
BY-LAWS

of

THE 260 WEST BROADWAY CONDOMINIUM

City of New York

New York County, New York

(Part 2 of the Declaration)

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BY-LAWS
OF
THE 260 WEST BROADWAY CONDOMINIUM

ARTICLE I

Plan of Unit Ownership

Section 1. Unit Ownership. The land and the building (the "Building") located thereon at 260 West Broadway, City, County and State of New York (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 in New York County simultaneously herewith and shall hereinafter be known as The 260 West Broadway Condominium (hereinafter called the "Condominium"). The residential apartments and the commercial spaces 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 Building 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, real, personal or mixed, in-

tended for use in connection therewith, all of which 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, mortgagees, lessees 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 of the Board of Managers shall be located at the Property.

Section 5. Sponsor. The Sponsor is 260 West Broadway Development Corp., 260 West Broadway, New York, New York 10013, and/or the Tipitina Group, c/o Jonathan F.P. Rose, 522 Fifth Avenue, New York, New York, and/or MRMS Co., c/o Jonathan F.P. Rose, 380 Madison Avenue, New York, New York or the designee(s) of any of them.

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 1(a) of Article III of these By-Laws, the Board of Managers shall consist of three persons designated by the Sponsor. After the first 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 right of the Sponsor or Sponsor-affiliate to elect members of the Board shall be subject to the limitations set forth in Section 1(c) 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 designees of any such parties, 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 or Sponsor-affiliates. 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. 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 Manager 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:

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

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

(c) Employment, designation and dismissal of the personnel necessary for the maintenance and operation of the common elements.

(d) Adoption and amendment of Rules and Regulations covering the details of the operation and use of the Property.

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

(f) 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.

(g) 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.

(h) 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.

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

(j) 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 condominium, on behalf of all unit owners.

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

(l) 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.

(m) 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, shall be required for the borrowing of any sum in excess of \$15,000 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 (m) 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.

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

(o) 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 25% or more of the units, but in no event for longer than three years after the first closing of title to a unit in the Condominium, the Board of Managers may not, without the Sponsor's or Sponsor-affiliate's or its designees 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 or (iii) hire any employee in addition to those in the employ of the Condominium on the date of the first closing of title to a unit or (iv) enter into any service or maintenance contract for work not covered by contracts in existence on the date of the first closing of title to a unit or (v) borrow money on behalf of the Condominium or (vi) amend the Declaration or these By-Laws (except as amendments are otherwise limited in the Declaration or Article XI hereof). The Sponsor or Sponsor-affiliate shall have the right to withhold its consent to any of the foregoing actions for any reason whatsoever.

Section 3. Managing Agent and Manager. The Board of Managers may designate and employ one or more managing agents and/or managers (including the Sponsor or a corporation organized by the Sponsor) for the Condominium at a compensation established by the Board of Managers to perform such duties and services and upon such terms and conditions as the Board of Managers shall authorize. The Board of Managers may remove a manager, managing agent or any other person employed for the operation of the Condominium upon such terms and conditions as the Board of Managers shall deem appropriate. 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), (f), (g), (h), (i), (j), (m), (n) and (o) of Section 2 of this Article II.

Section 4. Election and Term of Office. Except as provided in Section 1(c) 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 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 first 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 or Sponsor-affiliate, 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 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, 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 or Sponsor-affiliate shall be filled only by the Sponsor or Sponsor-affiliate.

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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 upon three days notice to the newly elected members of the Board of Managers, at such time and place as shall be fixed by a majority of the members of the Board of Managers.

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. 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 \$25,000 or more for all officers and employees of the Condominium and of the managing agent handling or responsible for Condominium funds. The Board of Managers may obtain such other fidelity 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 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 City 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 (f), (g), (h) and (m) of Section 2 of Article II.

Section 16. Other Committees. 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 60 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.

(b) Second Meeting. Within 60 days after (i) the Sponsor's conveyance of title to all units or (ii) the first 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. So long as the Sponsor or a Sponsor-affiliate and the owner of the Commercial Unit consisting of the basement and first floors of the Building or the owners of units derived from the Commercial Unit shall continue to own: (i) units representing 40% or more in common interest, the Sponsor or Sponsor-affiliate and the owner of the Commercial Unit or units derived therefrom 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 and the owner of the Commercial Unit or units derived therefrom shall have the right to elect three 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 or owner of the Commercial Unit or units derived therefrom shall have the right to elect two of the 9 members of the Board of Managers. Members of the Board of Managers elected by the Sponsor or Sponsor-affiliate 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.
- (f) Reports of committees.
- (g) Report of the Managing Agent.
- (h) Election of inspectors of election (when so required).
- (i) Election of members of the Board of Managers (when so required).
- (j) Unfinished business.
- (k) New business.

Section 7. Title to Units. 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.

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 and the owner of the Commercial Unit or any unit derived therefrom) shall be entitled to cast one vote at all meetings of the unit owners for each .0001 per cent 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 Offices. Upon either (a) the affirmative vote of a majority of the members of the Board of Managers, or (b) the affirmative vote of two-thirds of the unit owners at a duly called and constituted meeting of unit owners, 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 president of a stock corporation organized under the Business Corporation Law of the State of New York, including but not limited to the power to appoint 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.

Secretary 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 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.

ARTICLE V

Operation of the Property

Section 1. (i) 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, among other things, 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).

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 closing of title to a unit until such unit owned by it is sold to a bona fide purchaser.

(ii) In recognition of the non-residential use of the Commercial Unit and the more or less exclusive use by the residential units of certain facilities and services, the owner of the Commercial Unit will only be responsible for common charges to the extent of 11% of the expenses for services and facilities contemplated by Schedule B, the budget as initially presented in the Plan for Condominium Ownership of the premises 260 West Broadway, dated _____, 1981. The owner of the Commercial Unit will be responsible in full for the amount by which the premiums of any insurance coverage held by the Condominium exceeds the premium for a policy providing equivalent coverage if the entire Building were used and occupied for the purposes of the units other than

the Commercial Unit, because of the use and occupancy of the Commercial Unit. If the Commercial Unit is further divided, the common charges allocable to each such unit will be the appropriate percentages of common charges that would be payable by the owner of the Commercial Unit under this section.

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 normal for a condominium of this type, vandalism and malicious mischief endorsements, insuring the Building (including all of the units and the equipment installed therein on the date of recordation of the Declaration, but not including any wall, ceiling or floor decorations or coverings or other furniture, furnishings, fixtures or equipment or other personal property supplied or installed by unit owners) 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 interest 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 pay-

able 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 \$15,000 or less, shall be payable to the Board of Managers, and if more than \$15,000 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 \$6,900,000.

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 excavations and foundations), including all of the units, and all of the common elements therein, without deduction for depreciation, for the purpose of determining the amount of fire 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 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 annual meeting of the unit owners, such public liability insurance shall be a single limit of \$1,000,000 covering all claims for bodily injury or property

damage arising out of one occurrence and in a limit of \$100,000 for each occurrence for 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 therein on the date of recordation of the Declaration 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.

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 Building 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 the Insurance Trustee, as the case may be, among all the unit owners in 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 Sec-

tion 1 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 1 of Article VII of these By-Laws) of such unit, together with the Appurtenant Interests, as defined in Section 1 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. Collection of Common Charges and Assessments. The Board of Managers shall assess common charges against the unit owners from time to time and at least annually and shall take prompt action to collect any common charge due from any unit owner which remains unpaid for more than 30 days from the due date for payment thereof.

Section 6. 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 interest at the legal rate on such common charges or assessments from the due date thereof, 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 Board of Managers shall have the right and duty to attempt to recover such common charges or assessments 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 7. 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 8. Statement of Common Charges and Assessments. The Board of Managers (or a managing agent on its behalf) shall within 15 days of receipt of a written request 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 9. 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 (provided, 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 10. Maintenance and Repair. (a) All maintenance, repairs and replacements to any unit (including the removal of snow, ice and accumulation of water from the balconies or terraces), 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.

(b) Except as provided in Section 11, 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.

Section 11. Limited Common Elements. The following portions of the common elements will be limited common elements:

A terrace or balcony having direct access to a unit, which will be for the exclusive use of the unit owner, his lessees, guests, invitees and residents of his unit;

The cost of removal of snow, ice and accumulation of water from a limited common element and the cost of repairs necessitated by a unit owner's negligence or misuse of a limited common element appurtenant to his unit will be borne by the unit owner having the exclusive use thereof. The Board of Managers will have the responsibility of maintaining and repairing all limited common elements (except for repairs and maintenance due to the negligence or misuse of the appropriate unit owner), and the cost thereof will be included in the common charges payable by all unit owners.

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

(a) Use of Building and Units. Each unit shall be used for loft dwelling or joint living working purposes only, except that (a) the Commercial Unit may be used for commercial purposes, (b) the Sponsor or its designee shall have the right without charge to (i) maintain a general and sales office in any unit owned by it and to use such unit as a model and for other promotional purposes, (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 (c) the Sponsor or its designee may perform construction, rehabilitation or renovation that is not otherwise prohibited under this Declaration or the By-laws, and (d) those units or parts of duplex units that are on the second floor may only be used for commercial purposes. The Building shall be used solely for the purposes for which the units contained therein may be used.

(b) 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.

(c) No nuisances shall be allowed on the Property nor shall any use or practice be allowed which un-

reasonably interferes with the peaceful possession or proper use of the Property by its residents or occupants.

(d) No immoral, improper, offensive, noxious 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.

(e) Except for the Commercial Unit, no portion of a unit (other than the entire unit and its Appurtenant Interests) may be rented.

(f) No transient tenants may be accommodated in any unit.

(g) 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.

(h) 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 \$15,000 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. Any additions, alterations or improvements costing \$15,000 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 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, materialmen, 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 until a deed to such unit has been delivered to a purchaser thereof.

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 provided, however, that neither the Board of Managers nor

the unit owners other than the Sponsor or Sponsor-affiliate 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 the common areas, except in the storage area.

(b) 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 pur-

pose of making inspections or for the purpose of correcting any condition originating in his unit and threatening another unit or a common element, 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 unit. 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 will be supplied by the public utility company serving the area directly to each unit through a separate meter and each unit owner shall be required to pay the bill for electricity consumed or used in his unit directly to the utility company. The cost of electricity for the public spaces outside the units and gas for cooking 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.

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; (iii) the interest of such unit owner in any other assets of the Condominium; (iv) the right to the exclusive use of his designated parking space (the interests in subsections (i), (ii), (iii), and (iv) 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 other taxes arising out of such sale. Real estate, school and other property 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 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 in the then current form of lease recommended by The Real Estate Board of New York, Inc.

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 or all units.

Section 4. Release By Board of Managers of Right of First Refusal. The right of first refusal contained in Section 1 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 by the Secretary of the Condominium, stating that the provisions of Section 1 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 1 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 Section 6 and 7 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 then generally in use by institutional lenders in the New York area, 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) a sale or lease of a unit and Appurtenant Interests owned by the Sponsor or a Sponsor-affiliate 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 or (d) the sale or leasing of all or part of the Commercial Unit (including any unit derived from the Commercial Unit) and its Appurtenant Interests.

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 \$15,000 or less, and to the

Insurance Trustee if such award amounts to more than \$15,000. 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 the same manner as they are required to distribute insurance proceeds where there is no repair or restoration of the damage, as provided in Section 3 of Article V of these By-Laws.

ARTICLE IX

Records

The Board of Managers shall keep detailed records of the action 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. 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. 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. 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.

ARTICLE XI

Amendments to By-Laws

Except as provided otherwise in the Declaration and hereinafter, these By-Laws may be modified or amended by approval of 66-2/3% 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-affiliates so long as it shall be the owner of one or more units:

(a) 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 or Commercial Unit owner's prior written consent so long as the Sponsor or Sponsor-affiliate or Commercial Unit owner shall continue to own a unit.

(b) 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.

(c) Section 1 of Article III - Insofar as it provides that the Sponsor or Sponsor-affiliate or owner of the Commercial Unit or any unit derived therefrom, so long

as it is the owner of units shall be entitled to elect members of the Board of Managers.

(d) Section 3 of Article III - Insofar as it provides that the Sponsor or Sponsor-affiliate or owner of the Commercial Unit or any unit derived therefrom, so long as it is the owner of one or more units, may vote the votes appurtenant thereto:

(e) 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 or Sponsor-affiliate.

(f) Section 11 of Article VII - Insofar as it applies to the Sponsor or a Sponsor-affiliate or to the owner of the Commercial Unit.

(g) This Article XI.

Notwithstanding anything to the contrary herein contained, no provision of these By-Laws relating to the use of the units may be amended without the consent of every unit owner affected by such Amendment.

ARTICLE XII

Conflicts

The 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 FOR THE
260 WEST BROADWAY CONDOMINIUM

One. The sidewalks, entrances, passages, courts, public halls, elevators, vestibules, corridors and stairways of the Building shall not be obstructed or used for any other purpose than ingress to and egress from the units.

Two. No article shall be placed in any of the halls or on any of the staircase or fire tower landings, nor shall any fire exit be obstructed in any manner. Nothing shall be hung or shaken from the doors, windows or balconies or placed upon the window sills of the Building.

Three. Children shall not play in the public halls, elevator vestibules, stairways, fire towers or elevators.

Four. No public hall or elevator vestibule of the Building shall be decorated or furnished by any unit owner in any manner.

Five. Each unit owner shall keep his unit in a good state of preservation and cleanliness, and shall not sweep or throw or permit to be swept or thrown therefrom, or from the doors, or windows thereof, any dirt or other substance

Six. No shades, venetian blinds, awnings or window guards shall be used in or about any unit except such as shall have been approved in writing by the Board of Managers or the managing agent or the manager, which approval may be

granted or refused in the sole discretion of the Board of Managers or the managing agent or the manager.

Seven. No awning or radio or television aerial shall be attached to or hung from the exterior of the Building and no sign, notice, advertisement or illumination shall be inscribed or exposed on or at any window or other part of the Building except such as shall have been approved in writing by the Board of Managers or the managing agent or the manager, which approval may not be unreasonably withheld; nor shall anything be projected from any window of the Building without similar approval.

Eight. No ventilator or air conditioning device shall be installed in any unit, without the prior written approval of the Board of Managers or the managing agent or the manager, as to the type, location and manner of installation of such device, which approval may be granted or refused in the sole discretion of the Board of Managers or the managing agent or the manager. Each unit owner shall keep any such device which protrudes from the window of the unit in good appearance and mechanical repair. No unit owner shall permit any such device to leak condensation, or to make any noise which may unreasonably disturb or interfere with the rights, comforts or conveniences of any other occupant of the Building. If any such device shall become rusty or discolored, the unit owner shall have it painted in

a good and workmanlike manner in the standard color selected by the Board of Managers for the Building. If the unit owner shall fail to keep any such device in good order and repair, and properly painted, the Board of Managers or the managing agent or the manager, in their discretion, may remove such device from the window, charging the cost of removal to the unit owner, and the device shall not be replaced until it has been put in proper condition and only with the further written consent of the Board of Managers.

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

Ten. No velocipedes, bicycles, scooters or similar vehicles shall be taken into or from the Building through the main entrance or be allowed in any of the elevators other than the elevator designated by the Board of Managers or the managing agent or the manager for that purpose, and no baby carriages or any of the abovementioned vehicles shall be allowed to stand in the public halls, passageways, courts or other public areas of the Building.

Eleven. No unit owner shall make or permit any disturbing noises in the Building, or do or permit anything to be done therein, which will interfere with the rights, comforts or conveniences of other unit owners. No unit owner shall play upon or suffer to be played upon any musical instrument, or operate or permit to be operated a phonograph or a radio or television set or other loud speaker in such owner's unit between the hours of twelve o'clock midnight and the following seven o'clock A.M., if the same shall disturb or annoy other occupants of the Building, and in no event shall practice or suffer to be practiced either vocal or instrumental music between the hours of ten P.M. and the following nine A.M.

Twelve. No bird, reptile or animal shall be permitted, kept or harbored in the Building unless the same in each instance be expressly permitted in writing by the Board of Managers or the managing agent or the manager and such consent, if given, shall be revocable by the Board of Managers or the managing agent or the manager in their sole discretion, at any time. In no event shall any bird, reptile or animal be permitted in any elevators, other than the elevator designated by the Board of Managers or the managing agent or the manager for that purpose, or in any of the public portions of the Building, unless carried or on leash, nor in any grass or garden plot under any condition. Large dogs shall be car-

ried only in the elevator designated by the Board of Managers or the managing agent or the manager for that purpose.

Thirteen. Servants, messengers and tradespeople shall use the elevator designated by the Board of Managers or the managing agent or the manager for that purpose, for ingress and egress, and shall not use any of the other elevators for any purpose, except that nurses in the employ of unit owners or their guests or tenants may use any of the other elevators when accompanying said unit owners, their guests or tenants. However, a guest of a unit owner or a tenant may use any of the other elevators freely.

Fourteen. Supplies, goods and packages of every kind are to be delivered to units only through the service entrance of the Building and by the elevator designated by the Board of Managers or the managing agent or the manager for that purpose. Trunks and heavy baggage shall be taken in or out of the Building by the elevator designated by the Board of Managers or the managing agent or the manager for that purpose, and through the service entrance only.

Fifteen: No refuse from the units shall be sent to the basement of the Building except at such times and in such manner as the Board of Managers or the managing agent or the manager may direct.

Sixteen: Water-closets and other water apparatus in the Building shall not be used for any purpose other than

those for which they were designed, nor shall any sweepings, rubbish, rags or any other article be thrown into the same. Any damage resulting from issues of any water-closets or other apparatus in a unit shall be repaired and paid for by the owner of such unit.

Seventeen. No occupant of the Building shall send any employee of the Board of Managers or of the managing agent out of the Building on any private business².

Eighteen. 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 or the manager, may enter any room or unit in the 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.

Nineteen. No cooking shall be permitted on any balcony nor in any unit not especially constructed and equipped therefor. Corridor doors shall be kept closed at all times except when in actual use for ingress or egress to and from public corridors.

Twenty: The Board of Managers or the managing agent or the manager may retain a pass-key to each unit. The unit owner shall not alter any lock or install a new lock on any door leading to his unit without the written

consent of the Board of Managers or the managing agent or the manager. If such consent is given, the Board of Managers or the managing agent or the manager shall be provided with a key. .

Twenty-One. No vehicle belonging to a unit owner or to a member of the family or guest, tenant or employee of a unit owner shall be parked in such manner as to impede or prevent ready access to any entrance to or exist from the Building by another vehicle.

Twenty-Two. The Board of Managers or the managing agent or the manager may from time to time curtail or relocate any portion of the common elements devoted to storage or service purposes in the basement of the Building.

Twenty-Three. Complaints regarding the service of the Building shall be made in writing to the Board of Managers or to the managing agent or to the manager.

Twenty-Four. Any consent or approval given under these rules and regulations may be added to, amended or repealed at any time by resolution of the Board of Managers.

Twenty-Five. The laundry and drying apparatus in the laundry rooms in the Building shall be used in such manner and at such times as the Board of Managers or the managing agent or the manager may direct. Clothes and other articles shall not be dried or aired on the roof or on or from a balcony.

Twenty-Six. No garbage cans, ice, milk bottles, mats or other articles shall be placed in the halls or on the staircase landings, nor shall anything be hung from the windows or balconies or placed upon the window sills. Nor shall any linens, cloths, clothing, curtains, rugs or mops be shaken or hung from or on any of the windows, doors or balconies.

Twenty-Seven. Unit owners will faithfully observe the procedures established from time to time by the Board of Managers, the managing agent or the manager with respect to the disposal of garbage, rubbish and refuse.

Twenty-Eight. Unit owners, their families, guests, servants, employees, agents, visitors or licensees shall not at any time or for any reason whatsoever enter upon or attempt to enter upon the roof of the Building except for the use of any recreation area designated by the Board of Managers.

Twenty-Nine. Unit owners shall not cause or permit any unusual or objectionable noise or odors to be produced upon or to emanate from their units.

Thirty. No balcony shall be enclosed, decorated, landscaped, or covered by any awning or otherwise without the consent in writing of the Board of Managers or the managing agent or the manager.

Thirty-One. No unit owner or any of his agents, servants, employees, licensees, or visitors shall at any time bring into or keep in his unit any inflammable, com-

bustible or explosive fluid, material, chemical or substances, except for normal household use.

Thirty-Two. If any keys are entrusted by a unit owner or by any member of his family or by his agent, servant, employee, licensee or visitor to an employee of the Board of Managers or of the managing agent, whether for such unit owner's unit or an automobile, trunk or other item of personal property, the acceptance of the key shall be at the sole risk of such unit owner, and neither the Board of Managers nor the managing agent nor the manager shall be liable for injury, loss or damage of any nature whatsoever, directly or indirectly resulting therefrom or connected therewith.

The Floor Plans referred to in the foregoing Declaration were filed in the Office of the Register of the City of New York on _____, 1981, as Condominium Plan No. ____.

County Clerk