or Non-Residential Unit. Declarant and the Non-Residential Unit Owners shall have the right to amend the By-Laws, without the consent of any Board or any other Unit Owner, to effectuate the rights otherwise granted to Declarant and the Non-Residential Unit Owners under the terms of the Declaration and these By-Laws.

13.3 Amendments Affecting Permitted Mortgagees. Notwithstanding any provision contained herein to the contrary, no modification, addition, amendment or deletion of or to Article 7 or 6.1, 6.2, 6.4.2, 6.4.3, 8.7, or 8.17 shall be effective as against the holder of any Permitted Mortgage theretofore made unless such holder has given its prior written consent thereto, which consent shall not be unreasonably withheld or delayed.

ARTICLE 14

AMENDMENTS CONCERNING NON-RESIDENTIAL SECTION

Amendments, modifications, additions or deletions of or to the Declaration, these By-Laws and the Rules and Regulations may be necessary, appropriate or desirable in connection with the operation of the Non-Residential Section or the subdivision of any Non-Residential Unit into separate condominium units and/or the offering for sale or lease of all or any portion of the Non-Residential Units and it is contemplated that in connection therewith the Non-Residential Board will cause the Declaration, these By-Laws and the Rules and Regulations to be so amended, modified, added to or deleted from and that the resulting provisions thereof may be similar or dissimilar to those affecting the Residential Section and Residential Unit Owners. In the case of any such amendment, modification, addition or deletion which does not adversely affect the Residential Section, or any Residential Unit Owners, the Non-Residential Board shall be the attorney-in-fact for the Residential Unit Owners, coupled with an interest, for the purpose of approving and executing any instrument effecting such amendment, modification, addition or deletion.

SCHEDULE A**RULES AND REGULATIONS OF THE RESIDENTIAL SECTION**

1. The entrances, passages, public halls, elevators, vestibules, corridors and stairways of the Residential Section shall not be obstructed or used for any other purpose than ingress to and egress from the Residential Units.

2. No article (including, but not limited to, garbage cans, bottles or mats) shall be placed in any of the passages, public halls, vestibules, corridors, stairways or fire tower landings of the Residential Section, nor shall any fire exit thereof be obstructed in any manner. Nothing shall be hung or shaken from any doors, windows or roofs or placed upon the window sills of the Residential Section.

3. Neither occupants nor their guests shall play in the entrances, passages, public halls, elevators, vestibules, corridors, stairways or fire towers of the Residential Section.

4. No public hall or public elevator vestibule of the Residential Section shall be decorated or furnished by any Residential Unit Owner in any manner.

5. Each Residential Unit Owner shall keep such Unit Owner's Unit and any Limited Common Elements appurtenant thereto (including the surface of any Terrace appurtenant to a Residential Unit) in a good state of preservation and cleanliness, and shall not sweep or throw or permit to be swept or thrown therefrom, or from the doors or windows thereof, any dirt or other substance. The type, size and quantity of plantings and other installations to be placed on Terraces and the rights of Unit Owners to paint and decorate Terraces shall be subject to the prior written approval of the Residential Board. Any determination as to what constitutes a good state of preservation and cleanliness for any Unit Owner's Terrace shall be within the sole but reasonable discretion of the Residential Board.

6. No window guards or window decorations shall be used in or about any Residential Unit, unless otherwise required by Law, except such as shall have been approved in writing by the Residential Board or the managing agent of the Residential Section, which approval shall not be unreasonably withheld or delayed.

7. No radio, television aerial, satellite, disk or similar devices shall be attached to or hung from the exterior of the Residential Section and no sign, notice, advertisement or illumination shall be inscribed or exposed on or at any door or window or other part of the Residential Section except such as are permitted pursuant to the Declaration or the By-Laws or shall have been approved in writing by the Residential Board or the managing agent of the Residential Section, nor shall anything be projected from any door or window of the Residential Section without similar approval, except as may otherwise be provided by Law.

8. No heat, ventilator or air conditioning device shall be installed in any Residential Unit without the prior written approval of the Residential Board, which approval may be granted or refused in the sole discretion of the Residential Board.

9. All radio, television or other electrical equipment of any kind or nature installed or used in each Residential 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 Residential Unit Owner alone shall be liable for any damage or injury caused by any radio, television or other electrical equipment in such Residential Unit Owner's Unit.

10. No velocipedes, bicycles, scooters or similar vehicles shall be allowed in any of the elevators other than the elevators designated by the Residential Board or the managing agent of the Residential Section for that purpose, and no baby carriages or any of the above-mentioned vehicles shall be allowed to stand in the passages, public halls, vestibules, corridors or other public areas of the Residential Section.

11. No Residential Unit Owner shall make or permit any disturbing noises or activity in the Residential Section, or do or permit anything to be done therein, which will interfere with the rights, comfort or convenience of other Unit Owners or the tenants or occupants of the Non-Residential Section. No Residential Unit Owner shall play or suffer to be played any musical instrument, or practice or suffer to be practiced vocal music, or operate or permit to be operated a phonograph, radio, television computer, stereo or other loud speaker in such Unit Owner's Unit between 11:00 P.M. and the following 7:00 A.M., if the same shall disturb or annoy other occupants of the Building, unless the same shall have the prior written consent of the Residential Board. No construction or repair work or other installation involving noise shall be conducted in any Residential 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 or unless such work is performed by Declarant.

12. No pets other than dogs, caged birds, cats and fish (which do not cause a nuisance, health hazard or unsanitary condition), shall be permitted, kept or harbored in a Residential Unit without the same in each instance having been expressly permitted in writing by the Residential Board or the managing agent of the Residential Section and such consent, if given, shall be revocable by the Residential Board or such managing agent in their sole discretion, at any time. In no event shall any Unit Owner maintain more than two (2) pets in a Unit without the consent of the Residential Board nor shall any bird, reptile, or animal be permitted in any public elevator in the Residential Section, other than the elevators designated by the Residential Board or the managing agent of the Residential Section for that purpose, or in any of the public portions of the Residential Section, unless carried or on a leash. No pigeons or other birds or animals shall be fed from the window sills or other public portions of the Residential Section or on the sidewalk or street adjacent to the Building. Each Residential Unit Owner who keeps any type of pet in such Unit Owner's Residential Unit may be required to enter into an agreement with the Residential Board setting forth such other rules regarding pets as the Residential Board shall deem suitable and indemnifying and holding harmless the Condominium, all Unit Owners and the managing agent from all claims and expenses resulting from acts of such pet.

13. Servants, messengers and tradespeople visiting or residing in the Residential Section may be required to use the elevators designated by the Residential Board or the managing agent of the Residential Section for that purpose, for ingress and egress, and shall not use any of the other elevators for any purpose, except that nurses in the employ of Residential

Unit Owners or their guests or tenants may use any of the other elevators when accompanying said Unit Owners, guests or tenants. However, a guest or visitor of a Residential Unit Owner may use any of the elevators freely, if authorized by such Unit Owner.

14. All service and delivery persons may be required to use the service entrance unless otherwise directed. All packages, whenever feasible, will be required to be delivered by outside personnel to the package room in the lobby where such packages will be held for pick-up by Residential Unit Owners. Deliveries, if made, will be made from the package room to individual Residential Units only by building personnel or as otherwise directed by building personnel. Such deliveries will be made only at such times as a Unit is occupied by the resident thereof or an authorized person and said resident or authorized person is willing to accept delivery. If the Residential Unit is not so occupied or delivery is declined, the package will be held in the package room until the resident or authorized person returns or requests delivery. In the case of packages containing perishable food items, service or delivery persons who are registered with building personnel will be permitted to make deliveries directly to individual Residential Units after such service or delivery persons have received approval for such delivery from the Residential Unit Owner.

15. Trunks and heavy baggage shall be taken in or out of the Residential Section by the elevators designated by the Residential Board or the managing agent of the Residential Section for that purpose, and through a designated entrance only.

16. No refuse from the Residential Units shall be sent to the below grade levels of the Building except at such times and in such manner as the Residential Board or the managing agent of the Residential Section may direct.

17. Water-closets and other water apparatus in the Residential Section shall not be used for any purpose other than those for which they were designed, nor shall any sweepings, rubbish, rags or any other article be thrown into the same. Any damage resulting from misuse of any water-closets or other apparatus in a Residential Unit shall be repaired and paid for by the Owner of such Unit.

18. No occupant of the Residential Section shall send any employee of the Residential Section or of the managing agent thereof out of the Building on any private business.

19. The agents of the Residential Board or the managing agent, and any contractor or worker authorized by the Residential Board or the managing agent of the Residential Section, may enter any room or Residential Unit at any reasonable hour of the day, on at least one day's prior written notice to the Residential Unit Owner, for the purpose of inspecting such Residential 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 manner so as not to unreasonably interfere with the use of such Residential Unit for its permitted purposes.

20. Corridor doors shall be kept closed at all times except when in actual use for ingress or egress to and from public corridors.

21. The Residential Board or the managing agent of the Residential Section may retain a passkey to each Residential Unit. If any lock is altered or a new lock is installed, the Residential Board or the managing agent of the Residential Section 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 such Unit Owner's 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 such Board or such managing agent, then the Residential Board or such managing agent or their agents (but, except in an Emergency, only when specifically authorized by an officer of such Board 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 under the circumstances is given to such Unit Owner's property).

22. No vehicle belonging to a Residential Unit Owner or to a member of the family or guest, tenant or employee of a Residential Unit Owner shall be parked in such manner as to impede or prevent ready access to any entrance to or exit from the Building.

23. Complaints regarding the services of the Residential Section shall be made in writing to the Residential Board or to the managing agent of the Residential Section.

24. Any consent or approval given under these Residential Rules and Regulations may be granted, refused, added to, amended or repealed, in the sole discretion of the Residential Board, at any time by resolution of the Residential Board. Further, any such consent or approval may, in the discretion of the Residential Board, be conditional.

25. Residential Unit Owners will faithfully observe the following procedures with respect to the use of the compactor: (a) wrap dust, floor and powdered waste in compact packages before depositing the same; (b) thoroughly drain and wrap in paper all garbage before depositing the same; (c) refrain from forcing large bundles into the chute; (d) crush into tight bundles all loose papers before placing the same in the hopper door; (e) deposit all bundles of waste into the hopper; (f) refrain from depositing waste of an explosive nature therein; (g) observe all Laws regarding the recycling of refuse then imposed by governmental agencies having jurisdiction thereover and (h) observe any additional recycling rules established by the Condominium Board or the Residential Board.

26. Except as permitted under the Declaration and By-Laws, Residential Unit Owners, their families, guests, servants, employees, agents, visitors, tenants, sublessees or licensees shall not at any time or for any reason whatsoever enter upon or attempt to enter upon the roof of the Building.

27. Residential Unit Owners, their guests, servants, employees, agents, visitors, tenants, sublessees or licensees shall not cause or permit any unusual or objectionable noise or odors to be produced upon or to emanate from their Units or any public portions of the Building.

28. No Residential Unit Owner or any of such Unit Owner's agents, servants, employees, licensees, tenants, sublessees or visitors shall at any time bring into or keep in such Unit Owner's Unit any inflammable, combustible or explosive fluid, material, chemical or substance, except as shall be necessary and appropriate for the permitted uses of such Unit.

29. If any key or keys are entrusted by a Residential Unit Owner or by any member of such Unit Owner's family or by such Unit Owner's agent, servant, employee, tenant, sublessee, licensee or visitor to an employee of the Residential Board or the managing agent of the Residential Section, 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 Residential Board nor the managing agent of the Residential Section shall be liable for injury, loss or damage of any nature whatsoever, directly or indirectly resulting therefrom or connected therewith.

30. Nothing shall be done or kept in any Residential Unit or in the General or Limited Common Elements which will increase the rate of insurance of the Building or contents thereof without the prior written consent of the Condominium Board. No Residential Unit Owner shall permit anything to be done or kept in such Unit Owner's Unit or in the General or Limited Common Elements which will result in the cancellation of insurance on the Building or which would be in violation of any Law. No waste shall be committed in the General or Limited Common Elements.

31. The Boards shall have the right from time to time to relocate any portion of the Common Elements devoted to storage or service purposes.

32. No group tour or exhibition of any Residential Unit or its contents shall be conducted, nor shall any auction sale be held in any Residential Unit, without the prior consent of the Residential Board or the managing agent of the Residential Section.

33. In the event that any Residential Unit is used for home occupation purposes which are permitted by Law and the By-Laws, in no event shall any patients, clients or other invitees be permitted to wait in any lobby, public hallway or vestibule.

34. Unless expressly authorized by the Residential Board in each case, at least 80% 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.

35. There will be no barbecuing in the Residential Units in their Limited Common Elements (including Terraces), or the General Common Elements, except for those areas (if any) specifically designated for barbecuing by the Residential Board.

36. The Residential Board reserves the right to rescind, alter, waive or add, as to one or more or all occupants, any rule or regulation at any time prescribed for the Residential Section when, in the reasonable judgment of the Residential Board, the Residential Board deems it necessary or desirable for the reputation, safety, character, security, care, appearance or interests of the Residential Section, or the preservation of good order therein, or the operation or Maintenance of the Residential Section, or the equipment thereof, or the comfort of Unit Owners, occupants or others in the Residential Section. No rescission, alteration, waiver or addition of any rule or regulation in respect of one Residential Unit Owner or other occupant shall operate as a rescission, alteration or waiver in respect of any other Residential Unit Owner or other occupant.

37. No article, including, but not limited to, bicycles and similar vehicles, shall be stored or allowed to stand on Terraces, other than furniture of the kind usually maintained in outdoor areas.