

Exhibit K

By-Laws

- Of -

Green Mountain Condominium

Article I

The Condominium

Section 1.1. Purposes. These are the By-Laws of the Green Mountain Condominium (hereinafter called the "Condominium"). The property located at Rosman Road, in the Town of Haverstraw, County of Rockland, State of New York (hereinafter called the "Property") has been or will be submitted to the provisions of Article 9-B of the Real Property Law of the State of New York by a Declaration recorded in the Office of the Clerk of the County of Rockland. It is the purpose of these By-Laws to set forth the rules and procedures concerning the conduct of the affairs of the Condominium.

Section 1.2. Applicability of By-Laws. All present and future Unit Owners, mortgagees, lessees and occupants of Units, employees and guests of Unit Owners, as well as all other persons who may use the facilities within the Property, shall be subject to the said Declaration, these By-Laws and rules and regulations promulgated pursuant thereto. The acceptance of a deed, the execution of or assumption of a lease or any act of occupancy of a Unit shall constitute an agreement to comply with and to be subject

to these By-Laws, the rules and regulations promulgated pursuant thereto and the Declaration as they or any of them may be amended from time to time.

Section 1.3. Principal Office. The principal office of the Condominium and of the Board of Managers shall be located within the Property.

ARTICLE II

Unit Owners

Section 2.1. First Meeting; Sponsor's Designees. The first annual meeting of Unit Owners shall be called by the Sponsor within ninety (90) days following the filing of the Declaration. The Board of Managers theretofore designated by the Sponsor shall resign at such meeting, and a new Board consisting of nine (9) Managers shall be elected. For so long as the Sponsor shall own and pay the common charges relating to forty-eight (48) Units or more, Sponsor shall have the right to designate five (5) Managers, and Unit Owners shall elect four (4); provided, however, that in no event shall the Sponsor be entitled to designate more than four (4) Managers after the first anniversary of the filing of the Declaration.

At the first meeting and at subsequent meetings thereafter, so long as Sponsor shall own at least forty (40) Units but fewer than forty-eight (48). Sponsor shall have the right to designate four (4) Managers; for so long as Sponsor shall own thirty-five (35), Units but fewer than forty (40), Sponsor shall have the right to designate three (3) Managers; for so long as

Sponsor shall own twenty-five (25) Units but fewer than ~~thirty-five~~ (35) Sponsor shall have the right to designate two (2) Managers; for so long as Sponsor shall own eight (8) Units but fewer than twenty-five (25), Sponsor shall have the right to designate one (1) Manager; and the Unit Owners shall elect the balance of the Board without reference to votes of the Sponsor.

Section 2.2. Annual Meeting. Regular annual meetings of Unit Owners shall be held each succeeding year on the anniversary date of the first meeting to elect managers to fill vacancies which may exist on the board and to succeed retiring managers pursuant to procedures prescribed in these By-Laws, as well as to transact such other business as may properly come before the meeting.

Section 2.3. Special Meetings. It shall be the duty of the President to call special meetings of Unit Owners as directed by the Board of Managers or upon a petition signed by not less than one-third (1/3) of the Unit Owners. Such petition shall state the purpose or purposes of the proposed meeting, and the business transacted at such meeting shall be limited to such stated purpose or purposes.

Section 2.4. 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 ten (10) but not more than thirty (30) days prior to such meeting. The mailing of a notice in the manner provided in these By-Laws shall be considered notice served.

Section 2.5. 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, shall adjourn the meeting to a time not less than forty-eight (48) hours from the time the original meeting was called.

Section 2.6. 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) Election of inspectors of election (when so required)
- (h) Election of members of the Board of Managers (when so required)
- (i) Unfinished business
- (j) New business

Section 2.7. Waiver of Notice. Notice of a meeting need not be given to any Unit Owner who signs a waiver of the same, either in person or by proxy, whether before the meeting or after. The attendance of any Unit Owner at a meeting in person or by proxy shall be deemed a waiver of notice of such meeting by him, unless protest is made by him of the lack of proper notice prior to the conclusion of such meeting.

Section 2.8. Voting. Each Unit Owner shall be entitled to cast one vote for each one one-hundredth (1/100th) of a percent (.0001 expressed as a decimal) of interest appurtenant to his Unit in the Common Elements, rounded off to the nearest .0001. If the Sponsor shall own any Units, then the Sponsor may cast the votes to which such Unit shall be entitled subject to the provisions of Section 2.1. Any Unit or Units owned by the Board of Managers,

or its designee, shall not be entitled to vote. A vote may be cast in person or by proxy. To be valid, a proxy must be duly signed and acknowledged by the Unit Owner and filed with the Secretary prior to or at the meeting. A proxy is valid only for the particular meeting designated thereon. A proxy may be revoked by a Unit Owner by his personal appearance at the meeting and his filing with the Secretary of a written revocation; or if a successor proxy is to be appointed, by filing with the Secretary prior to the meeting, a revocation of original proxy and designation of successor proxy.

Section 2.9. Majority of Unit Owners. As used in these By-Laws, the term "majority of Unit Owners" shall mean those Unit Owners having more than fifty (50%) percent of the total authorized votes of all Unit Owners present in person or by proxy and voting at any meeting of the Unit Owners, determined in accordance with the provisions of Section 2.8 of this Article II.

Section 2.10. Quorum. Except as otherwise provided in these By-Laws, the presence in person or by proxy of a majority of Unit Owners shall constitute a quorum at all meetings of the Unit Owners.

Section 2.11. Majority Vote. The vote of a majority of Unit Owners present 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 or these By-Laws, a higher percentage vote is required.

Article III

Board of Managers

Section 3.1. Number and Term. Until the first meeting of Unit Owners shall have been held, the Board of Managers shall consist of such persons as the Sponsor shall appoint, none

of whom need be a Unit Owner. Thereafter, the Board shall consist of nine (9) persons, all of whom shall be Unit Owners, except those appointed by the Sponsor, who need not be Unit Owners. At the first meeting of Unit Owners, subject to the right of the Sponsor to appoint managers as set forth in Section 2.1 hereof, the Unit Owners shall elect three (3) managers to serve for a term of three (3) years; three (3) managers serve for a term of two (2) years; and the remaining managers to serve for a term of one (1) year. Thereafter, successors shall be elected for three (3)-year terms.

Section 3.2. Removal, Resignations, Vacancies.

(a) A manager may be removed without cause only if a petition, signed by not less than twenty-five (25%) percent of the Unit Owners shall have been sent to the President of the Condominium. Upon receipt of such a petition, the President shall convene a special meeting of Unit Owners, to meet within fifteen (15) days, and such manager may be removed upon majority vote of the Unit Owners cast at such special meeting.

(b) A manager may be removed for cause by a two-thirds (2/3rds) vote of the Board of Managers, or by majority vote of the Unit Owners at a regular meeting or at a special meeting called for such purpose.

(c) A manager may resign at any time by giving written notice to the Board of Managers, the President or the Secretary. Unless otherwise specified in the letter of resignation, such resignation shall take effect immediately upon receipt thereof by the Board or by the officers designated to

receive the same. A resignation, however, shall not relieve a manager from liability by reason of malfeasance or negligence while in office.

(d) No manager shall continue to serve on the board if, during his term of office he shall cease to be a Unit Owner, except managers appointed by the Sponsor, who need not be Unit Owners.

(e) Vacancies in the Board of Managers 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 for the remainder of the term of the member so removed and until a successor shall be elected at the next annual meeting of the Unit Owners.

Section 3.3. Quorum. A majority of the Board of Managers shall constitute a quorum for the transaction of business. If at any meeting there is less than a quorum present, the majority of those present may adjourn the meeting from time to time until a quorum shall be present. At an adjourned meeting, any business which could have been transacted at the meeting originally called may be transacted without any further notice. The joinder of a manager in the action of a meeting by signing and concurring in the minutes thereof shall constitute the presence of such manager for the purpose of determining the presence of a quorum at such meeting.

Section 3.4. Regular Meetings. The Board of Managers shall meet regularly at least once every three (3) months at such times and places as the board may fix. It may hold its meetings at the office of the Condominium or at such other places within the County of Rockland, State of New York, as it may determine. The annual meeting of the board shall be held promptly after the annual meeting of the Unit Owners. A special meeting of the Board of Managers may be called by the President or Vice President on three (3) days' notice given either in writing, in person, by telephone, or by wire to each manager. Such special meeting must be called on the demand or request of at least two (2) members of the board.

Section 3.5. Notice of Meetings and Waivers. Regular meetings once established may thereafter be held without notice at the time and at the place agreed upon by the board. If the time or the place of a regular meeting be changed by circumstances beyond the control of the Board, notice of the change shall be given in the same manner as for a special meeting. Notice of a meeting need not be given to any manager who submits a waiver of notice, whether such waiver be before or after the meeting. Attendance at the meeting shall be deemed to be a waiver of notice thereof.

Section 3.6. Presiding Officer. The President, or, in his absence, the Vice President, or if both be absent, then a chairman selected and chosen by the Board shall preside at all meetings of the Board of Managers and of the Condominium.

Section 3.7. Compensation. No member of the Board of

Managers shall receive any compensation for serving on the Board unless Unit Owners, by majority vote, shall determine otherwise.

Section 3.8. Powers and Duties of the Board. The Board shall have and may exercise all of the powers granted to it under the Condominium Documents. The Board of Managers shall exercise its powers and duties in accordance with the provisions of the Declaration and said Board shall have power:

(a) To make, levy and assess Common Charges against the Unit Owners for the purpose set forth in the Declaration and to use the same in the exercise of its powers and duties.

(b) (i) To maintain, repair, replace and operate the Condominium Property and, in case of casualty, to reconstruct and reestablish the Property and to make improvements therein.

(ii) To obtain insurance for the property including units as set forth in Article VIII of these By-Laws.

(c) To contract for the management of the Property; to enforce by legal means all of the provisions of the Condominium Documents, these By-Laws, the rules and regulations of the Condominium, the resolutions and decisions rendered in pursuance of the By-Laws and to approve or disapprove proposed purchasers, lessees and mortgagees on Units in accordance therewith.

(d) To prevent loss or damage to the Condominium by paying taxes, assessments, other than those levied against real property which are paid directly by the Unit Owners, or water rents or other liens against any part of the Condominium common interests and to assess the same against the Unit or Units subject to such liens.

(e) To execute and deliver a deed or deeds dedicating

to public use any and all roads owned by the Condominium.

(f) To temporarily close lobbies or other public places in the Condominium when required for a special use.

(g) To make or amend rules and regulations respecting the use and operation of the Property but not inconsistent with the Declaration.

(h) To pay the cost of all power, water, sewer or other utility services rendered to the Condominium which are not separately billed to the Unit Owners.

(i) To enforce the provisions of the Condominium Documents by legal action if necessary and to employ legal, accounting, maintenance or other personnel for reasonable compensation to perform the service required for the proper administration of the Condominium.

(j) To purchase either at foreclosure sale or from a defaulting Unit Owner in lieu thereof and to hold, mortgage or lease any unit.

(k) To accept a deed from a Unit Owner who desires to relieve himself from the payment of future Common Charges.

(l) To take possession of any abandoned Unit to prevent damage to the other Units or to the Common Elements.

(m) To hire and discharge persons employed for the operation of the Property on such terms and conditions as the Board, in its sole discretion, may deem advisable.

(n) To do any and all things which prudent operation of the Condominium would require.

Section 3.9. Managing Agent and Managers. The Board of Managers may employ a managing agent and/or a manager for the Condominium, at a compensation established by the board, to perform such duties and service as the board shall authorize. The board may delegate to such managing agent and/or manager any or all of the powers granted to the Board of Managers by these By-Laws, except those powers set forth in Section 3.8, subdivisions (a), (e), (g), (j) and (k) hereof; and except with respect to subdivisions (c) and (i), neither the approval of purchasers, lessees and mortgagees, nor the employment of legal and accounting personnel may be delegated.

Section 3.10. 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 wilful misconduct, or bad faith. The Unit Owners shall indemnify and hold harmless each of the members of the Board of Managers against all contractual liability to others arising out of the contracts made by the Board of Managers on behalf of the Condominium, unless any such contract shall have been made in bad faith or contrary to the provisions of the Declaration or of these By-Laws. 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. 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 agent for the Unit Owners and shall have no personal liability thereunder (except as Unit Owners), and that each Unit Owner's 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.

During such period as designees of the Sponsor shall constitute the Board of Managers, such managers are expressly authorized to engage the Sponsor or contractors or persons designated by the Sponsor for the purpose of performing services or supplying materials for any of the matters within the jurisdiction of the Board of Managers, and no such engagement shall be deemed to be "self dealing."

Article IV

Officers

Section 4.1. At the annual meeting of the Board of Managers of the Condominium, there shall be elected a President, Secretary, Treasurer and such Vice Presidents to assist the President as may be required, but not exceeding three (3). These officer

shall all serve for a term of one (1) year, and they shall be members of the Board of Managers.

Section 4.2. President. The President shall be the Chief Executive Officer of the Condominium and he shall have all the powers and duties usually vested in a President of a condominium, including the power to appoint committees as he may, with the consent of the Board of Managers, deem appropriate. He shall exercise such other powers and duties as shall be prescribed by the board. He shall see that all orders and resolutions of the board shall be carried into effect. He may delegate some of his duties to Vice Presidents elected.

Section 4.3. Vice Presidents. The Vice President shall perform all duties as shall be delegated to him by the President. He shall serve as chairman of the respective committees which the Board of Managers shall deem appropriate. If there is more than one Vice President, they shall exercise the powers and perform the duties of the President in his absence or disability in the order of their appointment.

Section 4.4. Secretary. The Secretary shall keep a record of all actions of the board and all meetings of the Unit Owners. He shall attend to the giving of all notices to the Unit Owners and/or managers and shall supervise the service thereof. He shall have custody of the seal of the Condominium and shall affix the same to such instruments as may require a seal when duly signed. He shall prepare and have available at each meeting of the Unit Owners a certified list in alphabetical order of the names of the Unit Owners and of their common interest

and certify which of them are entitled to vote. He shall perform all other duties incident to the office of the Secretary of the Condominium as may be required by the President or the Board of Managers.

Section 4.5. Treasurer. The Treasurer shall keep the financial records of the Condominium and shall keep books of account and shall have custody of all the common property of the Condominium including all funds, securities and evidences of indebtedness. He shall keep the assessment roll and the accounts of the Unit Owners. He shall perform all other duties incident to a Treasurer of the Condominium as prescribed by the Board. He shall deposit all monies and other valuables in the name of and to the credit of the Condominium in such depositories as shall be designated by the Board. He shall disburse the funds of the Condominium as may be ordered and authorized by the Board and shall preserve proper vouchers for such disbursements. He shall render an annual report at the annual meeting of Unit Owners. The Treasurer and the President shall, as prescribed by the board, report on the operation of the Condominium Property and the payment of Common Expenses and the determination and collection of the Common Charges.

Section 4.6. Compensation. No officer shall receive any compensation for serving as an officer, unless the Unit Owners, by majority vote, shall determine otherwise, in which case salary shall be fixed in such manner as shall be approved by the Unit Owners.

Section 4.7. Removal. Any officer may be removed

from office by a majority vote of the Board of Managers or by a majority vote of the Unit Owners at a regular or special meeting called for such purpose.

Section 4.8. Contracts, Checks, etc. Any agreements, contracts, checks, leases and other instruments shall require execution by two (2) officers or by such other person or persons designated by the Board of Managers.

Article V

Notices

Unless specifically provided to the contrary, whenever under the provisions of the Declaration or of these By-Laws, notice is required to be given to the Board of Managers, any manager or Unit Owner, such notice may be given in writing by personal delivery or by mail, by depositing the same in a post office or letter box; in a postpaid sealed wrapper, addressed to the Board of Managers, such manager or Unit Owner at such address as appears on the books of the Condominium. A waiver of notice in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed the equivalent of such notice.

Article VI

Operation of the Property

Section 6.1. Determination of Common Expenses and Fixing of Common Charges. The Board of Managers shall from time to time, and at least annually, as herein provided, 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 same among the Unit Owners according to their respective interests in the Common Elements. 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 Article VIII of these By-Laws. 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, lease or acquisition of any interest in property 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 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 are based, to all Unit Owners and to their mortgagees. In addition to the foregoing, the Board of Managers shall assess against each unit Owner equally, the charges relating to the Community Facilities.

Section 6.2. Payment of Common Charges. Assessments

for Common Charges shall be made for each fiscal year fifteen (15) days in advance of the year for which the assessments are made. Such annual assessments shall be due and payable in four (4) equal quarterly installments on the dates established by the Board of Managers, who may review and reconsider the assessments made and may increase or decrease the same, and such increase required for the proper management, maintenance and operation of the Common Elements and Community Facilities, and the Unit Owners shall pay any such increase on the first day of the month following notice of the increase.

Section 6.3. Other Assessments. Taxes, assessments, water rates, sewer rents, which may be levied against the Condominium Property as a whole before separate assessments for each Unit is made as provided by Section 339-y of the Condominium Act, shall be paid by the Board of Managers and shall be included in the budget and paid by the Unit Owners as a Common Charge.

All liens against the Common Elements of any nature, including taxes and special assessments levied by governmental authority, other than those levied against real property, which are paid directly by the Unit Owners, may be paid by the Board of Managers and shall be assessed by it against the Unit or Units in accordance with their respective interest or to the Common Charges account, whichever is appropriate.

All other assessments, either for emergencies or otherwise, shall be made by the Board of Managers in accordance with the provisions of the Condominium Act and the Condominium Documents and if the time of payment is not set forth

therein, the same shall be determined by the Board of Managers.

Section 6.4. Roll of Assessments and Common Charges.

The Assessments against all Unit Owners shall be set forth upon a roll of the Units which shall be available in the office of the Board of Managers for inspection at all reasonable times by Unit Owners or their duly authorized representatives. Such roll shall indicate for each Unit the name and address of the owner or owners, the assessments for all purposes and the amounts of all assessments paid and unpaid. A certificate made by the Board of Managers as to the status of a Unit Owner's assessment account shall limit the liability of any person for whom made other than the Unit Owner. The Board of Managers, or its agents, shall issue to the first mortgagee upon its demand a certificate showing the status on the assessments due from the Unit Owner and shall also issue such certificates to such persons as a Unit Owner may request in writing.

Section 6.5. Unpaid Assessments and Common Charges.

The owner of a Unit and his grantees shall be jointly and severally liable for all unpaid assessments due and payable at the time of a conveyance but without prejudice to the rights of the grantee to recover from the grantor the amounts paid by the grantee therefor. A foreclosing mortgagee or a purchaser of a Unit at a judicial or foreclosure sale shall be liable only for Common Charges accruing after the date of such sale, and such Unit shall not be subject to a lien for unpaid assessments prior to such sale.

Section 6.6. Liens for Assessments and Common Charges.

If any assessment or Common Charge shall remain due and unpaid for

more than thirty (30) days, the Board of Managers is empowered to file or record a lien therefor and to enforce the same pursuant to Section 339-a of the Condominium Act.

Section 6.7. Default in Payment of Common Charges. In the event of default by any Unit Owner in paying to the Board of Managers any assessment or Common Charge as determined by the Board of Managers, such Unit Owner shall be obligated to pay interest at the maximum legal rate on such Common Charges 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. The Board of Managers shall have the right and duty to attempt to recover such Common Charges, 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 the Real Property Law of the State of New York, in the manner provided therein.

Section 6.8. 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 (but not to vote the votes appurtenant to), convey or otherwise deal with the same. A suit to recover a money judgment for unpaid Common Charges shall be main-

tainable without foreclosing or waiving the lien securing the same.

Section 6.9. No Exemption. No Unit Owner may exempt himself from the liability for payment of his Common Charges and expenses by waiver of the use or enjoyment of any of the Common Elements or the Community Facilities, or by abandonment of his Unit.

Section 6.10. Conveyance to the Board of Managers. Any Unit Owner, by complying with the terms and conditions specified in the By-Laws, may convey his Unit to the Board of Managers, free and clear of all liens or encumbrances other than a permissible first mortgage and a statutory lien for unpaid Common Charges, and from and after such conveyance, he shall be exempt from the Common Charges accruing thereafter.

Section 6.11. Statement of Common Charges. The Board of Managers shall promptly provide any Unit Owner so requesting the same in writing, with a written statement of all unpaid Common Charges due from such Unit Owner.

Section 6.12. Terraces and Patios. Terraces, patios, or balconies to which there is direct access from the interiors of Units, are part of such Units. Any such terrace, patio or balcony shall be kept free and clean of snow, ice and any other accumulation by the owner of such Unit who shall also make all repairs thereto.

Section 6.13. Right of Access. Each Unit Owner hereby grants 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 Man

gers, the manager or the managing agent, for the purpose 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 in which the Unit is located, provided that requests for such entry are made in advance and that any such entry is at a time reasonably convenient to the Unit Owner. In case of emergency, such right of entry shall be immediate, whether the Unit Owner is present at the time or not. In the event of the exercise of the right of access provided in this Section 6.13, any costs for repairs shall be borne in accordance with the provisions of Section 6.3 of this Article VI.

Section 6.14. Rules of Conduct. Rules and regulations concerning the use of the Units and the Common Elements may be promulgated and amended by the Board of Managers. Copies of such rules and regulations shall be furnished by the Board of Managers to each Unit Owner prior to the time when the same shall become effective. Initial rules and regulations, which shall be effective until amended by the Board of Managers, are annexed hereto and made a part hereof as Schedule A.

Section 6.15. Electricity. Electricity shall 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 bills for electricity consumed or used in his Unit. The electricity serving the Common Elements shall be separately metered, and the Board of Managers shall pay all bills for electricity consumed in such portions of the Common Elements, as a Common Expense.

Article VII

Mortgages

Section 7.1. 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 7.2. Notice of Unpaid Common Charges. The Board of Managers, whenever so requested in writing by a mortgagee of a Unit, shall promptly report any then unpaid Common Charges due from, or any other default by, the owner of the mortgaged Unit.

Section 7.3. Notice of Default. The Board of Managers, when giving notice to a Unit Owner of a default in paying Common Charges 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 7.4. 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 VIII

Insurance

The Board of Managers shall be required to obtain and maintain, to the extent obtainable, the following insurance: (1) fire insurance with extended coverage, including but not limited to water damage, vandalism and malicious mischief, insuring the buildings containing the Units (including all of the Units and the bathroom and kitchen fixtures initially installed therein by the Sponsor, but not including carpeting and/or drapes furnished by the Sponsor or furniture, furnishings, or other personal property supplied or installed by Unit Owners), together with all air conditioning equipment and other service machinery contained therein and covering the interests of the Condominium, the Board of Managers and all Unit Owners and their mortgagees, as their interests may appear, for 100% of the replacement cost of the improvements, which amount shall be determined by the Board of Managers and approved by any mortgagee holding mortgages on 25 or more Units, each of which policies shall contain a New York standard mortgagee clause in favor of each mortgagee of a Unit which shall provide that the loss, if any, thereunder shall be payable to such mortgagee as its interest may appear; subject, however, to the loss payment provisions in favor of the Board of Managers and the insurance trustee; (2) workmen's compensation 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 \$20,000 or less, shall be payable to the Board of Managers and if more than \$20,000 shall be payable to the insurance trustee. For the purpose of determining the replacement cost of the buildings containing the Units, the Board of Managers shall at intervals of not more than two (2) years, obtain an insurance survey prepared by a qualified insurance surveyor and the results of such survey shall be made available to those mortgagees holding mortgages constituting first liens on twenty-five (25) or more Units.

All policies of physical damage insurance shall contain waivers of subrogation and waivers of any reduction of pro rata liability of the insurer as a result of any insurance carried by Unit Owners or of invalidity arising from any acts of the insured or any Unit Owners, and shall provide that such policies may not be cancelled or 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.

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. Such public liability coverage shall also cover cross liability claims of one insured against another.

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 such additional insurance carried by any Unit Owner.

Article IX

Reconstruction or Repair of Casualty Damage; Condemnation

Section 9.1. In the event of damage to or destruction of any of the buildings or Common Elements as a result of fire or other casualty, the insurance proceeds, if any, shall be payable to the Board of Managers if they do not exceed \$20,000; and if in excess of \$20,000, then to such insurance trustee as the Board of Managers shall select, subject to the reasonable approval of the mortgagee holding the greatest number of mortgages encumbering Units affected by such damage or destruction. The Board of Managers shall arrange for the prompt repair and restoration of such buildings containing the Units (including any damaged Units, and any kitchen or bathroom fixtures initially installed therein by the Sponsor, but excluding any wall, ceiling or floor decorations or coverings or other furniture, furnishings, fixtures or equipment installed in the Units), 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 shall assess all the Unit Owners for such deficit and for a completion bond for such deficit as part of the Common Charge.

If there shall have been a repair or restoration pursuant to the first paragraph of this Article IX, 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 subject to the rights of holders of mortgages encumbering such Units in proportion to their respective common interests after first paying out of the share due each Unit Owner such amounts as may be required to reduce unpaid liens on such Unit in the order of priority of such liens.

If seventy-five (75%) percent or more of the Units are destroyed or substantially damaged as determined by the Board of Managers with the written approval of those mortgagees holding mortgages constituting first liens on twenty-five (25) or more Units, which approval shall not be unreasonably withheld, and seventy-five (75%) percent or more of the Unit Owners do not duly and promptly resolve to proceed with repair or restoration, the Property shall be subject to an action for partition upon the suit of any Unit Owner or lienor, as if owned in common, in which event, the net proceeds of sale, together with the net proceeds

of insurance policies shall be held in escrow by the Board of Managers or the insurance trustee, as the case may be, to be divided among all Unit Owners, subject to the rights of holders of mortgages encumbering such Units, in proportion to their respective common interests after first applying the share of the net proceeds of such sale otherwise payable to any Unit Owners to the payment of any liens on his Unit, in the order of the priority of such liens.

Wherever in this Article IX the words "promptly repair" are used, it shall mean repairs are to begin not more than sixty (60) days from the date the insurance trustee notifies the Board of Managers and the Unit Owners that it holds proceeds of insurance sufficient to pay the estimated costs of such work; or not more than ninety (90) days after the insurance trustee notifies the Board of Managers and the Unit Owners that such funds are insufficient to pay said estimated costs and advises them of the amount of the required completion bond, if necessary, or in the event there is no insurance trustee, not more than sixty (60) days from the date of receipt of insurance funds on account of such damage or destruction and wherever the words "promptly resolve" are used, it shall also mean not more than sixty (60) days from the date of receipt of said insurance funds.

Section 9.2. 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 the award does not exceed \$20,000 and shall be payable to the insurance trustee if it exceeds \$20,000. The Board of Mana-

gers shall arrange for the repair and restoration of such Common Elements, 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 there shall be a surplus of such proceeds, or if the Board of Managers shall elect not to repair or restore the Common Elements, then the proceeds shall be distributed in the same manner as insurance proceeds under this Article IX. In the event that the condemnation award shall exceed \$50,000, and seventy-five (75%) percent 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 the 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 this Article IX. As used in this Section 9.2, the words "promptly approve" shall mean not more than sixty (60) days from the date of such taking.

Article X

Restrictions

Section 10.1. The Declarant, and each Unit Owner by the acceptance of the deed, covenants for himself, his heirs, personal representatives, successors and assigns, and every person holding or occupying through or under him that he will faithfully observe all of the terms, covenants and conditions wherever imposed in the Declaration and in the By-Laws.

Section 10.2. Each Unit Owner, for himself, his personal representatives, his lessees, heirs, successors and assigns, further covenant that:

(a) He will not use, cause or permit the Unit to be used other than as provided in this Declaration, nor will he use, cause or permit the Unit to be subdivided, changed or altered without first obtaining the approval of the Board of Managers.

(b) He will not use, permit or allow the Unit or any part thereof to be used for an immoral, improper, offensive or unlawful purpose nor will he permit or allow any nuisance within the Unit nor will he use, permit or allow the Unit to be used in a manner which will be a source of annoyance or which in any way interferes with the peaceful possession, enjoyment and proper use of the Property by the other Unit Owners.

(c) He will not mortgage his Unit or any interest therein without first obtaining the approval of the Board of Managers, except a first mortgage to a bank, life insurance company or savings and loan association, and in any event, he will furnish a copy of such mortgage to the Board of Managers.

Article XI

Sales, Leases and Mortgages of Units

Section 11.1. No Unit Owner other than the Sponsor may sell or lease his Unit or any interest therein except by complying with the following provisions:

Any Unit Owner who receives a bona fide offer for the purchase of his Unit, together with: (i) the undivided interest in the Common Elements appurtenant thereto; (ii) the interest of such Unit Owner in any Units theretofore acquired by the Board of Managers, or its designee, on behalf of all Unit Owners, or the proceeds of the sale or lease thereof, if any; and (iii) the interest of such Unit Owner in any other assets of the Condominium (hereinafter collectively called the "Appurtenant Interests"), or a bona fide offer for a lease of his Unit (hereinafter called an "Outside Offer"), 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 or lessee, 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, or to lease such Unit, 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 Owners believe the Outside Offer to be bona fide in all respects. Within thirty (30) days after receipt of such notice, the Board of Managers may elect, by notice to such Unit Owner, to purchase such Unit, together with the Appurtenant interests, or to lease such Unit, as the case may be (or to cause the same to be purchased or leased 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 not-

ice 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 lease such Unit, or to cause the same to be purchased or leased by its designee, corporate or otherwise, title shall close at such place as is designated by the Board of Managers within 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, if such Unit, together with the Appurtenant Interests, is to be sold, shall convey the same to the Board of Managers, or to its designee, on behalf of all other Unit Owners, by deed in the form required by the Real Property Law of the State of New York, with all Federal Documentary Stamps affixed, if required, and shall pay all other taxes arising out of such sale. In the event such Unit is to be leased, the offering Unit Owner shall execute and deliver to the Board of Managers, or to its designee, a lease between the offering Unit Owner, as landlord, and the Board of Managers, or its designee, as tenant, covering such Unit, for the rental and term contained in such Outside Offer. In the event the Board of Managers, or its designee, shall fail to accept such offer within thirty (30) days as aforesaid, the offering Unit Owner shall be free to contract to sell such Unit, together with the Appurtenant Interests, or to lease such Unit, as the case may be, 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 regu-

lations, as the same may be amended from time to time. Any such lease shall be consistent with the 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, and that the tenant shall not sublet the demised premises, or any part thereof, without the prior consent in writing of the Board of Managers, and that the Board of Managers shall have power to terminate such lease and/or to bring summary judgment 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. Except as hereinbefore set forth, the form of any such lease shall be the then current form of lease recommended by the Real Estate Board of New York, Inc., with such modifications as shall be approved in writing by the Board of Managers. In the event the offering Unit Owner shall not contract to sell such Unit together with the Appurtenant Interests or to lease such Unit, as the case may be, to the Outside Offeror on the terms and conditions contained in the Outside Offer, or if the Unit Owner shall so contract to sell or lease his Unit, but such sale or lease 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, or to lease such Unit, as the case may be, 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 XI.

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 11.2. 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 11.3. No Unit Owner shall execute any deed, mortgage or other instrument conveying or mortgaging title to his Unit without including therein the Appurtenant Interests, it being the intention hereof to prevent any severance of such combined ownership. Any such deed, mortgage or other instrument purporting to affect one or more of such interests, without including all such interests, shall be deemed and taken to include the interest or interests so omitted, even though the latter shall not be expressly mentioned or described therein. No part of the Appurtenant Interests of any Unit may be sold, transferred, or otherwise disposed of, except as part of a sale, transfer or other disposition of the Unit to which such interests are appurtenant, or as part of a sale, transfer or other disposition of such part of the Appurtenant Interests of all Units.

Section 11.4. The right of first refusal contained in Section 1 of this Article XI may be released or waived by the Board of Managers in which event the Unit, together with the Appurtenant Interests, may be sold, conveyed, or leased free and clear of the provisions of such section.

Section 11.5. A certificate executed and acknowledged by the Secretary of the Condominium, stating that the provisions of Section 1 of this Article XI 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 con-

clusive upon the Board of Managers and the Unit Owners in favor of all persons who rely thereon in good faith. Such certificates shall be furnished to any Unit Owner who has in fact complied with the provisions of Section 1 of this Article XI or with respect to whom the provisions of such section have been waived, upon request, at a reasonable fee, not to exceed Ten (\$10.00) Dollars.

Section 11.6. Acquisition of Units by the Board of Managers, or its designee, on behalf of all Unit Owners, may be made from the working capital and Common Charges in the hands of the Board of Managers, or if such funds are insufficient, the Board of Managers may levy an assessment against each Unit Owner in proportion to his ownership in the Common Elements, as a Common Charge, which assessment shall be enforceable in the same manner as provided in Sections 2 and 3 of Article VI, or the Board of Managers, in its discretion, may borrow money to finance such 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 11.7. The provisions of Section 1 of this Article XI shall not apply with respect to any sale or conveyance by a Unit Owner of his Unit, together with Appurtenant Interests, to his spouse or to any of his children or to his parent or parents or to his brothers or sisters, or any one or more of them, or to a Unit owned by the Sponsor, or to the acquisition or sale of a Unit, together with the Appurtenant Interests, in foreclosure by a mortgagee herein authorized or a

referee in foreclosure, who shall acquire title to such Unit by foreclosure or by deed in lieu of foreclosure. However, the provisions of this Section shall apply with respect to any purchaser of such Unit from such mortgagee or referee.

Section 11.8. Any Unit Owner shall be free to convey or transfer his Unit by gift or to devise his Unit by will, or to pass the same by intestacy, without restriction.

Section 11.9. In the event that a Unit shall be acquired by the Board of Managers or its designees, 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 11.10. 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 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 11.11. No Unit Owner shall mortgage his Unit except by a first mortgage made to a bank, trust company, insurance company, federal savings and loan association, pension fund or other institutional lender, or by a purchase money mortgage to the Sponsor or by a purchase money second mortgage taken by a Unit Owner in the sale of a Unit. Any such mortgage shall be substantially in the form on file with the Board of Managers, except for such changes or additions as may be legally necessary

in order to permit the particular institutional lender to make the mortgage loan, or to the extent permitted by the Board of Managers.

Article XII

Default on and Foreclosure of Authorized or Other Liens on Units

Section 12.1. Upon the happening of a default under the terms of an authorized first mortgage which would permit the holder to declare the entire principal sum due, notice of the intention of the holder to do so shall be given to the Board of Managers but the failure to give such notice shall not prevent the holder from instituting a foreclosure action and joining the Board of Managers as a party defendant therein.

Section 12.2. The Board of Managers shall have the following rights, powers and privileges with respect to authorized first mortgages in default:

(a) By and with the consent of the holder thereof, to remedy the defaults existing under the terms of the mortgage and to put the same in good standing. In the event the Board shall make the advances necessary to remedy the defaults, the Board shall be deemed to hold a junior participating interest in the obligation and mortgage for the sum of principal together with interest, insurance, taxes or other charges so advanced with the right to foreclosure of such junior participating interest against the defaulting Unit Owner for the benefit of the remaining Unit Owners. The holder of the mortgage shall in no event be required, or have the obligation to collect the junior interest

so created nor to render any accounting to such junior participant.

(b) To acquire by assignment either before or after institution of foreclosure action from the holder thereof said mortgage in the name of the board or in the name of their designated nominee with all the powers and rights of the holder against the defaulting Unit Owner including the right to foreclose the same for the benefit of the remaining Unit Owners.

(c) To accept from the defaulting Unit Owner a deed transferring the Unit and its common interests and by and with the consent of the holder of the mortgage to remedy the defaults existing under the terms thereof for the benefit of the other Unit Owners.

(d) To continue any pending action or to institute an action to foreclose any mortgage taken by assignment under subdivision (b) hereof, or to take a deed in lieu of foreclosure of the mortgage. In no event shall a Unit Owner be relieved from liability already incurred for past due Common Expenses and Charges nor be relieved from personal liability on the bond, note or other obligation by reason of any conveyance made under subdivision (c) hereof or under this subdivision.

Section 12.3. The Board of Managers shall be a necessary part in every action brought to foreclose any mortgage or other lien affecting a Unit. The Board of Managers shall be entitled to bid at any sale, whether the action be in its name or they be a defendant therein, and to purchase any Unit at such sale for such amount as shall be approved by a majority of the

Board taking into consideration the amount due the plaintiff, the costs and disbursements, and all other charges affecting the Unit. The board shall not, however, be limited in its bidding to such amount or total but may bid any higher sum that it finds necessary in order to protect the interests of the other Unit Owners.

Section 12.4. In all actions or proceedings, other than the foreclosure of an authorized first mortgage, resulting in a sale, mortgage, letting or leasing of a Unit and its common interest, one of the provisions of the terms of sale, mortgage, letting or lease, shall be the obtaining of the approval of the Board of Managers.

Article XIII

Compliance and Default

Each Unit Owner shall be governed by and shall comply with the terms of the Condominium Documents, regulations, resolutions and decisions adopted pursuant thereto as they may be amended from time to time. A default shall entitle the Board of Managers or other Unit Owners to the following relief:

Section 13.1. Failure to comply with any of the same shall be grounds for an action to recover sums due, for damages or injunctive relief or both maintainable by the Board of Managers on behalf of the Unit Owners, or in a proper case, by an aggrieved Unit Owner. In any case of flagrant or repeated violation by a Unit Owner, he may be required by the Board of Managers to give sufficient surety or sureties for his future compliance with the By-Laws, rules, resolutions and decisions.

Section 13.2. Each Unit Owner shall be liable for the expense of any maintenance, repair or replacement rendered necessary by his act, neglect or carelessness, to the extent that such expense is not met by the proceeds of insurance carried by the Board of Managers. Such liability shall include any increase in fire insurance rates occasioned by use, misuse, occupancy or abandonment of a Unit or its appurtenances, Nothing herein contained, however, shall be construed so as to modify any waiver by insurance companies of rights of subrogation.

Section 13.3. In any proceeding arising because of an alleged default by a Unit Owner, the prevailing party shall be entitled to recover the costs of the proceeding and such reasonable attorneys' fees as may be determined by the Court.

Section 13.4. The failure of the Board of Managers or of a Unit Owner to enforce any right, provision, covenant or condition which may be granted by the Condominium Documents shall not constitute a waiver of the right of the Board of Managers or Unit Owner to enforce such right, provision, covenant or condition in the future.

Section 13.5. All rights, remedies and privileges granted to the Board of Managers, its designated agent, or a Unit Owner, pursuant to any terms, provisions, covenants or conditions of the Condominium Documents shall be deemed to be cumulative, and the exercise of any one or more shall not be deemed to constitute an election of remedies nor shall it preclude the party thus exercising the same from exercising such other and additional rights, remedies or privileges as may be granted to such party by the Condominium Documents or at law or in equity.

Article XIV

Units: Their Maintenance and Repair

Section 14.1. No Unit Owner shall do, or cause to be done, any work affecting his Unit which would jeopardize the soundness or safety of the Property, reduce the value thereof, or impair any easement or hereditament therein. The Unit Owner shall cause any work being performed on the Unit which, in the sole opinion of the Board of Managers, violates this section, to be immediately stopped and he shall refrain from recommencing or continuing the same without the consent in writing of the Board. He shall not repair, alter, replace, or move any of the Common Elements which are located within his Unit without the prior consent in writing of the Board. He shall not repair, alter, replace or perform work of any kind on the exterior of the building, including balconies, or excavate an additional basement or cellar without, in every such case, first obtaining in writing the consent of the Board of Managers. He shall not alter or replace any walls except those nonbearing partition walls which are wholly within his Unit.

Section 14.2. It shall be the responsibility of the Board of Managers to maintain, repair or replace:

(a) All portions of the Unit which contribute to the support of the building, including main bearing walls, but excluding painting, wall papering, decorating or other work on the interior surfaces of walls, ceilings and floors within the Unit.

(b) All portions of the Unit which constitute a part of the exterior of the building.

(c) All Common Elements within the Unit, provided, however, that to the extent such maintenance, repair or replacement is necessitated by negligence, misuse or neglect of a Unit Owner, he may be assessed for the costs thereof, as provided in Section 2 of Article XIII.

(d) All incidental damage caused by work done by direction of the Board of Managers.

(e) In the performance of any labor or in the furnishing of any material to a Unit, under the direction of the Board of Managers, no lien shall be established or give rise to the basis for filing a mechanic's lien against the Unit Owner, except such work performed for emergency repair. Nothing herein contained shall prevent such mechanic's lien being filed against a Unit Owner who expressly consents and requests in writing that the work be done.

Section 14.3. It shall be the responsibility of the Unit Owner:

(a) To maintain, repair or replace at his own expense (i) all portions of the Unit which may cause injury or damage to the other Units or to the Common Elements, except the portions thereof mentioned and described in Section 2 hereof; and (ii) all doors, windows, electrical, plumbing, heating and air conditioning fixtures and units within or belonging to his Unit.

(b) To paint, wall paper, decorate and maintain the interior surfaces of all walls, ceilings and floors within

the unit.

(c) To perform his responsibilities in such a manner and at such reasonable hours so as not to unreasonably disturb other Unit Owners in the building.

(d) To refrain from repairing, altering, replacing, painting or otherwise decorating or changing the appearance of any portion of the Common Elements without first obtaining the consent in writing of the Board of Managers, and to refrain from repairing, altering, replacing, painting, decorating or changing the exterior of the Unit or any exterior appendages whether exclusively used by the Unit Owner or otherwise without obtaining the Board of Managers' consent.

(e) To promptly report to the Board of Managers or their agent all work that he intends to perform for repair of any kind, the responsibility for the remedying of which lies with the Board of Managers. Any consent by the Board of Managers to the performance of such work by the Unit Owner shall not constitute an assumption by the Board of Managers to pay therefor. Also, the failure of the Board of Managers to take action on the notice shall not be deemed a waiver by it of its rights and shall also not constitute a consent by the board of an assumption by it to pay for any work performed by the Unit Owner. Any consent given by the Board of Managers may set forth the terms of such consent and the Unit Owner shall be required to abide thereby.

Section 14.4. Nothing in this article contained shall be construed so as to impose a personal liability upon any of the members of the Board of Managers for the maintenance, repair or

replacement of any Unit or Common Element or give rise to a cause of action against them. The Board of Managers, as such, shall not be liable for damages of any kind except for wilful misconduct or bad faith.

Article XV

Liens and Suits

Section 15.1. All liens against a Unit other than for permitted mortgages, taxes or special assessments shall be satisfied or otherwise removed within thirty (30) days from the date the lien attaches. All taxes and special assessments upon a Unit shall be paid before becoming delinquent.

Section 15.2. A Unit Owner shall give notice to the Board of Managers of every lien upon his Unit or any other part of the Property other than for permitted mortgages, taxes and special assessments within five (5) days after the attaching of the lien.

Section 15.3. Unit Owners shall give notice to the Board of Managers of every suit or other proceeding which will or may affect the title to his Unit or any other part of the Property, such notice to be given within five (5) days after the Unit Owner receives notice thereof.

Section 15.4. Failure to comply with this article concerning liens will not affect the validity of any judicial sale.

Section 15.5. The Board of Managers shall maintain a register of all mortgages.

Article XVI

Judicial Sale

Section 16.1. No judicial sale of a Unit nor any interest therein shall be valid unless:

(a) The sale is to a purchaser approved by the Board of Managers which approval shall be in recordable form and shall be delivered to the purchaser and recorded with the recording officer; or

(b) The sale is a result of a public sale with open bidding in accordance with the terms of Section 7 of Article XI permitting a sale arising from a mortgage foreclosure of a first mortgage validly made as set forth herein or a deed accepted in lieu of such foreclosure.

Section 16.2. Any sales, mortgage or lease which is not authorized pursuant to the terms of this Declaration or for which authorization has not been obtained pursuant to the terms of this Declaration, shall be voidable until approved in writing by the Board of Managers.

Article XVII

Records

The Board of Managers or the managing agent shall keep detailed records of the actions of the Board of Managers and the managing agent, 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. A written report summarizing all receipts and expenditures of the Condominium shall be rendered by the Board of Managers to all Unit Owners at least quarter-annually. In addition, an annual report of the receipts and expenditures of the Condominium, certified by an independent certified public accountant, shall be rendered by the Board of Managers to all Unit Owners promptly after the end of each fiscal year.

Article XVIII

Miscellaneous

Section 18.1. 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 18.2. Captions. The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of these By-Laws, or the intent of any provision thereof.

Section 18.3. 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 18.4. 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.

Article XIX
Amendments to By-Laws

These By-Laws may be modified or amended by the vote of sixty-six and two-thirds (66-2/3%) percent in number and in common interest of all Unit Owners at a meeting of Unit Owners duly held for such purpose, but only with the written approval of the mortgagees. For so long as Sponsor owns any Units, Sponsor's written approval shall be required for any amendment to the By-Laws or Condominium Documents.

These By-Laws may not be modified without consent of any lending institution holding mortgages on 25 or more units. In the event of a proposed modification, the mortgagee shall be given fourteen (14) days written notice to reasonably veto said proposal to the extent that said proposal will materially adversely affect the security of the mortgagee. After the expiration of fourteen (14) days and if mortgagee does not object in writing to such proposal, the mortgagee is deemed to have approved the same. Any modification effected other than by this procedure which can

materially affect the security of the mortgagee shall be null and void ab initio.

The holder of any mortgage has the right to enjoin the Board of Managers or unit owners in the event of waste, potential waste, or by any action which can materially adversely affect the security of the mortgage; provided, however, no such action may be instituted until reasonable notice of the action complained of shall have been given to the offending party.

Article XX

Conflicts

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

Schedule A

To

By-Laws

Rules and Regulations

1. The Units shall be used for residential purposes only, in conformance with the uses as set forth in the Declaration, except that Units may be used for professional purposes as permitted by applicable governmental regulations.

2. There shall be no obstruction of the Common Elements nor shall anything be stored in the Common Elements without the prior consent of the Board of Managers except as hereinafter expressly provided. Each Unit Owner shall be obligated to maintain and keep in good order and repair his own Unit in accordance with the provisions of the By-Laws.

3. Nothing shall be done or kept in any Unit or in the Common Elements which will increase the rate of insurance of any of the buildings, or contents thereof, applicable for residential use (or permitted professional purposes), without the prior written consent of the Board of Managers. No Unit Owner shall permit anything to be done or kept in his Unit or in the Common Elements which will result in the cancellation of insurance on any of the buildings, or contents thereof, or which would be in violation of any law. No waste shall be committed in the common elements.

4. Unit Owners shall not cause or permit anything to

be hung on the outside of windows or placed on the outside walls or doors of a building and no sign, awning, canopy, shutter or radio or television antenna shall be affixed to or placed upon the exterior walls or doors, roof or any part thereof or exposed on or at any window, without the prior written consent of the Board of Managers.

5. No animals or reptiles of any kind shall be raised, bred, or kept in any Unit or in the Common Elements, except that dogs, cats or other household pets, not to exceed two (2) per Unit, may be kept in Units, subject to the rules and regulations adopted by the Board of Managers, provided that they are not kept, bred or maintained for any commercial purposes; and provided further that any such pet causing or creating a nuisance or unreasonable disturbance or noise shall be permanently removed from the Property subject to these restrictions upon three (3) days' written notice from the Board of Managers.

6. No noxious or offensive activity shall be carried on in any Unit, or in the Common Elements, nor shall anything be done therein, either wilfully or negligently, which may be or become an annoyance or nuisance to the other Unit Owners or occupants.

7. Nothing shall be done in any Unit or in, on or to the Common Elements which will impair the structural integrity of any building or which would structurally change any of the buildings.

8. No clothes, sheets, blankets, laundry or any kind

of other articles shall be hung out of a Unit or exposed on any part of the Common Elements. The Common Elements shall be kept free and clear of rubbish, debris and other unsightly materials.

9. Unit Owners must at all times keep the floors of their Units reasonably covered with rugs, carpets, matting or similar materials to prevent unnecessary noise.

10. Except in recreational or storage areas designated as such by the Board of Managers there shall be no playing, lounging, or parking of vehicles, benches or chairs, on any part of the Common Elements.

11. No industry, business, trade, occupation or profession of any kind, commercial, religious, educational or otherwise, designed for profit, altruism, or otherwise, shall be conducted, maintained or permitted on any part of the Property, nor shall any "For Sale", "For Rent" or "For Lease" signs or other window displays or advertising be maintained or permitted on any part of the Property or in any Unit therein nor shall any Unit be used for transient, hotel or motel purposes. The right is reserved by the Sponsor and the Board of Managers, or its agent, to place "For Sale", "For Rent" or "For Lease" signs on any unsold or unoccupied Units, and the right is hereby given to any mortgagee, who may become the owner of any Unit, to place such signs on any Unit owned by such mortgagee. Notwithstanding this provision or any other provision to the contrary, Units may be used for professional purposes permitted by the applicable governmental regulations. However, no illuminated or other sign may be used in connection with said use excepting only a professional

shingle, nonilluminated, which otherwise conforms with applicable zoning and other laws and regulations.

12. Nothing shall be altered or constructed in or removed from the Common Elements, except upon written consent of the Board of Managers.

13. No public or entrance way of any building shall be decorated or furnished by any Unit Owner in any manner.

14. 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, windows, terraces, patios or carports thereof, any dirt or other substances.

15. 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.

16. The agents of the Board of Managers or the managing agent, and any contractor or workman authorized by the Board of Managers or the managing agent, may enter any room or Unit in the buildings 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.

17. 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.

18. Unit Owners shall not place or cause to be placed in the public ways, stairways or other common areas of common facilities, other than areas designated as storage areas, any furniture, packages or objects of any kind. Public ways and stairways shall be used solely for normal transit to and from the Units. Nothing shall be hung from the windows, terraces, patios or balconies or placed upon the exterior window sills.

19. The Board of Managers may assign individual parking spaces to Unit Owners or occupants.

20. Unit Owners shall not cause or permit any unusual or objectionable noise or odors to be produced upon or to emanate from their Units.

21. No terrace, patio or balcony shall be decorated, enclosed, furnished or covered by any awning or otherwise without the consent in writing of the Board of Managers.

22. No Unit Owner or occupant or any of his agents, servants, employees, licensees or visitors shall at any time bring into or keep in his Unit any inflammable, combustible or explosive fluid, material, chemical or substance.

23. If any key or keys are entrusted by a Unit Owner or occupant or by any member of his family or by his agent, servant, employee, licensee or visitor to an employee of the Board of

Managers, whether for such 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 or occupant, and the Board of Managers shall not be liable for injury, loss or damage of any nature whatsoever directly or indirectly resulting therefrom or connected therewith.

24. 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.

25. No nuisances shall be allowed on the Property nor shall any use or practice be allowed which is a source of annoyance to its residents or which interferes with the peaceful possession or proper use of the Property by its residents.

26. No immoral, improper, offensive, or unlawful use shall be made of the Property or any part thereof, and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof shall be observed. Violations of laws, orders, rules, regulations or requirements of any governmental agency having jurisdiction thereof, relating to any portion of the Property, shall be eliminated, 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.

27. No portion of a Unit (other than the entire Unit) may be rented, and no transient may be accommodated therein.

28. No garbage cans shall be placed in the halls or on the staircase landings, nor shall anything be hung from the windows, terraces or balconies or placed upon the window sills. Nor shall any rugs or mops be shaken or hung from or on any of the windows, doors, balconies or terraces.

29. No washing of automobiles shall take place on any of the Property, nor shall the parking area be used for any purpose other than to park automobiles excluding, specifically, trucks, commercial vehicles or trailers.

Exhibit L

Power of Attorney

The undersigned _____, the owner of Unit No. _____ in the Condominium known as Green Mountain Condominium consisting of the property submitted to the provisions of Article 9-B of the Real Property Law of the State of New York pursuant to Declaration dated _____, 19____ and recorded in the Office of the County Clerk of Rockland County, Division of Land Records, on _____, 19____, in Liber _____ of Conveyances at Page _____ and on the Floor Plans on file in said office as Map No. _____, do hereby nominate, constitute and appoint the persons who may from time to time constitute the Board of Managers of Green Mountain Condominium jointly, true and lawful attorneys-in-fact for the undersigned, coupled with an interest with power of substitution, to acquire in their own name, as members of the Board of Managers, or in the name of their designee, corporate or otherwise, on behalf of all owners of Units in said property, in accordance with their common interests, any Unit whose owner desires to abandon or sell the same, the undivided interest in the common elements appurtenant thereto, the interest of such Unit owner in any other Units theretofore acquired by the Board of Managers, or its designee, on behalf of all Unit owners, or in the proceeds of sale or lease thereof, if any, in the interest of such Unit owner in all other assets of the Condominium (hereinafter collectively called the "Appurtenant Interests") or any Unit, together with the Appurtenant Interests, which shall be the subject of a foreclosure or other judicial sale, or to lease any Unit whose owner desires to rent the same, at such price or on such rental, as the case may be, and on such

rental, as the case may be, and on such terms as said attorneys-in-fact shall deem proper, and thereafter to convey, sell, lease or mortgage (but not to vote the votes appurtenant thereto) or otherwise deal with any such Units so acquired by them, or to sublease any Unit so leased by them on such terms as said attorneys-in-fact may determine, granting to such attorneys-in-fact the power to do all things in the said premises which the undersigned could do if the undersigned were personally present.

The acts of a majority of such persons shall constitute the acts of said attorneys-in-fact.

This power of attorney shall be irrevocable.

IN WITNESS WHEREOF, the undersigned has executed this Power of Attorney this _____ day of _____, 19 _____

STATE OF NEW YORK)

COUNTY OF _____)

SS.:

On the _____ day of _____, 19 _____, before me personally came _____ to me known to be the individual(s) described in and who executed the foregoing instrument, and acknowledged that he (they) executed the same.

Notary Public

Exhibit M

Insurance Trust Agreement

This Agreement made the _____ day of _____ 19____ between Green Mountain Condominium (the "Condominium"), a Condominium organized and existing under Article 9-B of the Real Property Law of the State of New York, having an office and place of business at 9 Butternut Drive, New City, New York, and First Federal Savings and Loan Association of New York, a New York corporation having an office at 1274 Avenue of the Americas, New York, New York (the "Insurance Trustee").

WHEREAS, the Board of Managers of the Condominium is required under the By-Laws of the Condominium to appoint an Insurance Trustee (1) in the event any Building or Unit erected on the Condominium Property shall be damaged by fire or other cause covered by the physical damage insurance policy, or (2) in the event all or any part of the common elements, any building or unit shall be taken by any lawfully constituted governmental authority exercising the power of eminent domain, and

WHEREAS, the said Board of Managers desire to appoint the First Federal Savings and Loan Association of New York as Insurance Trustee and the First Federal Savings and Loan Association of New York desires to accept the appoint of Insurance Trustee,

It is agreed as follows:

All net proceeds of physical damage insurance policies covering the Property, and all net condemnation awards arising out of a taking in condemnation of all or part of the Common Element of

the Property shall be payable to the Condominium in the event the loss or award does not exceed \$20,000. and shall be payable to the Insurance Trustee in the event the loss or award exceeds \$20,000.

All net proceeds of physical damage insurance policies covering the Property, and all net condemnation awards received by the Insurance Trustee, shall be held by it in escrow in accordance with the following terms and conditions:

1. If the Insurance Trustee receives a certificate duly executed by the President or Vice President and the Secretary of the Condominium, which certificate shall contain the written approval thereon of those mortgagees holding mortgages constituting first liens on 25 or more units, certifying (a) that 75% or more of the Buildings on the Property have been destroyed or substantially damaged and that 75% or more of the Unit Owners have duly and promptly resolved to proceed with repair or restoration of the Buildings, or (b) that less than 75% of the Buildings on the Property have been destroyed or substantially damaged, it shall disburse the net proceeds of all insurance policies in its hands and arising out of such casualty, upon the written request of the Board of Managers of the Condominium, accompanied by the following:

(i) A certificate signed by an officer of the Condominium dated not more than thirty (30) days prior to such request and countersigned by the Architect or Engineer employed by the Board of Managers in connection with such repairs or restoration, setting forth the following:

(a) That the sum then requested either has been paid by the Board of Managers or is justly due to contractors,

sub-contractors, materialmen, engineers, architects or other persons who have rendered services or furnished materials for the repair or restoration therein specified, the names and addresses of such persons, a brief description of such services and materials, and the several amounts so paid or due to each of said persons in respect thereto, that no part of such expenditures has been or is being made the basis of any previous or then pending request for the payment of insurance proceeds then held by the Insurance Trustee, or has theretofore been paid out of such insurance proceeds, and that the sum then requested does not exceed the value of the services and materials described in such certificate.

(b) That except for the amount, if any, stated in such certificate to be due for services or materials, there is no outstanding indebtedness known to the Board of Managers, after due inquiry, which is then due for labor, wages, materials, supplies or services in connection with such repairs or restoration, which is unpaid might become the basis of a vendor's, mechanic's, laborer's or materialman's statutory or similar lien, by reason of such repair to, or restoration of the Building on the Property, or any part thereof.

(ii) An opinion of Counsel, or at the option of the Insurance Trustee, a title report for the Condominium each to the effect that there has not been filed with respect to the Building or the Property, or any part thereof, any vendor's, mechanic's, laborer's or materialman's statutory or other similar lien which has not been discharged of record, except such as will be discharged by payment of the amount then requested.

Any proceeds of insurance policies remaining in the Insurance Trustee's hands after the execution, pursuant to this Section 1, of written requests of the Board of Managers of the Condominium, shall be paid over by it to the Unit Owners in accordance with the terms and provisions of Section 2.

2. If the Insurance Trustee receives a certificate duly executed by the President or Vice President and the Secretary of the Condominium, which certificate shall contain the written approval thereon of those mortgagees holding mortgages constituting first liens on 25 or more units, certifying that 75% or more of the Buildings on the Property have been destroyed or substantially damaged and that 75% or more of the Unit Owners have not duly and promptly resolved to proceed with repair or restoration of the Buildings, it shall divide the net proceeds of all insurance policies in its hands and arising out of such casualty among all the Unit Owners as certified by the Board of Managers from time to time in accordance with their respective common interests, as set forth in Exhibit B annexed to the Offering Plan, provided, however, that it shall first pay out of the share of any Unit Owner, all liens on his Unit then of record (including those created, if any, pursuant to the By-Laws and Declaration for the Condominium to be filed in the Rockland County Clerk's office) in the order of their priority. In the event an action for partition has been instituted (in accordance with Section 2 of the By-Laws), the net proceeds shall be held and disbursed as provided therein.

3. If the Insurance Trustee receives a certificate duly executed by the President or Vice President and the Secretary of the Condominium, certifying (a) that as a result of a condemnation pro-

ceeding affecting part or all of the Common Elements of the property the condemnation award settlement shall exceed \$50,000. and that 75% or more of the Unit Owners have duly and promptly resolved to proceed with repair or restoration of the Buildings, or (b) that the condemnation award or settlement shall be less than \$50,000. as a result of such condemnation, it shall disburse the net condemnation award in its hands, in accordance with the terms and provisions of Section 1, with respect to the disbursement by it of insurance proceeds.

Any portion of the net condemnation award remaining in the Insurance Trustee's hands after the execution, pursuant to Section 3, of written requests of the Board of Managers of the Condominium, shall be paid over by it to the Unit Owners in accordance with the terms and provisions of Section 4.

4. If the Insurance Trustee receives a certificate duly executed by the President or Vice President and Secretary of the Condominium, certifying that all or part of the Buildings on the Property have been taken or substantially damaged as a result of a condemnation proceeding affecting part or all of the Common Elements of the Property and that the condemnation award or settlement exceeds \$50,000., and that 75% or more of the Unit Owners have not duly and promptly resolved to proceed with repair or restoration of the Buildings, it shall, subject to the provisions of the By-Laws, divide the net condemnation award in its hands among all of the Unit Owners, as certified by the Board of Managers from time to time, in accordance with their respective common interest, as set forth in Exhibit B annexed to the Offering Plan, provided, however, that it shall first pay out of the share of any Unit Owner, all liens of record (including those created, if any, pursuant to the By-Laws and Declaration

for the Condominium to be filed in the Rockland County Clerk's office in the order of their priority.

5. Unless and until the Insurance Trustee receives one of the certificates hereinbefore described, it shall continue to hold all insurance proceeds and all condemnation awards received by it hereunder, if any, in escrow pursuant to this Agreement. Any and all monies held by the Insurance Trustee pursuant to this Agreement, shall be held without any liability to pay interest thereon.

6. All claims against insurance companies issuing policies of physical damage insurance shall be adjusted by the Board of Managers of the Condominium.

7. The Insurance Trustee shall not be under any duty to inquire as to the correctness of any amounts received by it on account of the proceeds of any insurance policies or awards in condemnation proceedings, nor shall it be under any obligation to take any steps to enforce the payment thereof to it. The Insurance Trustee shall not be responsible for the amount of insurance of its sufficiency, nor obligated to retain the policies in its possession or pay premiums therefor.

8. Nothing herein contained shall be deemed to obligate the Insurance Trustee to deliver any cash instruments, documents or any other property referred to herein, unless the same shall have first been received by it pursuant to this Agreement. It shall have no obligation to make any of the payments above specified unless and until there shall have been deposited with it in collected funds, the full amounts necessary to make such payments.

9. The Insurance Trustee shall promptly advise the Board of Managers of the Condominium of any sums received by it on account of insurance proceeds or condemnation awards.

10. The Insurance Trustee shall not be responsible in any manner for the validity or sufficiency of any cash, instruments, documents, or any other property delivered hereunder or for the value or collectibility of any note, check or other instrument so delivered, or for any representations made or obligations assumed by any other party to this Agreement.

11. The Insurance Trustee may consult with counsel of its choice with respect to any question relating to its duties or responsibilities hereunder and it shall not be liable for any action other than hereinafter provided. It shall have the right to act in reliance upon any certificate, statement, request, consent, agreement or other instrument whatsoever, which it shall, in good faith, believe to be genuine and to have been signed and presented by the proper person or persons, and shall be entitled to rely upon the due execution, validity thereof, and the truth and accuracy of any information contained therein. It shall have the right to assume that any person purporting to give any notice or instructions in accordance with the provisions of this Agreement has been duly authorized to do so.

12. The Insurance Trustee shall have no responsibility with respect to the application of any funds paid by it pursuant to the provisions of this Agreement. It shall have no duties except those which are expressly set forth herein. It shall not be liable or responsible for anything done or omitted to be done by it in good faith, it being understood that its liability hereunder shall be limited solely to bad faith or wilful misconduct on its part.

13. The Insurance Trustee shall not be liable for any action taken or omitted hereunder except in the case of its wilful misconduct, nor shall it be liable for the default or misconduct of any employee, agent or attorney appointed by it who shall have been selected with reasonable care.

14. The Condominium shall reimburse the Insurance Trustee for all expenses incurred by it in connection with its duties under this Agreement and shall indemnify it and save it harmless against any and all liabilities, costs and expenses including counsel fees, for anything done or omitted to be done by it in the performance of this Agreement, except if done or omitted to be done in bad faith or due to wilful misconduct on its part.

15. The Board of Managers of the Condominium or its successors shall have the right to terminate this Agreement by written notice to the Insurance Trustee, upon delivery to it of a duplicate original agreement between the Board of Managers, or its successors, and another bank or trust company, pursuant to which such other bank or trust company shall assume such duties as Insurance Trustee, in its place, provided, however, that the Board of Managers shall not have the right to terminate this Agreement or to replace the Insurance Trustee so long as the Insurance Trustee shall hold thirty-five (35) or more mortgages on the Units of the Condominium. Following such termination, upon payment to it of all fees, expenses and charges due it hereunder, it shall turn over all sums deposited with it, then remaining in its hands, to such new Insurance Trustee, and thereupon its obligations hereunder shall cease.

16. The Insurance Trustee shall not be required to institute legal proceedings of any kind. It shall not be required to defend

any legal proceeding which may be instituted against it in respect of the subject matter of the Agreement; if, however, it chooses to do so, it shall have the right, exercisable at its option, to be defended by counsel of its choice and the Condominium shall indemnify it against all costs and expenses incurred in such defense. If such legal proceedings result in liability against it based on its bad faith or wilful misconduct, the Condominium shall not indemnify it for any costs or expenses incurred by it.

17. In the event that the Insurance Trustee shall be uncertain as to its duties or rights hereunder or shall receive instructions, claims or demands from any of the parties hereto or from third persons with respect to the property held hereunder, which in its opinion are in conflict with any provision of this Agreement, it shall be entitled to refrain from taking any action (other than to keep safely said property) until it shall be directed otherwise in writing by all of the parties hereto and said third persons, if any, or by a final order or judgment of a court of competent jurisdiction.

18. In the event that the Insurance Trustee shall be uncertain as to its duties or rights hereunder or shall receive instructions, claims or demands from any of the parties hereto or from third persons with respect to the property held hereunder, which in its opinion are in conflict with any provision of this Agreement, it shall be entitled to refrain from taking any action (other than to keep safely said property) until it shall be directed otherwise in writing by all of the parties hereto and said third persons, if any, or by a final order or judgment of a court of competent jurisdiction.

19. This Agreement may be modified or amended only by a

writing, signed by the Insurance Trustee and the Board of Managers of the Condominium or its successors, and approved in writing by all mortgagees of Units holding ten (10) or more mortgages on the Units of the Condominium.

20. Upon the execution of this Agreement, and in consideration for its agreeing to serve as Insurance Trustee, it shall be entitled to a fee of \$250. which shall be paid in advance upon its signing this Agreement. As consideration for Insurance Trustee receiving and distributing insurance and condemnation proceeds pursuant to Sections 1 through 4 of this Agreement, it shall be entitled to a fee of \$10.00 for each check received or disbursed in connection with a casualty loss or condemnation award. The Insurance Trustee shall also have the right to deduct any unpaid fees, expenses and charges, as well as all unpaid legal fees, reasonably and necessarily incurred in connection with this Insurance Trust Agreement, from funds held by it hereunder prior to making a final distribution of the funds so held. No modification, cancellation or rescission of this Agreement shall affect its right to retain the amount of any fee paid or to receive the amount of any fee which becomes payable prior to the effective date of any such modification, cancellation or rescission.

21. The Condominium shall pay the Insurance Trustee's fees, expenses and charges for acting hereunder as Insurance Trustee, The Condominium shall reimburse it for all its costs and expenses in connection herewith, including reasonable counsel fees, and indemnify it and hold it harmless against any claim asserted against it or any liability, loss or damage incurred by it in connection herewith. It shall have a lien upon all the securities, cash, documents, instru-

ments or any other property held by it hereunder (except for funds to which a purchaser is entitled) for any claim, liability, loss, damage, costs or expenses, including reasonable counsel fees, which may arise hereunder as well as for any fee due it hereunder.

22. The Insurance Trustee may at any time resign from its duties hereunder by giving to the Board of Managers of the Condominium or its successors, not less than thirty (30) days' notice in writing thereof and its obligations hereunder (except for payment of any sums remaining in its hands to a successor Insurance Trustee, as hereinafter provided) shall cease. Following such resignation, upon payment to it of all fees and charges due it hereunder and upon delivery to it of a duplicate original agreement between the Board of Managers of the Condominium or its successors, and another bank or trust company, pursuant to which such other bank or trust company shall assume such duties as Insurance Trustee, in its place, it shall turn over all sums deposited with it, remaining in its hands to such new Insurance Trustee, and thereupon its obligations hereunder shall cease. If no such person shall have been designated by such date, all its obligations hereunder shall, nevertheless, cease and terminate. Its sole responsibility thereafter shall be to keep safely all property then held by it and to deliver the same to a person designated by all other parties hereto or in accordance with the directions of a final order or judgment of a court of competent jurisdiction.

23. The members of the Board of Managers of the Condominium in executing this Agreement are acting as agents for the Unit Owners only, and shall have no personal liability hereunder.

24. Each Unit Owner's liability hereunder shall be

