

BYLAWS
OF
200 DELAWARE RESIDENTIAL CONDOMINIUM

City of Buffalo
County of Erie
State of New York

200 DELAWARE RESIDENTIAL CONDOMINIUM BYLAWS

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BYLAWS
OF
200 DELAWARE RESIDENTIAL CONDOMINIUM

ARTICLE I

**CONDOMINIUM UNIT OWNERSHIP, BYLAWS
APPLICABILITY AND PERSONAL APPLICATION**

Section 1. Condominium Unit Ownership. Property located at 200 Delaware Avenue, in the City of Buffalo, County of Erie, State of New York, as specifically set forth in a certain Declaration of Condominium, pertaining thereto (the “Declaration”), and more commonly known as 200 Delaware Residential Condominium, has been submitted to the provisions of Article 9-B of the Real Property Law of the State of New York (said statute, as the same may be modified, amended or replaced from time to time, is hereafter referred to as the “Condominium Act”). All capitalized terms not otherwise defined herein shall have the same meaning given those terms in the Declaration.

Section 2. Bylaws Applicability. The provisions of these Bylaws are applicable to the Condominium. The term “Condominium” as used herein shall include the land subjected to the Declaration and that residential portion (the top three floors) of the buildings and improvements thereon and the common elements and the use and occupancy thereof. The term “Building” as hereinafter used shall be defined as the structure and the exterior walls and roof of the structure containing the Condominium’s Units all of which are constructed under a continuous roof. The terms “Unit” or “Units” as hereinafter used shall have the same meaning given in the Declaration; said Unit or Units may be further described as that part or those parts of the Condominium located on the top three floors of the Building with exits either directly to the outside of the Building or via common elements in the Condominium, which shall be owned in fee simple by an owner thereof, as defined in the Declarations (hereinafter referred to as a “Unit Owner”).

Section 3. Personal Application. The mortgagees and lessees of all present or future Unit Owners, or said Unit Owners’ occupants, tenants, employees, guests, licensees or any other person that might use the facilities of the Condominium in any manner, are subject to these Bylaws, the Declaration and any Rules and Regulations established by the Board of Managers in addition to the Declarations, Bylaws, Rules and Regulations of the Master Condominium (as defined in the Declarations) as the same are recorded in the Erie County Clerk’s Office. The mere acquisition or rental of any of the Units or the mere act of occupancy of any of said Units will signify that these Bylaws, the Declaration and the Rules and Regulations and the Declarations, Bylaws, Rules and Regulations of the Master Condominium, are accepted, ratified, and will be complied with.

ARTICLE II

CONDOMINIUM, VOTING, QUORUM, PROXIES AND WAIVERS

Section 1. Condominium. The rights to and participation in the Condominium shall be limited to Unit Owners.

Section 2. Voting. Each Unit Owner, including the initial seller of the Units (hereinafter "Sponsor") and the Board of Managers if Sponsor or the Board of Managers, shall then own or hold title to one or more Units, shall be entitled to vote at all Unit Owners meetings, and such vote shall be weighted in accordance with the percentage of common interest appurtenant to the Unit or Units owned by such Owner, as set forth in the Declaration, but the Board of Managers shall not cast any of its votes for the election of any member to the Board of Managers.

Section 3. Quorum. As many Unit Owners as shall represent at least 51% in number of all Unit Owners present in person or represented by written proxy, shall be requisite to and shall constitute a quorum at all meetings of the Unit Owners for the transaction of business, except as otherwise provided by the Condominium Act, the Declaration, or these Bylaws. If, however, such quorum shall not be present or represented at any meeting of the Unit Owners, the Unit Owners entitled to vote thereat, present in person or represented by written proxy, shall have the power to adjourn the meeting from time to time without notice other than an announcement at the meeting, until a quorum shall be present or represented. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting originally called.

Section 4. Vote Required to Transact Business. When a quorum is present at any meeting, the vote of the Unit Owners present in person or represented by written proxy, representing at least 51% in number of the Unit Owners present shall decide any question brought before such meeting and such vote shall be binding upon all Unit Owners, unless the question is one upon which, by express provision of the Declaration, the Condominium Act, or of these Bylaws, a different vote is required, in which case such express provision shall govern and control the decision of such question.

Section 5. Right to Vote. At any Unit Owners meeting, every Unit Owner having the right to vote shall be entitled to vote in person or by proxy. Such proxy shall only be valid for such meeting or subsequent adjourned meetings thereof.

Section 6. Proxies. All proxies shall be in writing and shall be filed with the Secretary of the Board of Managers of the Condominium, as hereinafter provided for, prior to the meeting at which the same are to be used. A notation of such proxies shall be made in the minutes of the meeting.

Section 7. Waiver and Consent. Whenever the vote of Unit Owners at a meeting is required or permitted by any provision of the Declaration, the Condominium Act or these

Bylaws, to be taken in connection with any action of the Condominium, the meeting and the vote of Unit Owners may be dispensed with if all Unit Owners who would have been entitled to vote upon the action if such meeting were held shall consent in writing to such action being taken.

Section 8. Place of Meetings. Meetings shall be held at such suitable place convenient to the Unit Owners as may be designated by the Board of Managers.

Section 9. Annual Meetings. Within 30 days after 51% of the Units in the Condominium are sold and conveyed or three years from the date the first Unit is conveyed, whichever is sooner, Sponsor shall call the first annual Unit Owners meeting. During the three (3) year period following the date the first Unit is conveyed and for such time as the Sponsor retains ownership of one of the units, the Sponsor shall have one representative on the Board of Managers. At the first annual Unit Owners' meeting, a new Board of Managers shall be elected by the Unit Owners and the former members of the Board shall thereupon resign. Thereafter, annual meetings shall be held on the anniversary of such date each succeeding year or as close thereto as is practical for the management of the Condominium and the convenience of the majority of the Unit Owners. At such meetings there shall be elected, by ballot of the Unit Owners, a Board of Managers in accordance with the requirements of Article III of these Bylaws. The Unit Owners shall also transact such other business of the Condominium as may properly come before them.

Section 10. Special Meetings. It shall be the duty of the President to call a special meeting of the Unit Owners as directed by the Board of Managers or upon a petition signed by a majority of the Unit Owners in percentage common interest having been presented to the Secretary.

Section 11. Notice of Meetings. It shall be the duty of the Secretary to mail a notice of each annual or special 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 least five but not more than ten days prior to such meeting. Notice shall be sent to the Unit address unless the Unit Owner notifies the Board of Managers in writing of such other notice address. The mailing of a notice in the manner provided in these Bylaws shall be considered notice served.

Section 12. Order of Business. The order of business at all meetings shall be as follows:

- (a) Roll Call;
- (b) Proof of Notice of Meeting or Waiver of Notice;
- (c) Reading of Minutes of Preceding Meeting;
- (d) Report of Committees (if any);
- (e) Election of Inspectors of Election (in the event there is an election);

- (f) Election of Managers (in the event there is an election);
- (g) Unfinished Business; and
- (h) New Business.

ARTICLE III

BOARD OF MANAGERS

Section 1. Number, Qualification and Term. The Board of Managers shall be composed of at least three persons, all of whom, other than Sponsor's designees, shall be Unit Owners or spouses or partners of Unit Owners or, in the case of Unit Owners which are partnerships, shall be partners of such partnerships, or in the case of Unit Owners which are corporations, shall be officers of such corporations, or in the case of Unit Owners which are limited liability companies, the manager or managing member of such limited liability company, or in the case of Unit Owners which are fiduciaries, shall be the fiduciaries or officers or employees of such fiduciaries. After the Declaration and these Bylaws have been recorded or filed and until their successors shall have been elected at the first meeting of Unit Owners held pursuant to Section 9 of Article II of these Bylaws, the Board of Managers shall consist of three persons designated by the Sponsor. Except as provided in Section 9 of Article II, at the first meeting of the Unit Owners the term of office of one member of the Board of Managers shall be fixed at three (3) years, the term of office of another member of the Board of Managers shall be fixed at two (2) years, and the term of office of the third member of the Board of Managers shall be fixed at one (1) year. At the expiration of the initial term of office of each respective member of the Board of Managers, his successor shall be elected for a term of three (3) years.

Section 2. Vacancy and Replacement. If the office of any member of the Board of Managers becomes vacant by reason of death, resignation, retirement, disqualification, removal from office or otherwise, a majority of the remaining Board of Managers, though less than a quorum, at a special meeting of the Board of Managers duly called for this purpose, shall choose a successor or successors who shall hold office for the unexpired term in respect to which such vacancy occurred. If the vacancy occurs with respect to any member of the initial Board of Managers (See Section 4 of this Article III) who has been designated by Sponsor, Sponsor shall have the sole right to choose such member's successor to serve the unexpired portion of his term.

Section 3. Removal. Members of the Board of Managers may be removed for cause by an affirmative vote of a majority of the Unit Owners in number and in percentage of Common Interest. No member of the Board of Managers, other than a member of the initial Board of Managers or Sponsor's representative, shall continue to serve on said Board if, during his term of office, he shall cease to be a Unit Owner.

Section 4. Initial Board of Managers. The initial Board of Managers shall consist of Carl J. Montante, Michael Montante and Joseph Navarro, who shall hold office and exercise all powers of the Board of Managers until the first annual meeting of Unit Owners as provided for

under Section 9 of Article II. Any or all of said Board members shall be subject to replacement in the event of resignation or death, in the manner set forth in Section 2 of this Article III.

Section 5. Powers.

(a) The property and business of the Condominium shall be managed by its Board of Managers, which may exercise all such powers of the Condominium and do all such lawful acts and things as are not directed or required to be exercised or done by the Unit Owners personally by the Condominium Act, the Declaration or these Bylaws. Specifically, these powers shall include, but not be limited to, the following items:

(i) to determine and levy annual assessments (hereafter "Assessments"), payable monthly, to cover the cost of Common Expenses, which Assessments are payable in advance, and provided that the Board of Managers may increase the monthly Assessments or vote a special Assessment in excess of that amount, if required, to meet any additional necessary expenses, but said increases can only be assessed pro rata among the Unit Owners according to their respective percentages of Common Interests;

(ii) to collect, use and expend the Assessments collected to maintain, care for and preserve the Units, the Building and other Common Elements;

(iii) to pay the cost of all water, sewer and other utility services rendered to the Condominium;

(iv) to make repairs, restore or alter any Units or the Common Elements after damage or destruction by fire or other casualty or as a result of condemnation or eminent domain proceedings within the limitations of Article V, Section 3 of these Bylaws;

(v) to enter into and upon the Units when necessary and with as little inconvenience to the Unit Owners as possible in connection with the maintenance, care and preservation of the Condominium property;

(vi) to open bank accounts on behalf of the Condominium and to designate the signatories to such bank accounts;

(vii) to the extent not covered by the Master Condominium's insurance policy, to insure and keep insured the Common Elements and the Units in accordance with Article V of these Bylaws;

(viii) to collect delinquent Assessments by lawsuit or otherwise, to abate nuisances and to enjoin or seek damages from the Unit Owners for violation of any house rules or the Rules and Regulations herein provided;

(ix) to purchase any Unit at a foreclosure sale on behalf of all Unit Owners;

(x) to make reasonable Rules and Regulations and to amend the same from time to time (a copy of the initial Rules and Regulations is attached to the Bylaws as Exhibit A and amendments thereto shall be delivered to each Unit Owner all of which shall be binding upon the Unit Owners when the Board of Managers has approved them in writing);

(xi) to employ and terminate the employment of employees and independent contractors, to purchase supplies and equipment, to enter into contracts, and generally to have the powers of a property manager in connection with the matters hereinabove set forth;

(xii) to borrow 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 at least 75% of all Unit Owners in number and in percentage of Common Interest, obtained at a meeting duly called and held for such purpose in accordance with the provisions of the Bylaws, shall be required for the borrowing of any sum in excess of \$15,000.00 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 written consent of the Unit Owner of any said Unit ;

(xiii) to enforce by legal means the provisions of all agreements and documents regarding the Condominium and the Master Condominium including, but not limited to, the Bylaws and the Rules and Regulations, and to bring and defend actions by or against more than one Unit Owner pertinent to the operation of the Condominium;

(xiv) to acquire Units in foreclosure or as a result of abandonment and to take any and all steps necessary to repair or renovate any Unit so acquired and to vote as Unit Owner, offer such Unit for sale or lease, or take any other steps regarding such Unit as shall be deemed proper by the Board of Managers.

(b) The Board of Managers may, by resolution or resolutions passed by a majority of the whole Board, designate one or more committees, each of such committees to consist of at least three (3) Unit Owners, one of whom shall be a member of the Board of Managers, and which committee or committees to the extent provided in said resolution or resolutions shall have and may exercise the powers of the Board of Managers in the management of the business and affairs of the Condominium and may have power to sign all papers which may be required, provided the said resolution or resolutions shall specifically so provide. Such committee or committees shall have such name or names as may be determined from time to time by resolution adopted by the Board of Managers. Committees established by resolution of the Board of Managers shall keep regular minutes of their proceedings and shall report the same to the Board of Managers as required.

(c) Notwithstanding anything to the contrary contained in these Bylaws, so long as Sponsor or Sponsor's designee shall continue to own Units representing 51% or more in Common Interest, the Board of Managers may not, without the Sponsor's prior written consent:

(i) make any addition, alteration or improvement to the Common Elements or to any Unit;

(ii) assess any Assessments for the creation of, addition to or replacement of all or part of a reserve, contingency or surplus fund;

(iii) hire any employee in addition to the employees referred to in the offering plan for the Condominium required under New York State Law as said offering plan may be amended from time to time (the “Offering Plan”);

(iv) enter into any service or maintenance contract for work not covered by contracts in existence on the date the Offering Plan or an amendment thereto is declared filed by the New York State Department of Law; or

(v) borrow money on behalf of the Condominium.

(d) The Board of Managers shall also have the power to do any and all things which prudent operation of the Condominium would require.

Section 6. Repairs and Maintenance.

(a) All maintenance, repairs and replacement to the Common Elements of the Condominium property including but not limited to exterior walls, balconies or terraces, as well as all maintenance, repairs and replacements to any pipes, wires, conduits and public utility lines, including without limitation so much of any pipes, wires, conduits and public utility lines as are located in the Common Elements but which serve one or more Units, shall be the responsibility of the Board of Managers. Maintenance, including painting and decorating of the Units, repairs and replacements to the Units including windows (including all glass breakage) (but not the exterior glass curtain forming the exterior walls of the Building), screens and doors shall be the responsibility of the respective Unit Owners. All Common Elements which are restricted to the use of one or more specified Unit Owners shall be maintained and repaired by the Board of Managers. The Board of Managers shall repair and replace any pipes, wires, conduits and public utility lines located underground or overhead in any restricted Common Element except where such repair or replacement is necessitated because of the negligence or misuse or neglect of the Unit Owner to whom the Common Element is restricted in use, in which event Board of Managers shall make such repairs or replacements at the Unit Owner’s sole expense. The Board of Managers shall repair all defects in plumbing, electrical, heating, ventilation, communication, satellite, cable, and other Building systems, occurring in the Common Elements, and shall have the right of access to any Unit and to all portions of the Common Elements for the purpose of carrying out any of its obligations under these Bylaws or the Declaration.

(b) All landscaping, including lawn care, planting and trimming of shrubbery and trees and installation and maintenance of gardens shall be provided by and be the responsibility of the Master Condominium Board of Managers.

(c) All snow removal for the walkways, driveways and sidewalks on Condominium property, and repair and maintenance of the same, shall be provided by and be the responsibility of the Master Condominium Board of Managers.

(d) In the event that a Unit Owner fails to make any maintenance or repair, as set forth in (a) above, the Board of Managers shall have the right to make such maintenance or repair (after the failure of the Unit Owner to do so after 10 days written notice or written or oral notice of a shorter duration in the event of an emergency situation), and to charge the Unit Owner for the cost of all such repairs and/or maintenance. In the event that the Board of Managers charges a Unit Owner for repairs or maintenance to his Unit or for repairs to any Common Element restricted in use to such Unit Owner, and the Unit Owner fails to make prompt payment, the Board of Managers shall be entitled to assert its statutory lien and/or shall be entitled to bring suit upon the lien or the debt and, in such event, the Unit Owner shall be liable for the reasonable attorneys' fees and costs of such suit or proceeding together with interest on all sums due.

Section 7. Compensation. Members of the Board of Managers and Officers, the election of which is provided for hereunder, shall receive no compensation for their services.

Section 8. Meetings.

(a) The first meeting of each Board of Managers newly elected by the Unit Owners shall be held immediately upon adjournment of the meeting at which they were elected, provided a quorum shall then be present, or as soon thereafter as may be practical. The annual meeting of the Board of Managers shall be held at the same place as the Unit Owners meetings, and immediately after the adjournment of same, at which time the dates, places and times of regularly scheduled meetings of the Board of Managers shall be set.

(b) Regularly scheduled meetings of the Board may be held without special notice.

(c) Special Meetings of the Board may be called by the President on two days advance notice to each Manager either personally or by first class mail, certified mail (return receipt requested), nationally recognized overnight carrier, facsimile (with due proof of receipt) or telegram. Special meetings shall be called by the President or Secretary in a like manner and on like notice in accordance with the requirements of Article II, Section 10 of these Bylaws.

(d) At all meetings of the Board of Managers, a majority of the Board shall be necessary and sufficient to constitute a quorum for the transaction of business, and an act of the majority of the Board members present at any meeting at which there is a quorum shall be the act of the Board of Managers, except as may be otherwise specifically provided by statute, the Declaration or these Bylaws. If a quorum shall not be present at any meetings of the Board of Managers, the Board members present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

(e) Before or at any meeting of the Board of Managers any Board member may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice to him of the time and place thereof. If all the Board members are present at any meeting of the Board no notice shall be required and any business may be transacted at such meeting.

Section 9. Annual Statement. The Board of Managers shall furnish to all Unit Owners and to their mortgagees (upon request), and shall present annually (at the annual meeting, but in no event later than four months after the close of the fiscal year), and when called for by a vote of the Unit Owners at any special meeting of the Unit Owners, a full and clear statement of the business conditions and affairs of the Condominium, including a balance sheet and profit and loss statement reviewed by an independent public accountant and a statement regarding any taxable income attributable to the Unit Owners and a notice for the holding of the Unit Owners' annual meeting. The Board of Managers shall engage the services of an independent public accountant to review, no less often than annually, the accounts, records and financial affairs of the Condominium. Such review shall not be required to be an audit but shall consist of at least a review of the record keeping procedures; a check of bank balances and a review of all expenditures by the Board. In the event that any substantial irregularities or any defalcation shall be uncovered by such accountants in the course of any such review, such matters shall be promptly reported to each member of the Board of Managers and to the Unit Owners by such accountants.

Section 10. Fidelity Bonds. The Board of Managers may require that all officers and employees of the Condominium handling or responsible for Condominium funds shall furnish fidelity bonds. The premium on such bonds shall be a Common Expense.

Section 11. Management Agent. The Board of Managers may employ for the Condominium a management agent under a term contract or otherwise at a compensation established by the Board, to perform such duties and services as the Board shall authorize including, but not limited to, all of the delegable duties of the Board listed in this Article.

Section 12. Liability of the Board of Managers and Unit Owners. Any contract agreement or commitment made by the Board of Managers shall state that it is made by the Board of Managers as agent for the Unit Owners as a group only and that no member of the Board of Managers or individual Unit Owner shall be liable under such contract, agreement or commitment. The Unit Owners shall be liable as a group under such contract, agreement or commitment but the liability of each Unit Owner shall be limited to such Unit Owner's percentage of Common Interest. The Board of Managers shall have no liability to the Unit Owners in the management of the Condominium except for willful misconduct or bad faith and the Unit Owners shall severally indemnify all members of the Board of Managers against any liabilities or claims arising from acts taken by a member except acts of willful misconduct or acts made in bad faith. Such several liability of the Unit Owners shall, however, be limited as to each Unit Owner's percentage of Common Interest.

ARTICLE IV

OFFICERS

Section 1. Elective Officers. The officers of the Condominium shall be chosen by the Board of Managers and shall be a President, a Vice President, a Secretary and a Treasurer.

All officers must be Unit Owners or members of the initial Board of Managers. Two or more offices may not be held by the same person.

Section 2. Election. At its first meeting and thereafter, after each Unit Owners' annual meeting, the Board of Managers shall elect a President, a Vice President, a Secretary and a Treasurer. Only the President must be a member of the Board of Managers.

Section 3. Appointive Officers. The Board of Managers may appoint such other officers and agents, including but not limited to an Assistant Secretary and Assistant Treasurer, as it shall deem necessary who shall hold their office for such term and shall exercise such powers and perform such duties as shall be determined from time to time by the Board.

Section 4. Term. The officers shall hold office until their successors are chosen and qualify in their stead. Any officer elected or appointed by the Board of Managers may be removed with or without cause, at any time, by the affirmative vote of a majority of the whole Board of Managers. If any office becomes vacant for any reason, the vacancy shall be filled by the Board of Managers.

Section 5. President. The President shall be the chief executive officer of the Condominium; he shall preside at all meetings of the Unit Owners and Board of Managers, shall be an ex officio member of all standing committees, shall have responsibility for the management of the business of the Condominium, shall see that all orders and resolutions of the Board are carried into effect and shall have such other powers and duties as are usually vested in the office of a President of a stock corporation organized under the Business Corporation Law of the State of New York.

Section 6. 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 and shall have such other powers and duties as are usually vested in the office of Vice President of a stock corporation organized under the Business Corporation Law of the State of New York.

Section 7. Secretary. The Secretary, or Assistant Secretary (if so appointed), shall attend all sessions of the Board and all Unit Owners meetings and record all votes and the minutes of all proceedings in a book to be kept for that purpose and shall perform like duties for the standing committees when required. The Secretary shall give, or cause to be given, notice of all Unit Owners meetings and special meetings of the Board of Managers, and shall perform such other duties as may be prescribed by the Board of Managers or by the President, under whose supervision the Secretary shall be; and shall have such other powers and duties as are usually vested in the office of a Secretary of a stock corporation organized under the Business Corporation Law of the State of New York.

Section 8. Treasurer. The Treasurer shall have the custody of the Condominium funds and securities and shall keep full and accurate chronological accounts of receipts and disbursements in books belonging to the Condominium including the vouchers for such disbursements, and shall deposit all monies and other valuable effects in the name and to the credit of the Condominium in such depositories as may be designated by the Board of Managers. The

Treasurer shall disburse the funds of the Condominium as he or she may be ordered by the Board, making proper vouchers for such disbursements and shall render to the President and Board of Managers, at the regular meetings of the Board or whenever they may require it, an account of all transactions as Treasurer and of the financial condition of the Condominium. The Treasurer shall keep detailed financial records and books of account of the Condominium, including a separate account for each Unit which, among other things, shall contain the amount of Assessments against such Unit, the date when due, the amounts paid thereon and the balance remaining unpaid and shall have such other powers and duties as are usually vested in the office of a Treasurer of a stock corporation organized under the Business Corporation Law of the State of New York.

Section 9. Operating Account. There shall be established and maintained a cash deposit account to be known as the "Operating Account," into which shall be deposited the operating portion of all monthly and special Assessments as fixed and determined for all Units. Disbursements from said account shall be for the general operating needs of the Condominium including, but not limited to, wages, repairs, betterments, maintenance and other operating expenses of the Common Elements and for the purchase, lease, sale or other expenses resulting from the purchase or lease of Units.

Section 10. Other Accounts. The Board of Managers shall establish and maintain any other accounts it shall deem necessary to carry out its purpose.

Section 11. Gender Neutral. The masculine gender, whenever used herein, shall include the feminine, the feminine shall include the masculine, the neuter shall include both the masculine and feminine; and the singular shall include the plural wherever appropriate.

ARTICLE V

INSURANCE AND INSURANCE TRUSTEE

Section 1. Insurance to be Carried by the Board of Managers. The Board of Managers shall be required to obtain and maintain, to the extent obtainable, the following insurance: fire insurance with extended coverage, water damage, vandalism and malicious mischief endorsements, insuring all improvements on the Condominium property including all of the Units and the bathroom and kitchen fixtures initially installed therein by Sponsor (but not including furniture, furnishings, or other personal property supplied or installed by Unit Owners), together with all heating, air-conditioning and other service machinery, contained herein, covering the interests of the Condominium, the Board of Managers and all Unit Owners and their mortgagees, as their interests may appear, in an amount equal to the full replacement value of said improvements. Each of such policies shall contain a New York standard mortgagee clause in favor of each mortgagee of a Unit which shall provide that the loss thereunder, if any, 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 (as hereinafter defined), and such other insurance as the Board of Managers may determine. All such policies shall provide that adjustments of loss shall be made by the Board of Managers and that the net

proceeds thereof, if \$100,000.00 or less, shall be payable to the Board of Managers, and if more than \$100,000.00, 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 first Unit Owners Meeting, shall be at least in the sum of \$7,500,000.

All policies of physical damage insurance shall contain waivers of subrogation and of any reduction of pro rata liability of the insurer as a result of any insurance carried by Unit Owners or of the invalidity arising from any acts of the insured or any Unit Owners, and should 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. If requested, 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 within one hundred twenty (120) days after the expiration of the then current policies.

The Board of Managers shall also be required to obtain and maintain, to the extent obtainable, commercial general liability insurance with excess umbrella liability coverage 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 and each Unit Owner. Such commercial general liability coverage shall also cover cross liability claims of one insured against another. Until the first meeting of the Board of Managers following the first annual Unit Owners' meeting, such liability insurance shall be in a single limit of at least \$1,000,000 per occurrence \$2,000,000 aggregate and excess umbrella liability with a minimum coverage of \$10,000,000. Such liability insurance shall commence on the closing of title to the first Unit.

Unit Owners shall not be prohibited from carrying other insurance for their own benefit provided that (a) such policies contain waivers of subrogation, (b) the liability of the carriers issuing insurance procured by the Board of Managers shall not be affected or diminished by reason of any such additional insurance carried by any Unit Owner, and (c) such policies are issued with an endorsement naming the Board of Managers, the Sponsor and the Master Condominium Board of Managers as additional insureds.

Section 2. Insurance Trustee. The Insurance Trustee shall be a bank or trust company located in the State of New York designated by the Board of Managers. All fees and disbursements of the Insurance Trustee shall be paid by the Board of Managers and shall constitute a Common Expense of the Condominium. In the event the Insurance Trustee resigns or fails to qualify, the Board of Managers shall designate a new Insurance Trustee which shall also be a bank or trust company located in the State of New York.

Section 3. Restoration or Reconstruction After Fire or Other Casualty. In the event of damage to or destruction of the Condominium improvements as a result of fire or other casualty, the Board of Managers shall arrange for the prompt repair and restoration of the improvements (including any damaged Units, and any kitchen or bathroom fixtures initially installed therein by the Sponsor, any heating, air-conditioning or other service machinery which is covered by insurance but not including any wall, ceiling or door decorations or coverings or other furniture, furnishings, fixtures or equipment installed by Unit Owners in the Units) unless

75% or more of the square footage of the Units are destroyed or substantially damaged and 75% or more of the Unit Owners in number elect not to proceed with repair or restoration, 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 repairs 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 Assessments.

If 75% or more of the Units, as calculated by the aggregate square footage of such Units, are destroyed or substantially damaged and 75% or more of the Unit Owners in number elect not to proceed with repair or restoration, the Condominium property shall be subject to an action for partition at the suit of a Unit Owner or lienor, as if owned in common, in which event 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 percentages of Common Interest, 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.

ARTICLE VI

CONDOMINIUM RULES AND REGULATIONS

Section 1. Power to Adopt and Amend. In addition to the other provisions of these Bylaws, the Rules and Regulations set forth in this Article, together with such additional Rules and Regulations as may hereafter be adopted by the Board of Managers, shall govern the use of the Units and the conduct of all residents thereof. In the case of a conflict between Rules and Regulations subsequently adopted by the Board of Managers and the Rules and Regulations set forth herein, the Rules and Regulations subsequently adopted shall prevail.

Section 2. Rules and Regulations.

(a) All Residential Units shall be used for single family non-transient (i.e. occupancy of greater than thirty (30) consecutive days) residential purposes only.

(b) Unit Owners, members of their families, occupants and guests shall not use or permit the use of Condominium property, including Units, in any manner which would be illegal or disturbing or a nuisance to other said owners, or in such a way as to be injurious to the reputation of the Condominium.

(c) The Common Elements shall not be obstructed, littered, defaced or misused in any manner.

(d) Every Unit Owner shall be liable for any and all damage to the Common Elements and the property of the Condominium, which shall be caused by said Unit Owner or such other person for whose conduct such Unit Owner is legally responsible.

(e) Every Unit Owner must promptly notify the Board of Managers of the need for any and all maintenance and repair work to such Unit Owner's Unit which, if omitted, would affect the Condominium in its entirety or in a part thereof belonging to other Unit Owners or the Building, such Unit Owner being expressly responsible for the damages and liabilities that failure to do so may cause. All maintenance and repairs performed by the Board of Managers pursuant to this paragraph shall be charged directly to such Unit Owner. All the repairs to internal installations of the Unit located in and servicing only that Unit, shall be at that Unit Owner's expense.

(f) A Unit Owner shall not make structural modifications to the Unit or other alterations which, in either case, would impair the structural soundness of the Unit and/or the Building in which it is located without the written consent of the Master Condominium Board of Managers. Consent may be requested through the management agent, if any, or through the President of the Board of Managers if no management agent is employed. The Master Condominium Board of Managers shall have the obligation to answer within sixty (60) days and failure to do so within the stipulated time shall mean that the proposed modification or alteration request has been denied.

(g) No Unit Owner or resident of the Condominium shall post any advertisement or posters of any kind.

(h) The hanging of garments, rugs, etc., from the windows or from the Building or the stringing of clothes lines on or over the Common Elements is prohibited.

(i) No fence or gate shall be erected in the Condominium without the prior written consent of the Board of Managers.

(j) No satellite, communication, television or radio antenna shall be erected on the exterior of Units or the Common Elements without the prior written consent of the Board of Managers.

(k) No Unit Owner shall move, remove, add or otherwise change the landscaping in the Condominium.

(l) No Unit Owner shall paint the exterior surfaces of the windows, walls, or doors opening out of such Owner's Unit.

(m) No person shall park a vehicle or otherwise obstruct any roadway, sidewalk, entranceway, driveway or other Common Elements of the Condominium nor shall baby carriages, strollers, velocipedes or bicycles be allowed to stand on sidewalks, entrance ways, driveways or other Common Elements of the Condominium.

(n) No repair of motor vehicles shall be made in the parking garage or in any other area of the Condominium, nor shall such areas be used for storage or long term parking of any automobile, motorcycle, boat or other watercraft, trailer of any kind, camper, snowmobile, bus, truck or commercial vehicle. In addition, any such parking shall be subject to any restriction due to zoning or local ordinance requirements.

(o) All Units shall contain class A fire retardant finishes for carpeting and drapery.

(p) See attached Condominium Rules & Regulations for additional provisions.

ARTICLE VII

DEFAULT

In the event a Unit Owner does not pay any Assessments required to be paid when due, the Board of Managers or a Board member acting on behalf of the Board shall notify the Unit Owner and the mortgagee, if any, of such Unit. If any such Assessments shall remain unpaid for thirty (30) days after the giving of such notice, the Board may foreclose the lien encumbering the Unit as a result of the non-payment of the required monies as set forth in the same manner as the foreclosure of mortgage. In the event the Unit Owner does not pay the Assessments required to be paid within thirty (30) days of their due date, said sums shall bear interest from the due date at a rate from time to time established by the Board of Managers and said Unit Owner shall be liable for the Condominium's reasonable costs and reasonable attorneys' fees incurred by it incident to the collection or enforcement of such lien.

ARTICLE VIII

AMENDMENTS

These Bylaws may be altered, amended or added to at any duly called Unit Owners' meeting; provided that: (1) the notice of the meeting shall contain a full statement of the proposed amendment; (2) the amendment shall be approved by a vote of at least 80% of Unit Owners in number; and (3) said amendment shall be set forth in a duly recorded amendment to the Declaration. However, no amendment will affect or impair the validity or priority of the Unit Owner's interest and the interest of the holder of a mortgage encumbering a Unit or Units. The dedication of the Property to condominium ownership shall not be revoked nor shall the Property be withdrawn from condominium ownership unless at least eighty percent (80%) of the Unit Owners in number and the first mortgagees, if any, of each of those same Units, agree to such revocation or removal of the Property from condominium ownership by duly recorded instruments.

ARTICLE IX

RIGHTS TO SELL, MORTGAGE AND LEASE PROPERTY

Section 1. Selling, Mortgaging and Leasing Units. Any Unit may be conveyed by its Owner free of any restrictions except that no Unit Owner shall convey, mortgage, pledge, hypothecate, sell or lease a Unit unless and until all unpaid Assessments assessed against the Unit shall have been paid to the Board of Managers. However, such unpaid Assessments can be paid out of the proceeds from the sale of a Unit or by the grantee at the time of such purchase. Further, a Unit Owner may convey such Unit and the Common Interest appurtenant thereto to the Board of Managers, on behalf of all Unit Owners, free of any cost to the Board or the Unit Owners and upon such conveyance such Unit Owner shall not be liable for any Assessments thereafter accruing against such Unit. Notwithstanding the foregoing, there shall be no leasing of a Unit in whole or in part without the prior written consent of the Board of Managers. There shall be no residential leases or subleases for transient use (i.e. occupancy of thirty (30) or less consecutive days) for any of the Units. All leases and subleases shall be in writing and such leases or subleases shall contain a clause subjecting the lessee or sublessee to the terms and conditions of these Bylaws, the Declarations, any Rules and Regulations promulgated for the Condominium and to the terms and conditions of the Master Condominium declarations, its bylaws, rules and regulations. Any sale or lease of any Unit in violation of this section shall be voidable at the election of the Board of Managers.

The provisions of this section shall not apply to the acquisition or sale of a Unit by a mortgagee who shall acquire title to such Unit by foreclosure or by deed in lieu of foreclosure. Such provisions shall, however, apply to any purchaser from such mortgagee.

Whenever the term "Unit" is referred to in this section, it shall include the Unit, the Unit Owner's undivided interest in the Common Elements and the Unit Owner's interest in any Units acquired by the Board of Managers.

Section 2. Waiver of Partition Rights. The Unit Owners waive all of their voting rights concerning partition respecting any Unit acquired by the Board of Managers in accordance with this Article.

Section 3. Mortgaging of Units. A Unit Owner may mortgage his Unit.

Section 4. Gifts, etc. Any Unit Owner may convey or transfer his Unit by gift during his lifetime or devise his Unit by will or pass the same by intestacy, without restriction.

ARTICLE X

CONDEMNATION

In the event all or part of the Common Elements are taken by eminent domain proceedings, the award from such proceedings shall be paid to the Insurance Trustee if the award is more than One Hundred Thousand Dollars (\$100,000.00) and to the Board or Managers if the

award is \$100,000.00 or less, to be distributed in accordance with Section 3 of Article V but in the following amounts:

(a) So much of the award as is applicable to unrestricted Common Elements, to the Unit Owners pro rata according to the respective Common Interest appurtenant to the Units owned by such Unit Owners.

(b) So much of the award as is applicable to irrevocably restricted Common Elements to the Unit Owner having general use of such Common Element.

In such eminent domain proceeding the Board shall request that the award shall set forth the amount allocated to unrestricted Common Elements and to each restricted Common Element. In the event the award does not set forth such allocation then the question of such allocation shall be submitted to arbitration in accordance with the arbitration statutes of the State of New York.

ARTICLE XI

MISCELLANEOUS

Section 1. Insurance. Under no circumstances shall a Unit Owner permit or suffer anything to be done or left in his Unit which will increase the insurance rates on his Unit or any other Unit or on the Common Elements.

Section 2. Severability. Should any of the covenants, terms or provisions herein imposed be void or become unenforceable at law or in equity, the remaining provisions of these Bylaws shall, nevertheless, be and remain in full force and effect.

Section 3. Notice to Condominium. A Unit Owner who mortgages such Owner's Unit, shall notify the Condominium through the management agent, if any, or the President of the Board of Managers in the event there is not a management agent, of the name and address of his mortgagee; and the Board of Managers shall maintain such information in a book entitled "Mortgagees of Units".

Section 4. Notice of Unpaid Assessments. The Board of Managers shall, at the request of a mortgagee of a Unit, report any unpaid Assessments due from the Unit Owners of such Unit.

Section 5. Examination of Books and Records. Every Unit Owner or such Unit Owner's representative or mortgagee shall be entitled to examine the books and records of the Condominium on reasonable notice to the Board of Managers but not more often than once per month.

Section 6. Construction. Wherever the masculine singular form of the pronoun is used in these Bylaws, it shall be construed to mean the masculine, feminine or neuter, singular or plural, wherever the context so requires.

Section 7. Compliance with the Condominium Act. These Bylaws are set forth to comply with the requirements of the Condominium Act. In case any of these Bylaws conflict with the provisions of said statute or of the Declaration, the provisions of the statute or of the Declaration, whichever the case may be, shall control.