

**BY-LAWS
of
Madison Green
Manhattan
County, City and State of New York**

(Part 2 of the Declaration)

Phillips, Nizer, Benjamin, Krim & Ballon
Attorneys for Sponsor
40 West 57th Street
New York, New York 10019
Attention: David Clurman, Esq.

TABLE OF CONTENTS

<u>Article</u>	<u>Title</u>	<u>Page</u>
I	Plan of Unit Ownership	I a
	Sec. 1. Unit Ownership	
	Sec. 2. Applicability of By-Laws	
	Sec. 3. Application	
	Sec. 4. Office	
<u>Article</u>	<u>Title</u>	<u>Page</u>
II	Board of Managers	II a
	Sec. 1. Number and Qualification	
	Sec. 2. Powers and Duties	
	Sec. 3. Managing Agent and Manager	
	Sec. 4. Election and Term of Office	
	Sec. 5. Removal of Members of the Board of Managers	
	Sec. 6. Vacancies	
	Sec. 7. Organization Meeting	
	Sec. 8. Regular Meetings	
	Sec. 9. Special Meetings	
	Sec. 10. Waiver of Notice	
	Sec. 11. Quorum of Board of Managers	
	Sec. 12. Fidelity Bonds	
	Sec. 13. Compensation	
	Sec. 14. Liability of the Board of Managers	
	Sec. 15. Majority Vote	
	Sec. 16. Other Committees	
<u>Article</u>	<u>Title</u>	<u>Page</u>
III	Unit Owners	III a
	Sec. 1. Annual Meetings	
	Sec. 2. Place of Meetings	
	Sec. 3. Special Meetings	
	Sec. 4. Notice of Meetings	
	Sec. 5. Adjournment of Meetings	
	Sec. 6. Order of Business	
	Sec. 7. Title to Units; Status of Holder of Title as Unit Owner	
	Sec. 8. Voting	
	Sec. 9. Majority of Unit Owners	
	Sec. 10. Quorum	
	Sec. 11. Majority Vote	
	Sec. 12. Action Without Meeting	

<u>Article</u>	<u>Title</u>	<u>Page</u>
IV	Officers	IV a
	Sec. 1. Designation	
	Sec. 2. Election of Officers	
	Sec. 3. Removal of Officers	
	Sec. 4. President	
	Sec. 5. Vice President	
	Sec. 6. Secretary	
	Sec. 7. Treasurer	
	Sec. 8. Agreements, Contracts, Deeds, Checks, etc.	
	Sec. 9. Compensation	
	Sec. 10. Liability of Officers	

<u>Article</u>	<u>Title</u>	<u>Page</u>
V	Operation of the Property	V a
	Sec. 1. Determination of Common Expenses and Fixing of Common Charges	
	Sec. 2. Insurance	
	Sec. 3. Repair of Reconstruction After Fire or Other Casualty	
	Sec. 4. Payment of Common Charges	
	Sec. 5. Default in Payment of Common Charges or Assessments	
	Sec. 6. Foreclosure of Liens for Unpaid Common Charges	
	Sec. 7. Statement of Common Charges and Assessments	
	Sec. 8. Abatement and Enjoinment of Violations by Unit Owners	
	Sec. 9. Maintenance and Repair	
	Sec. 10. Limited Common Elements	
	Sec. 11. Heating, Hot Water and Air-Conditioning Systems	
	Sec. 12. Restrictions on Use of Units	
	Sec. 13. Additions, Alterations or Improvements by Board of Managers	
	Sec. 14. Additions, Alterations or Improvements by Unit Owners	
	Sec. 15. Use of Common Elements and Facilities	
	Sec. 16. Right of Access	
	Sec. 17. Water, Gas and Electricity	
	Sec. 18. Withdrawal from Condominium Ownership	

<u>Article</u>	<u>Title</u>	<u>Page</u>
VI	Mortgages	VI a
	Sec. 1. Notice of Board of Managers	
	Sec. 2. Notice of Unpaid Common Charges or Other Default	
	Sec. 3. Notice of Default	
	Sec. 4. Examination of Books	
<u>Article</u>	<u>Title</u>	<u>Page</u>
VII	Sales, Leases and Mortgages of Units	VII a
	Sec. 1. Sales and Leases	
	Sec. 2. Consent of Unit Owners to Purchase of Units by Board of Managers	
	Sec. 3. No Severance of Ownership	
	Sec. 4. Release by Board of Managers of Right of First Refusal	
	Sec. 5. Certificate of Termination of Rights of First Refusal	
	Sec. 6. Financing of Purchase of Units by Board of Managers	
	Sec. 7. Gifts and Devices, etc.	
	Sec. 8. Waiver of Right of Partition With Respect to Such Units as Are Acquired by the Board of Managers, Or Its Designee, on Behalf of All Unit Owners as Tenants in Common	
	Sec. 9. Payment of Common Charges and Assessments	
	Sec. 10. Mortgage of Units	
	Sec. 11. Exceptions	
<u>Article</u>	<u>Title</u>	<u>Page</u>
VIII	Condemnation	VIII a
<u>Article</u>	<u>Title</u>	<u>Page</u>
IX	Records	IX a
<u>Article</u>	<u>Title</u>	<u>Page</u>
X	Miscellaneous	X a
	Sec. 1. Notices	
	Sec. 2. Invalidity	
	Sec. 3. Captions	
	Sec. 4. Gender	
	Sec. 5. Waiver	
	Sec. 6. Insurance Trustee	
	Sec. 7. Definitions of "Mortgagee".	

<u>Article</u>		<u>Title</u>	<u>Page</u>
XI		Amendments to By-Laws	XI a

<u>Article</u>		<u>Title</u>	<u>Page</u>
XII		Conflicts	XII a
		Schedule A – Rules and Regulations	

**BY-LAWS
OF
MADISON GREEN**

ARTICLE I

Plan of Unit Ownership

Section 1. *Unit Ownership.* The property located in Manhattan, County, City and State of New York, at 5 East 22nd Street (hereinafter called the “Property”) has been submitted to the provisions of Article 9-B of the Real Property Law of the State of New York by the Declaration recorded in the Office of the Register of the City of New York, County of New York simultaneously herewith and shall hereinafter be known as Madison Green (hereinafter called the “Condominium”). The residential apartments, the Commercial Unit and the Garage Unit are herein sometimes called “the units”. The owner of a unit is herein referred to as a “unit owner”.

Section 2. *Applicability of By-Laws.* The provisions of these By-Laws are applicable to the Property of the Condominium and to the use and occupancy thereof. The term “Property” as used herein shall include the land, the buildings and all other improvements thereon (including the units, and the common elements and limited common elements), owned in fee simple absolute, and all easements, rights and appurtenances belonging thereto, and all other property, are intended to be submitted to the provisions of said Article 9-B of the Real Property Law of the State of New York.

Section 3. *Application.* All present and future owners, mortgages, lessees, sublessees and occupants of units and their employees, and any other persons who may use the facilities of the Property in any manner are subject to these By-Laws, the Declaration and the Rules and Regulations attached hereto as Schedule A, each as amended from time to time.

The acceptance of a deed or conveyance or the entering into of a lease or the act of occupancy of a unit shall constitute an agreement that these By-Laws, the Rules and Regulations and the provisions of the Declaration, as they may be amended from time to time, are accepted, ratified, and will be complied with.

Section 4. *Office.* The office of the Condominium and the Board of Managers shall be located at the Property.

ARTICLE II

Board of Managers

Section 1. *Number and Qualification.* The affairs of the Condominium shall be governed by a Board of Managers. Until the first meeting of unit owners held pursuant to Section I (a) of Article III of these By-Laws, the Board of Managers shall consist of three persons designated by Madison Green Corp. (the Sponsor of the Condominium), After the first meeting of unit owners and until the second meeting of unit owners held pursuant to Section I(b) of Article III of these By-Laws, the Board of Managers shall consist of two persons designated by the Sponsor and one person elected by the unit owners other than the Sponsor. After the second meeting of unit owners, the Board of Managers shall consist of nine persons elected by all unit owners (including the Sponsor or Sponsor-affiliate), but the Sponsor's or Sponsor-affiliate's right to elect members of the Board shall be subject to the limitations set forth in Section I(d) of Article III of these By-Laws. All members of the Board of Managers shall be owners or mortgagees of units, or, in the case of partnership owners or mortgagees, shall be members or employees of such partnership, or in the case of corporate owners or mortgagees, shall be officers, directors, stockholders or employees of such corporations, or in the case of fiduciary owners or mortgagees shall be the fiduciaries or officers or employees of such fiduciaries, or in the case of the Sponsor or Sponsor-affiliates, shall be designees of the Sponsor. At and after the second meeting of Unit Owners, the Owner of the Commercial Unit and the Owner of the Garage Unit shall each be entitled to elect one member of the Board of Managers. Persons designated by the Sponsor or Sponsor-affiliate under this Article need not be Unit owners. As used in these By-Laws the term "Sponsor-affiliate" shall mean any person or entity which the Sponsor may designate to acquire title to a unit. Such term is used interchangeably with and is intended to have identical meaning with the term "Sponsor-designee" as used in the Declaration. Offering Plan and other documents related to the Condominium. A "Sponsor-affiliate" shall have the right to designate a person or entity to succeed to its rights, and any such designee shall also be deemed a "Sponsor-affiliate".

Section 2. *Powers and Duties.* The Board of Managers shall have the powers and duties necessary for the administration of the affairs of the Condominium and may do all such acts and things except as by law or by the Declaration or by these By-Laws may not be delegated to the Board of Managers by the unit owners. Such powers and duties of the Board of Managers shall include, but shall not be limited to, the following:

Operation, care, upkeep and maintenance of the common elements and limited common elements described in the Declaration.

Determination of the common expenses required for the affairs of the Condominium, including, without limitation, the operation and maintenance of the Property.

Collection from the unit owners of the common charges and expenses of the Condominium.

Employment and dismissal of the personnel necessary for the maintenance and operation of the common elements.

Adoption and amendment of Rules and Regulations covering the details of the operation and use of the Property. No such Rules and Regulations shall impair the operation, maintenance, use or enjoyment of the Commercial Unit or the Garage Unit by the owners thereof.

Opening and maintaining of bank accounts on behalf of the Condominium and designating the signatories required therefor.

Purchasing or leasing or otherwise acquiring in the name of the Board of Managers, or its designee, corporate or otherwise, on behalf of all unit owners, units offered for sale or lease or surrendered by their owners to the Board of Managers.

Purchasing of units at foreclosure or other judicial sales in the name of the Board of Managers, or its designee, corporate or otherwise, on behalf of all unit owners.

Acquiring in the name of the Board of Managers, or its designee, corporate or otherwise, on behalf of all unit owners, rights and interests in real and personal property for use in connection with the ownership and operation of the Property as a condominium, as described in the Declaration and these By-Laws.

Selling, leasing, mortgaging, or otherwise dealing with residential units acquired by, and subleasing units leased by the Board of Managers or its designee, corporate or otherwise, on behalf of all unit owners.

Organizing corporations to act as designees of the Board of Managers in acquiring title to or leasing of units or rights and interests in real and personal property for use in connection with the ownership and operation of the Property as a residential condominium, on behalf of all unit owners.

Obtaining insurance for the Property, including the units, pursuant to the provisions of Article V, Section 2, hereof.

Making of repairs, additions and improvements to or alterations of the Property and making of repairs to and restoration of the Property in accordance with the other provisions of these By-Laws after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings.

Borrowing money on behalf of the Condominium when required in connection with the operation, care, upkeep and maintenance of the common elements, provided, however, that (i) the consent of a majority of all unit owners and the consent of the owners of the Garage Unit and the Commercial Unit shall be required for the borrowing of any sum in excess of \$50,000 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 unit owner. If any sum borrowed by the Board of Managers on behalf of the Condominium pursuant to the authority contained in this paragraph (n) is not repaid by the Board, a unit owner who pays to the creditor such proportion thereof as his 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 shall have filed or shall have the right to file against the unit owner's unit.

Levying fines against unit owners for violations of the Rules and Regulations governing the operation and use of the Property.

Adjusting and settling claims under insurance policies obtained pursuant to Article V, Section 2 and executing and delivering releases upon settlement of such claims on behalf of all unit owners.

Notwithstanding anything to the contrary contained in these By-Laws, so long as the Sponsor or any Sponsor-affiliate shall continue to own a unit, but in no event for a period in excess of two (2) years from the closing of title to the first unit, the Board of Managers may not, without the Sponsor's or Sponsor-affiliate's prior written consent, (i) make any addition, alteration or improvement to the common elements or to any unit or (II) assess any common charge for the creation of, addition to or replacement of all or part of a reserve, contingency or surplus fund except that Sponsor will consent to replacements to the contingency fund provided for in Schedule B of the Offering Plan for the Property to the extent that the aggregate amount of such fund does not exceed 3.75% of the budgeted expenses of the Condominium or (iii) borrow money on behalf of the Condominium (except where necessary to perform work required by law to the extent that existing reserves are insufficient) or (iv) amend the Declaration or these By-Laws so as to in any way adversely affect the Sponsor or its designees. The consent of the Garage Unit Owner and the Commercial Unit Owner will also be required for the about actions whenever made for a period of five years after closing of title to the first unit and without regard to the two year limitation set forth above for Sponsor and Sponsor affiliates. At no time will the Board of Managers interfere with: the offer and sale or leasing of units; operation of general or sales and leasing offices on the premises; actions necessary for construction, renovation, repair or correction on the premises, as required by Sponsor, The Sponsor or Sponsor-affiliate shall have the right to withhold its consent to any of the foregoing actions. However, notwithstanding the

provisions of this Section 2q, the Sponsor or Sponsor-affiliate shall not withhold its consent to the making of capital repairs to the common elements or assessment of any common charge for expenses required to comply with applicable law.

Notwithstanding anything to the contrary contained in these By-Laws no action may be taken which adversely affects the Owner of the Garage Unit or the Owner of the Commercial Unit (or any portion thereof) without the consent of the Unit Owner adversely affected.

Section 3. *Managing Agent and Manager.* The Board of Managers may employ a managing agent and/or manager (including the Sponsor or a corporation organized or controlled by the Sponsor) for the Condominium at a compensation established by the Board of Managers to perform such duties and services as the Board of Managers shall authorize. The Board of Managers may delegate to any manager or managing agent all of the powers granted to the Board of Managers by these By-Laws other than the powers set forth in subdivisions (b), (e), (I), (g), (h), (i), (j), (k), (n), (o) and (p) of Section 2 of this Article II.

Section 4. *Election and Term of Office.* The term of office of the member of the Board of Managers elected by unit owners other than the Sponsor or a Sponsor-affiliate at the first meeting of unit owners held pursuant to Section 1(a) of Article III of these By-Laws shall expire on the date of the second meeting of unit owners held pursuant to Section I (b) of Article III of these By-Laws. Except as provided in Section 1(d) of Article III, at the second meeting of the unit owners the term of office of three members of the Board of Managers shall be fixed at three (3) years, the term of office of three members of the Board of Managers shall be fixed at two (2) years, and the term of office of three members of the Board of Managers shall be fixed at one (1) year. The members designated by the Owner of the Garage Unit and the Commercial Unit shall be among those whose term is fixed at one year. Notwithstanding the above a member designated by the Owner of the Garage Unit and the Commercial Unit shall be members of the Board of Managers at all times. The nominees for the Board of Managers receiving the highest number of votes at a meeting for the election of members thereof shall serve for the longest terms. At the expiration of the initial term of office of each member of the Board of Managers elected at the second meeting of the unit owners, his successor shall be elected to serve for a term of three (3) years. The members of the Board of Managers shall hold office until their respective successors shall have been elected by the unit owners.

Section 5. *Removal of Members of the Board of Managers.* At any regular or special meeting of unit owners, any one or more of the members of the Board of Managers, other than a member designated by the Sponsor, a Sponsor-affiliate, the Garage Unit Owner or Commercial Unit Owner may be removed with or without cause by a majority of the unit owners and a successor may then and there or thereafter be elected to fill the vacancy thus created. Any member of the Board of Managers whose removal has been proposed by the unit owners shall be given an opportunity to be heard at the meeting. A member of the Board of Managers designated by the Sponsor

or a Sponsor-affiliate may only be removed by the Sponsor or a Sponsor-affiliate, and only they shall have the right to designate a replacement. If a member of the Board of Managers ceases to be a unit owner or unit mortgagee (or a partner, officer, director, stockholder or unit owner or unit mortgagee) or a partner, officer, director, stockholder or employee of a partnership or corporate owner or mortgagee or fiduciary owner or mortgagee), unless such member is a designee of the Sponsor or a Sponsor-affiliate, the owner of the Garage Unit or the Commercial Unit he shall be deemed to have resigned effective as of the date such ownership or mortgage interest ceased.

Section 6. *Vacancies.* Vacancies in the Board of Managers caused by any reason other than the removal of a member thereof by a vote of the unit owners, shall be filled by vote of a majority of the remaining members at a special meeting of the Board of Managers 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 each person so elected shall be a member of the Board of Managers until the next annual meeting of the unit owners, at which meeting a successor shall be elected for such member. Notwithstanding the foregoing vacancies of members designated by the Sponsor, Sponsor-affiliate, Garage Unit Owner or Commercial Unit Owner shall be filled only by the Sponsor, Sponsor-affiliate, Garage Unit Owner or Commercial Unit Owner, as the case may be.

Section 7. *Organization Meeting.* The first meeting of the members of the Board of Managers following the annual meeting of the unit owners shall be held within ten (10) days thereafter, at such time and place as shall be fixed by a majority of the members of the Board of Managers and no notice shall be necessary to the newly elected members of the Board of Managers in order legally to constitute such meeting, providing a majority of the whole Board of Managers shall be present thereat.

Section 8. *Regular Meetings.* Regular meetings of the Board of Managers may be held at such time and place as shall be determined from time to time by a majority of the members of the Board of Managers, but at least four such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Managers shall be given to each member of the Board of Managers, by mail or telegraph, at least three (3) business days prior to the day named for such meeting.

Section 9. *Special Meetings.* Special meetings of the Board of Managers may be called by the President on three (3) business days' notice to each member of the Board of Managers, given by mail or telegraph, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Managers shall be called by the President or Secretary in like manner and on like notice on the written request of at least three (3) members of the Board of Managers.

Section 10. *Waiver of Notice.* Any member of the Board of Managers may at any time waive notice of any meeting of the Board of Managers in writing, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a member of the Board of Managers at

any meeting of the Board shall constitute a waiver of notice by him of the time and place thereof. Any one or more members of the Board of Managers or any committee thereof may participate in a meeting of the Board or committee by means of a conference telephone or similar communications equipment allowing all persons participating in the meeting to hear each other at the same time. Participation by such means shall constitute presence in person at a meeting. If all the members of the Board of Managers are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 11. *Quorum of Board of Managers.* At all meetings of the Board of Managers, a majority of the members thereof shall constitute a quorum for the transaction of business, and the votes of a majority of the members of the Board of Managers present at a meeting at which a quorum is present shall constitute the decision of the Board of Managers. If at any meeting of the Board of Managers present at a meeting at which a quorum is present shall constitute the decision of the Board of Managers. If at any meeting of the Board of Managers there shall be 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. Any action required or permitted to be taken by the Board of Managers or any committee thereof may be taken without a meeting if all members of the Board or the committee consent in writing to the adoption of a resolution authorizing such action, and the writing or writings are filed with the minutes of the proceedings of the Board or the committee.

Section 12. *Fidelity Bonds.* The Board of Managers shall obtain a fidelity bond in the amount of \$500,000 or more for all officers and employees of the Condominium and of the managing agent handling or responsible for bonds as it deems proper. The premiums on such bonds shall constitute a common expense.

Section 13. *Compensation.* No member of the Board of Managers shall receive any compensation from the Condominium for acting as such.

Section 14. *Liability of the Board of Managers.* The members of the Board of Managers shall not be liable to the unit owners for any mistake of judgment, negligence, or otherwise, except for their own individual willful misconduct or bad faith. The unit owners shall indemnify and hold harmless each of the members of the Board of Managers against all liability to others arising from their acts as, or by reason of the fact that such person was, a member of the Board of Managers. It is intended that the members of the Board of Managers shall have no personal liability with respect to any contract made by them on behalf of the Condominium within the scope of their authority. It is also intended that the liability of any unit owner arising out of any contract made by the Board of Managers or out of the aforesaid indemnity in favor of the members of the Board of Managers shall be limited to such proportion of the total liability thereunder as his interest in the common elements bears to the interests of all the unit owners in the common elements. Every agreement made by the Board of Managers or by the managing agent or by the manager on behalf of the Condominium shall provide that the members of the Board of Managers, or the

managing agent, or the manager, as the case may be, are acting only as agents for the unit owners and shall have no personal liability thereunder (except as unit owners) and that any liability of a unit owner thereunder shall be limited to such proportion of the total liability thereunder as his interest in the common elements bears to the interest of all unit owners in the common elements. Members of the Board of Managers designated by the Sponsor or Sponsor-affiliate shall not incur any liability for self-dealing in connection with any contract made by the Board of Managers on behalf of the unit owners with the Sponsor or Sponsor-affiliate provided that any compensation paid under such contract shall be at then competitive rates for similar goods and services in the County, City and State of New York.

Section 15. *Executive Committee.* The Board of Managers may, by resolution duly adopted, appoint an Executive Committee to consist of three (3) or more members of the Board of Managers, at least one of whom shall be a member designated by the Sponsor or Sponsor-affiliate so long as the Sponsor or Sponsor-affiliate has the right to designate a member of the Board. Such Executive Committee shall have and may exercise all the powers of the Board of Managers in the management of the business and affairs of the Condominium during the intervals between the meetings of the Board of Managers insofar as may be permitted by law, except that the Executive Committee shall not have power (a) to determine the common charges and expenses required for the affairs of the Condominium, (b) to determine the common charges payable by the unit owners to meet the common charges and expenses of the Condominium, (c) to adopt or amend the Rules and Regulations covering the details of the operation and use of the Property or (d) to exercise any of the powers set forth in subdivisions (g), (h), (i) and (n) of Section 2 of Article II.

Section 16. *Other Communities.* The Board of Managers may by resolution create such other committees as it shall deem appropriate and such committees shall have such powers and authority as the Board of Managers shall vest therein. The members of any such committee, at least one of whom shall be designated by the Sponsor or a Sponsor-affiliate, so long as the Sponsor or Sponsor-affiliate has the right to designate a member of the Board, shall be appointed by the President of the Condominium. Such committee shall not have power to do any act which the Executive Committee may not do under subsections (a)-(d) of Section 15 of Article II.

ARTICLE III

Unit Owners

Section 1. *Annual Meetings.* (a) *First Meeting.* Within 90 days after the first closing of title to a unit, the Sponsor shall call the first meeting of unit owners for the election by unit owners other than the Sponsor or Sponsor-affiliate of one member of the Board of Managers. The Sponsor shall have the right to designate two members of the Board of Managers at such meeting. The full Board of Managers shall then be composed of three members. Persons designated by the Sponsor or Sponsor-affiliate under this Article need not be unit owners.

(b) *Second Meeting.* Within 90 days after (i) the Sponsor's conveyance of title to units representing 50% or more in common interest or (ii) the second anniversary of the first conveyance of title to a unit, whichever shall first occur, or sooner at the Sponsor's option, the Sponsor shall call the second meeting of unit owners for the election by all unit owners (including the Sponsor or Sponsor-affiliates) of a nine-member Board of Managers.

(c) *Annual Meetings.* Annual meetings of unit owners shall be held on the first anniversary of the second meeting of unit owners held pursuant to Section 1(b) of this Article III and annually thereafter unless such day shall fall on a Saturday, Sunday or legal holiday, in which event the meeting for that year shall be held on the succeeding Monday.

(d) *Sponsor's Right to Elect Members of the Board of Managers.* The Sponsor or its designees shall have voting control of the Board of Managers until (i) the second annual meeting of Unit Owners or (ii) the annual meeting following conveyance to bona fide purchasers of Units representing a majority of the total common interest in the Condominium, whichever shall first occur. At that time, the existing 3-member board will resign and the new nine-member board will be elected by all the Unit Owners. So long as the Sponsor or a Sponsor-affiliate shall continue to own: (i) units representing 40% or more in common interest, the Sponsor or Sponsor-affiliate shall have the right to elect four of the 9 members of the Board of Managers; (ii) units representing 20% or more but less than 40% in common interest, the Sponsor or Sponsor-affiliate shall have the right to elect two of the 9 members of the Board of Managers; or (iii) at least one unit but less than 20% in common interest, the Sponsor or Sponsor-affiliate shall have the right to elect one of the 9 members of the Board of Managers. Members of the Board of Managers designated by the Sponsor or Sponsor-affiliate, Commercial Unit Owner, or Garage Unit Owner shall serve for a term of one year. All other members of the Board of Managers shall be elected by the unit owners and shall serve for the terms prescribed by these By-Laws. The unit owners may transact such other business at such meetings as may properly come before them.

Section 2. *Place of Meetings.* Meetings of the unit owners shall be held at the principal office of the Condominium or at such other suitable place convenient to the unit owners as may be designated by the Board of Managers.

Section 3. *Special Meetings*. It shall be the duty of the President to call a special meeting of the unit owners if so directed by resolution of the Board of Managers or upon a petition signed and presented to the Secretary by not less than 25% in common interest, in the aggregate, of unit owners. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice.

Section 4. *Notice of Meetings*. It shall be the duty of the Secretary to mail a notice of each annual or special meeting of the unit owners, at least ten but not more than forty days prior to such meeting, stating the purpose thereof as well as the time and place where it is to be held, to each unit owner of record, at the building or at such other address as such unit owner shall have designated by notice in writing to the Secretary. If the purpose of any meeting shall be to act upon a proposed amendment to the Declaration or to these By-Laws, the notice of meeting shall be mailed at least thirty days prior to such meeting. The mailing of a notice of meeting in the manner provided in this Section shall be considered service of notice.

Section 5. *Adjournment of Meetings*. If any meeting of unit owners cannot be held because a quorum has not attended, a majority in common interest of the 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 the original meeting was called.

Section 6. *Order of Business*. The order of business at all meetings of the unit owners shall be as follows:

- (a) Roll call.
- (b) Proof of notice of meeting.
- (c) Reading of minutes of preceding meeting.
- (d) Reports of officers.
- (e) Report of Board of Managers and/or Managing Agent.
- (f) Reports of committees.
- (g) Election of inspectors of election (when so required).
- (h) Election of members of the Board of Managers (when so required).
- (i) Unfinished business.
- (j) New business.

Section 7. *Title to Units; Status of Holder of Title as Unit Owner*. Title to units may be taken in the name of an individual or in the names of two or more persons, as tenants in common or as joint tenants or as tenants by the entirety, or in the name of a corporation or partnership, or in the name of a fiduciary, non-profit organization or governmental entity (upon waiver of diplomatic immunity, as, if and when required by the Board of Managers). The term "unit owner" as used in these By-Laws shall include any person, group of persons, association or entity taking title as set forth in this Section. The above shall not constitute consent or condonation of any activity not permitted under existing certificates of occupancy, zoning requirements or other applicable law or regulation.

Section 8. *Voting.* The owner or owners of each unit (except the Board of Managers), or some person designated by such owner or owners to act as proxy on his or their behalf and who need not be an owner, shall be entitled to cast the votes appurtenant to such unit at all meetings of unit owners. The designation of any such proxy shall be made in writing to the Secretary, and shall be revocable at any time by written notice to the Secretary by the owner or owners so designating. Any or all of such owners may be present at any meeting of the unit owners and (those constituting a group acting unanimously) may vote or take any other action as a unit owner either in person or by proxy. The total number of votes of all unit owners shall be 1,000,000 and each unit owner (including the Sponsor or Sponsor-affiliates, if the Sponsor or Sponsor-affiliates shall then own or shall then hold title to one or more units) shall be entitled to cast one vote at all meetings of the unit owners for each .0001 percent of interest in the common elements applicable to his or their unit. A fiduciary shall be the voting member with respect to any unit owned in a fiduciary capacity.

Section 9. *Majority of Unit Owners.* As used in these By-Laws the term “majority of unit owners” shall mean those unit owners having more than 50% of the total authorized votes of all unit owners present in person or by proxy at any meeting of the unit owners, determined in accordance with the provisions of Section 8 of this Article III.

Section 10. *Quorum.* Except as otherwise provided in these By-Laws or the Declaration, the presence in person or by proxy of unit owners having one-third of the total authorized votes of all unit owners shall constitute a quorum at all meetings of the unit owners.

Section 11. *Majority Vote.* The vote of a majority of unit owners at a meeting at which a quorum shall be present shall be binding upon all unit owners for all purposes except where in the Declaration, these By-Laws, or by law a higher percentage vote is required.

Section 12. *Action Without Meeting.* Any action required or permitted to be taken by the unit owners may be taken without a meeting if the number of unit owners required by the Declaration, these By-Laws or applicable law consent in writing to the adoption of a resolution authorizing such action and the writing or writings are filed with the records of the Condominium.

ARTICLE IV

Officers

Section 1. *Designation.* The principal officers of the Condominium shall be the President, the Vice President, the Secretary, and the Treasurer, all of whom shall be elected by the Board of Managers. The Board of Managers may appoint an assistant treasurer, an assistant secretary, and such other officers as in its judgment may be necessary. The President and Vice President, but no other officers, need be members of the Board of Managers.

Section 2. *Election of Officers.* The officers of the Condominium shall be elected annually by the Board of Managers at the organization meeting of each new Board of Managers and shall hold office at the pleasure of the Board of Managers.

Section 3. *Removal of Officers.* Upon the affirmative vote of a majority of the members of the Board of Managers, any officer may be removed, either with or without cause, and his successor may be elected at any regular meeting of the Board of Managers, or at any special meeting of the Board of Managers called for such purpose.

Section 4. *President.* The President shall be the chief executive officer of the Condominium and must be a member of the Board of Managers. He shall preside at all meetings of the unit owners and the Board of Managers. He shall have all of the general powers and duties which are incident to the office 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 members of committees created by the Board of Managers from among the unit owners from time to time as he may in his discretion decide is appropriate to assist in the conduct of the affairs of the Condominium.

Section 5. *Vice President.* The Vice President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Board of Managers shall appoint some other member of the Board of Managers to act in the place of the President, on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed upon him by the Board of Managers or by the President.

Section 6. *Secretary.* The Secretary shall keep the minutes of all meetings of the unit owners and of the Board of Managers; he shall have charge of such books and papers as the Board of Managers may direct; and he 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.

Section 7. *Treasurer.* The Treasurer shall have the responsibility for Condominium funds and securities and shall be responsible for keeping full and accurate financial records and books of account showing all receipts and disbursements, and for the preparation of all required financial

data. He shall be responsible for the deposit of all moneys and other valuable effects in the name of the Board of Managers, or the managing agent, in such depositories as may from time to time be designated by the Board of Managers, and he shall, in general, perform all the duties incident to the office of treasurer of a stock corporation organized under the Business Corporation Law of the State of New York.

Section 8. *Agreements, Contracts. Deeds, Checks, etc.* All agreements, contracts, deeds, leases, checks and other instruments of the Condominium shall be executed by any two persons who shall be officers of the Condominium or by such other person or persons as may be designated by the Board of Managers.

Section 9. *Compensation of Officers.* No officer shall receive any compensation from the Condominium for acting as such.

Section 10. *Liability of Officers.* "The unit owners shall indemnify and hold harmless each of the officers of the Condominium against all liability to others arising from their acts as, or by reason of the fact that such person was an officer. It is intended that officers shall have no personal liability with respect to any contract made by them on behalf of the Condominium within the scope of their authority. It is also intended that the liability of any unit owner arising out of any contract made by any officer or out of aforesaid indemnity in favor of the officers shall be limited to such proportion of the total liability thereof as his interest in the common elements bears to the interests of all unit owners in the common elements. Every agreement made by any officer or by the managing agent or by the manager on behalf of the Condominium shall provide that the members of the Board of Managers, or the managing agent, or the manager, as the case may be, are acting only as agents for the unit owners and shall have no personal liability thereunder (except as unit owners) and that any liability of a unit owner thereunder shall be limited to such proportion of the total liability thereunder as his interest in the common elements bears to the interests of all unit owners in the common elements. Officers designated by the Sponsor or Sponsor-affiliate shall not incur any liability for self-dealing in connection with any contract made by such officers on behalf of the unit owners with the Sponsor, Sponsor-affiliate, Commercial Unit Owner or Garage Unit Owner provided that any compensation paid under such contract shall be at then competitive rates for similar goods and services in the County, City and State of New York."

ARTICLE V

Operation of the Property

Section 1. *Determination of Common Expenses and Fixing of Common Charges.* The Board of Managers shall from time to time, and at least annually, prepare a budget for the Condominium, determine the amount of the common charges payable by the unit owners to meet the common expenses of the Condominium, and allocate and assess such common charges and expenses among the unit owners according to their respective common interests. The common expenses shall include the cost of all insurance premiums on all policies of insurance required to be or which have been obtained by the Board of Managers pursuant to the provisions of Section 2 of this Article V and the fees and disbursements of the Insurance Trustee. The common expenses may also include such amounts as the Board of Managers may deem proper for the operation and maintenance of the Property, including, without limitation, an amount for working capital of the Condominium, for a general operating reserve, for a reserve fund for replacements, and to make up any deficit in the common expenses for any prior year. The common expenses may also include such amounts as may be required for the purchase or lease by the Board of Managers or its designee, corporate or otherwise, on behalf of all unit owners, of any unit whose owner has elected to sell or lease such unit or of any unit which is to be sold at a foreclosure or other judicial sale. The Board of Managers shall advise all unit owners, promptly, in writing, of the amount of common charges and common expenses payable by each of them, respectively, as determined by the Board of Managers, as aforesaid, and shall furnish copies of each budget on which such common charges and expenses are based to all unit owners (and their respective mortgagees, if required). Until the Sponsor or Sponsor-affiliate has conveyed title to all the units to purchasers thereof, the Board of Managers can reduce the amount of common charges allocated to the units and payable by unit owners (including the Sponsor or Sponsor-affiliate as owner of any unsold units) provided that so long as the Sponsor or Sponsor-affiliate controls the Board of Managers the common charges will not be reduced below the amount necessary to operate the Property.

The Sponsor or Sponsor-affiliate shall be responsible for the common charges assessed against a unit owned by it from the date of the first conveyance of title to a unit in the building in which such Sponsor-owned unit is located until such unit is sold to a bona fide purchaser.

Section 2. *Insurance.* The Board of Managers shall be required to obtain and maintain, to the extent obtainable, the following insurance: (1) fire insurance with extended coverage, including provision for "additional living expense" of unit-owners, vandalism and malicious mischief endorsements normal for a condominium of this type, insuring the building, including all of the units and the equipment installed therein by the Sponsor, partitions, floors and ceilings within the units, (but not including any equipment not installed by Sponsor, any wall, ceiling or floor decorations or coverings or other furniture, furnishings, fixtures or other personal property within the unit), together with all service machinery contained therein and covering the interests of the

Condominium, the Board of Managers and all unit owners and their mortgagees, as their inter-

est may appear, in an amount equal to the full replacement value of the building (exclusive, of the cost of excavation and foundations), without deduction for depreciation; each of said policies shall contain a New York standard mortgagee clause in favor of each mortgagee of a unit which shall provide that the loss, if any, thereunder shall be payable to such mortgagee as its interest may appear, subject, however, to the loss payment provisions in favor of the Board of Managers and the Insurance Trustee hereinafter set forth; (2) water damage legal liability insurance; and (3) such other insurance as the Board of Managers may determine. All such policies shall provide that adjustment of loss shall be made by the Board of Managers and that the net proceeds thereof, if \$50,000 or less, shall be payable to the Board of Managers, and if more than \$50,000 shall be payable to the Insurance Trustee.

The amount of fire insurance to be maintained until the first meeting of the Board of Managers following the second meeting of the unit owners shall be in at least the sum of \$50,000,000.

All policies of physical damage insurance shall contain waivers of subrogation and waivers of any defense based on co-insurance or of pro-rata reduction of liability or of invalidity arising from any acts of the insured, and shall provide that such policies may not be cancelled or substantially modified without at least ten (10) days' prior written notice to all of the insureds, including all mortgagees of units. Duplicate originals of all policies of physical damage insurance and of all renewals thereof, together with proof of payment of premiums, shall be delivered to all mortgagees of units at least ten (10) days prior to expiration of the then current policies. Prior to obtaining any policy of fire insurance or any renewal thereof, the Board of Managers shall obtain an appraisal from a fire insurance company or otherwise of the full replacement value of the building (exclusive of the cost of excavation and foundations), including all of the units, and all of the common elements therein, without insurance to be effected pursuant to this Section.

The Board of Managers shall also be required to obtain and maintain, to the extent obtainable, public liability insurance in such limits as the Board of Managers may from time to time determine, covering each member of the Board of Managers, the managing agent, the manager, and each unit owner and covering all claims for bodily injury or property damage arising out of any occurrence in the common elements or the units, except such policy shall not cover liability of a unit owner arising from an occurrence within his own unit. Such public liability coverage shall also cover cross liability claims of one insured against another. The Board of Managers shall review such limits once each year. Until the first meeting of the Board of Managers following the second meeting of the unit owners, such public liability insurance shall be a single limit of not less than \$1,000,000 covering all claims for bodily injury arising out of one occurrence and in a limit of not less than \$1,000,000 for each occurrence for property damage or water damage legal liability claims.

Unit owners shall not be prohibited from carrying other insurance for their own benefit provided that all such policies shall contain waivers of subrogation and further provided that the liability of the carriers issuing insurance obtained by the Board of Managers shall not be affected or

diminished by reason of any such additional insurance carried by any unit owner.

Section 3. *Repair or Reconstruction After Fire or Other Casualty.* In the event of damage to or destruction of the building as a result of fire or other casualty (unless such damage or destruction shall give a unit owner or lienor a right of partition as provided by Article 9-B of the Real Property Law of the State of New York), the Board of Managers shall arrange for the prompt repair and restoration of the building (including any damaged units and any equipment installed by the Sponsor therein, partitions, floors and ceilings within the units but not including any wall, ceiling, or floor decorations or coverings or other furniture, furnishings, fixtures or equipment installed by unit owners), and the Board of Managers or the Insurance Trustee, as the case may be, shall disburse the proceeds of all insurance policies to the contractors engaged in such repair and restoration in appropriate progress payments. Any cost of such repair and restoration in excess of the insurance proceeds shall constitute a common expense and the Board of Managers may assess all the unit owners for such deficit as part of the common charges. No portion of the insurance proceeds shall be applied to the payment of the mortgage indebtedness of any Unit Owner except pursuant to applicable provisions of Article 9B of the Real Property Law as described in the following paragraph.

If, as the result of damage to or destruction of the building by fire or other casualty, the Property becomes subject to an action for partition at the suit of any unit owner or lienor as if owned in common, in accordance with the provisions of Article 9-B of the Real Property Law of the State of New York, the Property will not be repaired and the net proceeds of sale, together with the net proceeds of insurance policies (or if there shall have been a repair or restoration pursuant to the first paragraph of this Section 3, and the amount of insurance proceeds shall have exceeded the cost of such repair or restoration, then the excess of such insurance proceeds) shall be divided by the Board of Managers or proportion to their respective common interests, after first paying out of the share of each unit owner the amount of any unpaid liens on his unit, in the order of the priority of such liens.

Section 4. *Payment of Common Charges.* All unit owners shall be obligated to pay the common charges assessed by the Board of Managers pursuant to the provisions of Section I of this Article V at such time or times as the Board of Managers shall determine.

No unit owner shall be liable for the payment of any part of the common charges assessed against his unit subsequent to a sale, transfer or other conveyance by him (made in accordance with the provisions of Section I of Article VII of these By-Laws) of such unit, together with the Appurtenant Interests, as defined in Section I of Article VII hereof. In addition, any unit owner may, subject to the terms and conditions specified in these By-Laws, provided that his unit is free and clear of liens and encumbrances (other than a first mortgage from an institutional lender) and the statutory lien for unpaid common charges, convey his unit, together with the "Appurtenant Interests", to the Board of Managers, or its designee, corporate or otherwise, on behalf of all other unit owners, without any compensation and in such event be exempt from common charges thereafter assessed. A purchaser of a unit

shall be liable for the payment of common charges assessed against such unit prior to the acquisition by him of such unit, except that a mortgagee or other purchaser of a unit at a foreclosure sale of such unit shall not be liable for and such unit shall not be subject to a lien for the payment of common charges assessed prior to the foreclosure sale.

Section 5. *Default in Payment of Common Charges or Assessments.* In the event of default by any unit owner in paying to the Board of Managers the common charges or any assessment as determined by the Board of Managers, such unit owner shall be obligated to pay together with all expenses, including attorneys' fees, incurred by the Board of Managers in any proceeding brought to collect such unpaid common charges or assessments the sum of fifty dollars (\$50.00) per month based on any unit owner's failure to pay the common charges or any assessment as determined by the Board of Managers, on the tenth (10th) day of the month in which they are due and such late payment charge or charges at the rate of \$50.00 per month will continue to be added to and charged on the tenth (10th) day of each succeeding month until payment in full is received, except that such date will be extended to the next business day if the tenth (10th) day of the month occurs on a Saturday, Sunday or public holiday. The Board of Managers shall have the right and duty to attempt to recover such common charges or assessments including any \$50.00 late charges assessed pursuant to this section together with interest thereon, and the expenses of the proceeding, including attorneys' fees, in an action to recover the same brought against such unit owner, or by foreclosure of the lien on such unit granted by Section 339-z of the Real Property Law of the State of New York, in the manner provided in Section 339-aa thereof.

Section 6. *Foreclosure of Liens for Unpaid Common Charges.* In any action brought by the Board of Managers 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 of his unit and the plaintiff in such foreclosure action shall be entitled to the appointment of a receiver to collect the same. The Board of Managers, acting on behalf of all unit owners, shall have power to purchase such unit at the foreclosure sale and to acquire, hold, lease, mortgage, convey or otherwise deal with the same, A suit to recover a money judgment for unpaid common charges shall be maintainable without foreclosing or waiving the lien securing the same.

Section 7. *Statement of Common Charges and Assessments.* The Board of Managers (or a managing agent on its behalf) shall promptly provide any unit owner so requesting the same in writing, with a written statement of all unpaid common charges and assessments due from such unit owner.

Section 8. *Abatement and Enjoinment of Violations by Unit Owners.* The violation of any rule or regulation adopted by the Board of Managers, or the breach of any By-Law contained herein, or the breach of any provision of the Declaration, shall give the Board of Managers the right, in addition to any other right set forth in these By-Laws: (a) upon reasonable notice to the unit owner, to enter the unit 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 that may exist therein contrary to the intent and meaning of the provisions hereof (pro-

vided, however, that no prior notice shall be required in the event the Board of Managers shall determine that action is immediately necessary for the preservation or safety of the Property of the Condominium or for the safety of residents of the Condominium or other persons or required to avoid the suspension of any necessary service to the Condominium); or (b) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach.

Section 9. *Maintenance and Repair.* (a) All maintenance, repairs and replacements to a unit, whether structural or non-structural, ordinary or extraordinary, (other than maintenance of and repairs to any common elements contained therein, and not necessitated by the negligence, misuse or neglect of the owner of such unit) shall be made by the owner of such unit. Each unit owner shall be responsible for all damages to any and all other units and/or to the common elements, that his failure to do so may engender.

All maintenance, repairs and replacements to the common elements, whether located inside or outside of the units, (unless necessitated by the negligence, misuse or neglect of a unit owner, in which case such expense shall be charged to such unit owner), shall be made by the Board of Managers and be charged to all the unit owners as a common expense.

Notwithstanding the above, the Board of Managers shall have the responsibility (which shall constitute its only responsibility regarding those items) of painting or refinishing the exterior of doors opening out of the units (should same ever become necessary) and the exterior of the frames of windows opening out of the units.

Section 10. *Limited Common Elements.* The following portions of the common elements will be limited common elements:

Any balcony or patio to which there is direct access from the interior of a unit will be for the exclusive use of the owner of such unit, his guests, invitees, lessees, and the residents of such unit.

The entrance to each unit will be for the exclusive use of the owner of such unit, his guests, invitees, lessees, and the residents of such unit.

The Board of Managers will have the responsibility of maintaining and repairing all limited common elements, and the cost thereof will be included in the common charges payable by all unit owners.

Section 11. *Heating, Hot Water and Air-Conditioning Systems.* All maintenance, repairs and replacements to the heating and hot water system and to the air-conditioning system, if any, serving a unit shall be made by the unit owner at the unit owner's expense.

Section 12. *Restrictions on Use of Units.* In order to provide for congenial occupancy of the Property and for the protection of the values of the units, the use of the Property shall be restrict-

ed to and shall be in accordance with the following provisions:

All units except for the Garage Unit and the Commercial Unit, both of which Units may be used for any lawful purpose, shall be used by unit owners (other than the Sponsor or Sponsor-affiliates) for residences only except that they may be used for professional offices by a resident thereof with the prior written consent of the Board of Managers, unless prohibited by law. The Sponsor or Sponsor-affiliates shall have the right, without charge, (i) to maintain general and sales offices in one or more units or elsewhere on the Property, to use one or more units as models and for other promotional purposes and to erect and maintain signs on the Property; (ii) to have its employees, contractors and sales agents present on the Property; and (iii) to do all things necessary or appropriate, including the use of the common elements, to sell or lease units and to complete construction of the building and to comply with its obligations.

The common elements shall be used only for the furnishing of the services and facilities for which they are reasonably suited and which are incident to the use and occupancy of units.

No nuisances shall be allowed on the Property nor shall any use or practice be allowed which unreasonably interferes with the peaceful possession or proper use of the Property by its residents or occupants.

No immoral, improper, offensive, or unlawful use shall be made of the Property or any part thereof, and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof shall be observed. Violations of laws, orders, rules, regulations or requirements of any governmental agency having jurisdiction thereof, relating to any portion of the Property, shall be complied with, by and at the sole expense of the unit owners or the Board of Managers, whichever shall have the obligation to maintain or repair such portion of the Property.

No portion of a residential unit (other than the entire unit and its Appurtenant Interests) may be rented, and no transient tenants may be accommodated therein.

Rules and regulations concerning the use of the units and the common elements may be promulgated and amended from time to time by the Board of Managers provided that copies of such rules and regulations are furnished to each unit owner not less than 5 days prior to the time that they become effective. Any Rule or Regulation may be rescinded by vote of 70% of the unit owners at a meeting duly called for such purpose. No such Rule or Regulation shall interfere with the possession, maintenance, use or enjoyment of the Garage Unit, the Commercial Unit, or any unit owned by Sponsor or a Sponsor affiliate by the owners of such units.

The Condominium's initial Rules and Regulations are attached hereto as Schedule A.

Section 13. *Additions, Alterations or Improvements by Board of Managers.* Subject to the provisions of Section 2 of Article II of these By-Laws, whenever in the judgment of the Board of Managers the common elements shall require additions, alterations or improvements costing in

excess of \$50,000 and the making of such additions, alterations or improvements shall have been approved by more than 50% in number and in common interest of the unit owners (including the Sponsor or any Sponsor-affiliate if then a unit owner) in accordance with these By-Laws (and by the holders of first mortgages on units, if their approval is required), the Board of Managers shall proceed with such additions, alterations or improvements and shall assess all unit owners for the cost thereof as a common charge. However, no such addition, alteration or improvement may be made without the consent of the Garage Unit Owner and the Commercial Unit Owner for a period of 5 years from closing of title to the first unit. Any additions, alterations or improvements costing \$50,000 or less may be made by the Board of Managers without approval of the unit owners or mortgagees of units and the cost thereof shall constitute part of the common expenses.

Section 14. *Additions, Alterations or Improvements by Unit Owners.* No unit owner shall make any structural addition, alteration or improvement in or to his unit or which may affect the value of other units, without the prior written consent thereto of the Board of Managers and, if required, of his mortgagee. The Board of Managers shall have the obligation to answer any written request by a unit owner for approval of a proposed structural addition, alteration or improvement in such unit owner's unit, within thirty (30) days after such request; and failure to do so within the stipulated time shall constitute a consent by the Board of Managers to the proposed addition, alteration or improvement. Any application to any governmental authority having or asserting jurisdiction, for a permit to make an addition, alteration or improvement in or to any unit shall be executed by the Board of Managers only, without, however, incurring any liability on the part of the Board of Managers or any of them to any contractor, subcontractor, materialman, architect or engineer on account of such addition, alteration or improvement, or to any person having any claim for injury to person or damage to property arising therefrom. The provisions of this Section 14 shall not apply to a unit owned by the Sponsor or Sponsor-affiliate. Nor shall said provisions apply to the Owner of the Garage Unit and the Commercial Unit.

The Board of Managers will execute any application or other document required to be filed with any governmental authority having or asserting jurisdiction in connection with any such installation or structural addition, alteration or improvement made by the Sponsor or Sponsor-affiliate to any unit (or by the Owners of the Garage Unit or Commercial Unit with respect to such Units as the case may be), provided, however, that neither the Board of Managers nor the unit owners other than the Sponsor or Sponsor-affiliate (or Owners of the Garage Unit or Commercial Unit as the case may be) shall be subjected to any expense or liability by virtue of the execution of the application or such other document.

Non-structural alterations and improvements to units that do not affect the exterior of the building or the value of other units may be made without the prior approval of the Board of Managers.

Section 15. *Use of Common Elements and Facilities.* (a) A unit owner shall not store any furniture, packages or objects of any kind in any part of the common elements.

The common elements and facilities shall be used only for those purposes for which they are reasonably suited and capable. No unit owner shall make any addition, alteration, improvement or change in or to any common element (including, but without limitation, the exterior of the building) without the prior written consent of the Board of Managers (and the holders of unit first mortgages, if required). The Sponsor and any Sponsor-affiliate shall have the right to use the common elements, without charge, for the purposes set forth in Section 12 of this Article V.

Section 16. *Right of Access.* A unit owner shall grant a right of access to his unit to the manager and/or the managing agent and/or any other person authorized by the Board of Managers, the manager or the managing agent, for the purpose of making inspections when necessary or for the purpose of correcting any condition originating in his unit and threatening another unit or a common element, or any condition originating in his unit constituting a violation of law or for the purpose of performing installations, alterations or repairs to the mechanical or electrical services or other common elements in his unit or elsewhere in the building or to correct any condition which violates the provisions of any mortgage covering another unit, provided that requests for entry are made in advance and that any such entry is at a time reasonably convenient to the unit owner and further provided that such right shall be exercised in such a manner as will not unreasonably interfere with the proper use of the units. In case of an emergency, such right of entry shall be immediate, whether the unit owner is present at the time or not.

Section 17. *Water, Gas and Electricity.* Electricity to units will be supplied by the public utility companies serving the area through individual meters and billed by such companies to each unit. The cost of electricity for the public spaces outside the units, as well as gas to units and common areas, as measured by one or more building meters, will be borne by the unit owners and will be included in the common charges therefor. Water will be supplied to all units by the City of New York and the cost thereof will be included in the common charges. The Garage Unit and Commercial Unit shall be separately metered for water.

Section 18. *Withdrawal from Condominium Ownership.* Written consent of the Garage Unit Owner and the Commercial Unit Owner shall be required in order for the Condominium to withdraw from the provisions of the Condominium Act.

ARTICLE VI

Mortgages

Section 1. *Notice to Board of Managers.* A unit owner who mortgages his unit shall notify the Board of Managers of the name and address of his mortgagee and shall file a conformed copy of the note and mortgage with the Board of Managers; the Board of Managers shall maintain such information in a book entitled "Mortgages of Units."

Section 2. *Notice of Unpaid Common Charges or Other Default.* The Board of Managers, whenever so requested in writing by a mortgagee of a unit, shall promptly report any then unpaid common charges or assessments levied by the Board of Managers due from, or any other default by, the owner of the mortgaged unit.

Section 3. *Notice of Default.* The Board of Managers, when giving notice to a unit owner of a default in paying common charges or assessments or other default, shall send a copy of such notice to each holder of a mortgage covering such unit whose name and address has theretofore been furnished to the Board of Managers.

Section 4. *Examination of Books.* Each unit owner and each mortgagee of a unit shall be permitted to examine the books of account of the Condominium at reasonable times, on business days.

ARTICLE VII

Sales, Leases and Mortgages of Units

Section 1. *Sales and Leases.* (a) No unit owner may sell his unit or any interest therein except by complying with the following provisions:

Any unit owner who receives a bona fide offer (hereinafter called an "Outside Offer") for the sale of his unit together with: (i) the undivided interest in the common elements appurtenant thereto; (ii) the interest of such unit owner in any units theretofore acquired by the Board of Managers, or its designee, on behalf of all unit owners, or the proceeds of the sale or lease thereof, if any; and (iii) the interest of such unit owner in any other assets of the Condominium; (the interests in subsections (i), (ii), and (iii) are hereinafter collectively called the "Appurtenant Interests") which he intends to accept, shall give notice to the Board of Managers of such offer and of such intention, the name and address of the proposed purchaser, the terms of the proposed transaction and such other information as the Board of Managers may reasonably require, and shall offer to sell such unit, together with the Appurtenant Interests, to the Board of Managers, or its designee, corporate or otherwise, on behalf of the owners of all other units, on the same terms and conditions as contained in such Outside Offer. The giving of such notice shall constitute a warranty and representation by the unit owner who has received such offer to the Board of Managers on behalf of the other unit owners that such unit owner believes the Outside Offer to be bona fide in all respects. Within thirty days after receipt of such notice, the Board of Managers may elect, by notice to such unit owner, either (a) to purchase such unit, together with the Appurtenant Interests (or to cause the same to be purchased by its designee, corporate or otherwise), on behalf of all other unit owners, on the same terms and conditions as contained in the Outside Offer and as stated in the notice from the offering unit owner or (b) to produce a purchaser who will purchase such unit, together with the Appurtenant Interests, on the same terms and conditions as contained in the Outside Offer and as stated in the notice from the offering unit owner. In the event the Board of Managers shall elect to purchase such unit, together with the Appurtenant Interests, or to cause the same to be purchased by its designee, corporate or otherwise, title shall close at the office of the attorneys for the Condominium in accordance with the terms of the offer but not less than forty-five (45) days after the giving of notice by the Board of Managers of its election to accept such offer. At the closing, the unit owner shall convey the unit (and Appurtenant Interests) to the Board of Managers or to its designee, on behalf of all other unit owners, by deed in the form required by Section 339-o of the Real Property Law of the State of New York, with all transfer stamps affixed, and shall pay all transfer and other taxes arising out of such sale. Real estate taxes, mortgage interest and common charges and expenses shall be apportioned between the unit owner and the Board of Managers, or its designee, as of the closing date. In the event the Board of Managers or its designee shall fail to accept such offer or to produce a purchaser within thirty (30) days as aforesaid or fails to act within said 30-day period, the offering unit owner shall be free to contract to sell such unit, together with the Appurtenant Interests, within sixty (60) days after the expiration of the period in which the Board of Managers or its designee might have accepted

such offer, to the Outside Offeror, on the terms and conditions set forth in the notice from the offering unit owner to the Board of Managers of such Outside Offer. Any such deed to an Outside Offeror shall provide that the acceptance thereof by the grantee shall constitute an assumption of the provisions of the Declaration, the By-Laws and the Rules and Regulations, as the same may be amended from time to time. In the event the offering unit owner shall not, within such 60-day period, contract to sell such unit, together with the Appurtenant Interests, to the Outside Offeror on the terms and conditions contained in the Outside Offer, or if the unit owner shall so contract to sell his unit (and Appurtenant Interests) within such 60-day period, but such sale shall not be consummated pursuant to the terms of such contract, then should such offering unit owner thereafter elect to sell such unit, together with the Appurtenant Interests, to the same or another Outside Offeror on the same or other terms and conditions, the offering unit owner shall be required to again comply with all of the terms and provisions of this Section 1 of this Article VII.

(b) No residential unit owner may lease his unit except by complying with the following provisions:

Any unit owner who receives a bona fide offer for a lease of his unit which he intends to accept shall give notice to the Board of Managers of such offer and of such intention, the name and address of the proposed lessee, the terms of the proposed lease, references, and such other information as the Board of Managers may reasonably require and shall offer to lease such unit to the Board of Managers, or its designee, corporate or otherwise, on the same terms and conditions. The Board of Managers shall have the same right of election to lease the unit on "behalf of all unit owners or to produce a lessee for the unit as contained in subsection (a) above relating to the sale of units. In the event the Board of Managers or its designee shall fail to accept such offer or to produce a lessee or fails to act within the time period set forth in subsection (a) the unit owner shall be free to lease such unit to the Outside Offeror on the terms and conditions contained in the Outside Offer, provided such lease shall be executed within 60 days after the expiration of the period in which the Board of Managers or its designee might have accepted such offer. Any such lease shall be consistent with these By-Laws and shall provide that it may not be modified, amended, extended or assigned, without the prior consent in writing of the Board of Managers, that the tenant shall not sublet the demised premises, or any part thereof, without the prior consent in writing of the Board of Managers, that the Board of Managers 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 default by the tenant in the performance of such lease, and that the Board of Managers shall have the right to terminate the lease on not less than 30 days' prior written notice upon foreclosure of the lien granted by Section 339-z of the Real Property Law of the State of New York. Except as hereinbefore set forth, the form of any such lease shall be the then current form of apartment lease recommended by The Real Estate Board of New York, Inc., except as provided herein or by the Board of Managers.

Any purported sale or lease of a unit in violation of this Section shall be voidable at the election of the Board of Managers.

Section 2. *Consent of Unit Owners to Purchase of Units by Board of Managers.* The Board of Managers shall not exercise any option hereinabove set forth to purchase or lease any unit without the prior approval of a majority of the unit owners.

Section 3. *No Severance of Ownership.* No unit owner shall execute any deed, mortgage, or other instrument conveying or mortgaging title to his unit without including therein the Appurtenant Interests, it being the intention hereof 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 Appurtenant Interests of any unit may be sold, transferred or otherwise disposed of, except as part of a sale, transfer or other disposition of the unit to which such interests are appurtenant, or as part of a sale, transfer or other disposition of such part of the Appurtenant Interests of all units.

Section 4. *Release by Board of Managers of Right of First Refusal.* The right of first refusal contained in Section I of this Article VII may be released or waived by the Board of Managers, in which event the unit, together with the Appurtenant Interests, may be leased, sold or conveyed, free and clear of the provisions of such Section.

Section 5. *Certificate of Termination of Right of First Refusal.* A certificate, executed and acknowledged and in recordable form by the Secretary of the Condominium, slating that the provisions of Section I of this Article VII have been met by a unit owner, or have been duly waived by the Board of Managers, and that the rights of the Board of Managers thereunder have terminated, shall be conclusive upon the Board of Managers and the unit owners in favor of all persons who rely thereon in good faith. Such certificate shall be furnished to any unit owner who has in fact complied with the provisions of Section I of this Article VII or in respect to whom the provisions of such Section have been waived, upon request.

Section 6. *Financing of Purchase of Units by Board of Managers.* Acquisition of units by the Board of Managers, or its designee, on behalf of all unit owners, may be made from the working capital and common charges in the hands of the Board of Managers, or if such funds are insufficient, the Board of Managers may levy an assessment against each unit owner in proportion to his ownership in the common elements, as a common charge, which assessment shall be enforceable in the same manner as provided in Sections 5 and 6 of Article V, or the Board of Managers, in its discretion, may borrow money to finance the acquisition of such unit, provided, however; that no financing may be secured by an encumbrance or hypothecation of any property other than the unit, together with the Appurtenant Interests, so to be acquired by the Board of Managers.

Section 7. *Gifts and Devises, etc.* Any unit owner shall be free to convey or transfer his unit and Appurtenant Interests by gift, or to devise his unit and Appurtenant Interests by will, or to pass the same by intestacy, without restriction.

Section 8. *Waiver of Right of Partition With Respect to Such Units as Are Acquired by the Board of Managers, or Its Designee, on Behalf of All Unit Owners as Tenants in Common.* In the event that a unit shall be acquired by the Board of Managers, or its designee, on behalf of all unit owners as tenants in common, all such unit owners shall be deemed to have waived all rights of partition with respect to such unit.

Section 9. *Payment of Common Charges and Assessments.* No unit owner shall be permitted to convey, mortgage, pledge, hypothecate, sell or lease his unit unless and until he shall have paid in full to the Board of Managers all unpaid common charges and assessments and expenses theretofore assessed by the Board of Managers against his unit and until he shall have satisfied all unpaid liens against such unit, except permitted mortgages.

Section 10. *Mortgage of Units.* Each unit owner shall have the right to mortgage his unit without restriction provided that any such mortgage shall be substantially in the form available from the Board of Managers, except for such changes or additions as may be necessary in order to permit a particular bank, trust company, insurance company, savings and loan association or other institutional lender to make the mortgage loan.

Section 11. *Exceptions.* The provisions of Section 1 of this Article VII shall not apply with respect to (a) any sale, conveyance or lease by a unit owner of his unit and Appurtenant Interests to his spouse or to any of his children over the age of 18 years or to his parent or parents or to his brothers or sisters, or any one or more of them, or (b) the acquisition, conveyance, sale or lease of a unit and Appurtenant Interests by the Sponsor, a Sponsor-affiliate or a designee of same, or (c) the acquisition, sale or lease of a unit, together with the Appurtenant Interests, by a mortgagee who shall acquire title to such unit by foreclosure or by deed in lieu of foreclosure (d) the acquisition, sale or lease of the Garage Unit or Commercial Unit and their Appurtenant Interests. The Board shall be required to cooperate in providing appropriate physical access to any unit (and related common elements) described in Subdivision "a" and "b" of this Section 11, as well as all financial information regarding same.

ARTICLE VIII

Condemnation

In the event of a taking in condemnation or by eminent domain of part or all of the common elements, the award made for such taking shall be payable to the Board of Managers if such award amounts to \$50,000 or less, and to the Insurance Trustee if such award amounts to more than \$50,000. If 75% or more of the unit owners duly and promptly approve the repair and restoration of such common elements, the Board of Managers shall arrange for such repair and restoration, and the Board of Managers or the Insurance Trustee, as the case may be, shall disburse the proceeds of such award to the contractors engaged in such repair and restoration in appropriate progress payments. If 75% or more of the unit owners do not duly and promptly approve the repair and restoration of such common elements, the Board of Managers or Insurance Trustee, as the case may be, shall disburse the net proceeds of such award in proportion to the fair value of each unit to all units at the time of such award.

ARTICLE IX

Records

The Board of Managers shall keep detailed records of the actions of the Board of Managers, minutes of the meetings of the Board of Managers, minutes of the meetings of the unit owners, and financial records and books of account of the Condominium, including a chronological listing of receipts and expenditures, as well as a separate account for each unit which, among other things, shall contain the amount of each assessment of common charges against such unit, the date when due, the amounts paid thereon, and the balance remaining unpaid.

An annual report of the receipts and expenditures of the Condominium, audited by an independent certified public accountant, shall be rendered by the Board of Managers to all unit owners and to all mortgagees of units who have requested the same, promptly after the end of each fiscal year. The cost of such report shall be paid by the Board of Managers as a common expense.

ARTICLE X

Miscellaneous

Section 1. *Notices.* All notices hereunder shall be sent by registered or certified mail to the Board of Managers at the office of the Board of Managers or to such other address as the Board of Managers may hereafter designate from time to time, by notice in writing to all unit owners and to all mortgagees of units. All notices to any unit owner shall be sent by registered or certified mail to the building or to such other address as may have been designated by him from time to time, in writing, to the Board of Managers. All notices to mortgagees of units shall be sent by registered or certified mail to their respective addresses, as designated by them from time to time, in writing, to the Board of Managers except that notice of meetings sent pursuant to Article III, Section 4 hereof, may be sent by regular mail. All notices shall be deemed to have been given when mailed, except notices of change of address which shall be deemed to have been given when received.

Section 2. *Invalidity.* The invalidity of any part of these By-Laws shall not impair or affect in any manner the validity, enforceability or effect of the balance of these By-Laws.

Section 3. *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, or the intent of any provision thereof.

Section 4. *Gender.* The use of the masculine gender in these By-Laws shall be deemed to include the feminine gender and the use of the singular shall be deemed to include the plural, whenever the context so requires.

Section 5. *Waiver.* No restriction, condition, obligation, or provision contained in these By-Laws 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 thereof which may occur.

Section 6. *Insurance Trustee.* The Insurance Trustee shall be a bank, trust company or savings and loan association in the State of New York, designated by the Board of Managers (with the approval of the holders of 25 or more unit first mortgages). In the event that the Insurance Trustee shall resign, the new Insurance Trustee shall also be a bank, trust company or savings and loan association in the State of New York, designated by the Board of Managers (with the approval of the holders of 50 or more unit first mortgages). The Board of Managers shall pay the fees and disbursements of any Insurance Trustee and such fees and disbursements shall constitute a common expense of the Condominium.

Section 7. *Definition of "Mortgagee".* As used in these By-Laws, the term "mortgagee" or "holder of a first mortgage" shall include the holder of any construction loan mortgage which shall be a lien on a unit.

ARTICLE XI

Amendments to By-Laws

Except as hereinafter provided otherwise, these By-Laws may be modified or amended by approval of 66%% in number and in common interest of all unit owners.

The following provisions of these By-Laws may not be amended without the consent in writing of the Sponsor or Sponsor-affiliate so long as it shall be the owner of one or more units. Provisions a, b, e, f and g may not be amended without the consent of the Garage Unit Owner and Commercial Unit Owner.

Section 1 of Article III – Insofar as it provides that the Sponsor or Sponsor-affiliate, the Owner of the Commercial Unit and the Garage Unit so long as it is the owner of a unit, shall be entitled to elect members of the Board of Managers, which members need not be unit owners.

Section 2 of Article II – Insofar as it provides that the Board of Managers may not exercise certain powers without the Sponsor's or Sponsor-affiliate's Garage Unit Owner's or Commercial Unit Owner's prior written consent so long as the Sponsor or Sponsor-affiliate shall continue to own any unit.

Sections 15 and 16 of Article II – Insofar as they provide for representation of the Sponsor or Sponsor-affiliate on the Executive Committee or any other committee created by the Board of Managers so long as it is the owner of one or more units.

Section 8 of Article III – Insofar as it provides that the Sponsor or Sponsor-affiliate, so long as it is the owner of one or more units, may vote the votes appurtenant thereto.

Section 14 of Article V – Insofar as it provides that the provisions of such Section shall not apply to any units owned by the Sponsor, Sponsor-affiliate, any designee of same, the Garage Unit Owner or Commercial Unit Owner.

Section 11 of Article VII – Insofar as it applies to the Sponsor or a Sponsor-affiliate, the Garage Unit Owner or Commercial Unit Owner.

This Article XI.

Notwithstanding anything to the contrary herein contained, no provision of these By-Laws may be amended so as to adversely affect the Sponsor, Sponsor-affiliate, any designee of same, the Garage Unit Owner or Commercial Unit Owner without the consent thereof.

ARTICLE XII

Conflicts

These By-Laws are set forth to comply with the requirements of Article 9-B of the Real Property Law of the State of New York. In case any of these By- Laws conflict with the provisions of said statute or of the Declaration, the provisions of said statute or of the Declaration, as the case may be, shall control.

SCHEDULE A

Rules and Regulations

1. The units shall be used for residences, except for the Commercial Unit and the Garage Unit which may be used for any lawful purpose. Units may also be used for professional offices by a resident thereof with the prior written consent of the Board of Managers, unless prohibited by law.

2. Except as provided in Rule I above, no industry, business, trade, occupation or profession of any land, commercial, religious, educational or otherwise, designed for profit, altruism, or otherwise, shall be conducted, maintained or permitted on any part of the Property, nor shall any "For Sale", "For Rent" or "For Lease" signs or other window displays or advertising be maintained or permitted on any part of the Property or in any unit therein nor shall any unit be used or rented for transient, hotel or motel purposes.

Notwithstanding the above, the right is reserved by the Sponsor, Sponsor-affiliates, the Owner of the Garage Unit and of the Commercial Unit, and the Board of Managers, or their agent, to (a) place, "For Sale", "For Rent" or "For Lease" signs on any unsold or unoccupied units, and (b) to erect, lease, manage and maintain commercial and recreational facilities on various portions of the property as permitted by applicable law and regulation, and as contemplated by the Offering Plan, as amended. The Garage Unit Owner and the Commercial Unit Owner shall have the right to place signs, displays and the like in the common elements provided that use and enjoyment of such common elements by other Unit Owners is not unduly curtailed thereby.

3. Nothing shall be done or kept in any unit or the common elements or limited common elements which will increase the rate of insurance of any of the buildings, or contents thereof, without the prior written consent of the Board, of Managers. No unit owner shall permit anything to be done or kept in his unit or in the common elements or limited common elements which will result in the cancellation of insurance on any of the buildings, or contents thereof, or which would be in violation of any law. No unit owner or occupant or any of his agents, servants, employees, licensees or visitors shall at any time bring into or keep in his unit, any limited common element appurtenant thereto, or vestibule, any flammable, combustible or explosive fluid, material, chemical or substance (except gasoline in automobile tanks). No waste shall be committed in the common elements or limited common elements.

4. All radio, television or other electrical equipment of any kind or nature installed or used in each unit shall fully comply with all rules, regulations, requirements or recommendations of the New York Board of Fire Underwriters and the public authorities having jurisdiction thereof, and the unit owner alone shall be liable for any damage or injury caused by any radio, television or other electrical equipment in such unit. No such installation shall interfere with reception of the Master-T.V. antenna.

5. Nothing shall be done in any unit or in, on or to the common elements or limited common elements which will impair the structural integrity of any building or which would structurally change any of the buildings.

6. Nothing shall be altered or constructed in or removed from the common elements, except upon the written consent of the Board of Managers.

7. No animals, birds, or reptiles of any kind shall be raised, bred, or kept in any unit or in the common elements or limited common elements, except that dogs, cats or other household pets, not to exceed two per unit, may be kept in units, subject to the rules and regulations adopted by the Board of Managers, provided that they are not kept, bred or maintained for any commercial purposes; and provided further that any such pet causing or creating a nuisance or unreasonable disturbance or noise shall be permanently removed from the property subject to these restrictions upon three (3) days' written notice from the Board of Managers. In no event shall any dog be permitted in any portion of the common elements unless carried or on a leash, or in any grass or garden plot under any circumstances.

8. No noxious or offensive activity shall be carried on in any unit or in the common elements or limited common elements, nor shall anything be done therein, either willfully or negligently, which may be or become an annoyance or nuisance to the other unit owners or occupants.

9. There shall be no obstruction of the common elements nor shall anything be stored in the common elements without the prior consent of the Board of Managers except as hereinafter expressly provided. Each unit owner shall be obligated to maintain and keep in good order and repair his own unit in accordance with the provisions of the By-Laws.

10. Except in recreational or other areas designated as such by the Board of Managers or in the Declaration, there shall be no playing, lounging, or parking of baby carriages or playpens, bicycles, wagons, toys, vehicles, benches or chairs, on any part of the common elements (except that limited common elements may be used for their intended purposes). Storage by owners in areas designated by the Board of Managers or in the Declaration shall be at their own risk.

11. No clothes, sheets, blankets, laundry or other articles of any kind shall be hung out of a unit or exposed on any part of the common elements. The common elements and limited common elements shall be kept free and clear of rubbish, debris and other unsightly materials, nor shall any rugs or mops be shaken or hung from or on any of the windows, doors, railings, or vestibules, nor shall a unit owner sweep or throw or permit to be swept or thrown therefrom any dirt or other substance.

12. Each unit owner shall keep his unit in a good state of preservation and cleanliness and each unit owner shall be obligated to maintain and keep in good order and repair his own unit in accordance with the provisions of the By-Laws.

13. No vestibule shall be decorated or otherwise altered without the consent in writing of the Board of Managers.

14. Unless express written consent to the contrary is given by the Board as to the particular unit in question, 80% of the floor area of each unit (with the exception of baths, kitchens, closets and foyers) shall always be covered with carpet, rugs or material equally efficient for noise reduction. This provision shall not apply to the Commercial Unit and the Garage Unit.

15. There shall be no barbecuing in the units or any common areas or limited common areas, including patios and balconies, except areas specifically designated for barbecuing by the Board of Managers.

16. No washing or repairs of automobiles shall take place on any of the Property.

17. The agents of the Board of Managers or the managing agent, and any contractor or workman authorized by the Board of Managers or the managing agent, may enter any room or unit in a building at any reasonable hour of the day for the purpose of inspecting such unit for the presence of any vermin, insects or other pests and for the purpose of taking such measures as may be necessary to control or exterminate any such vermin, insects or other pests.

18. The Board of Managers, or its designated agent, may retain a pass key to the unit and storage area. No unit owner shall alter any lock or install a new lock or a knocker on any door of the units and storage areas without the written consent of the Board of Managers. In case such consent is given, the unit owner shall provide the Board of Managers, or its agent, with an additional key pursuant to its right of access to such premises. If entry is required in an emergency and the key has not been furnished to management as required by these Rules, the managing agent (with authorization from an officer of the Board) may forcibly enter the Unit without liability for damages or trespass, provided that reasonable care is exercised.