

REEL 2549 PG 0288

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CONDOMINIUM NO. 997

MAP # 5494

DECLARATION

ESTABLISHING A PLAN FOR CONDOMINIUM OWNERSHIP

OF PREMISES LOCATED AT 55 WATER STREET

NEW YORK, NEW YORK PURSUANT TO

ARTICLE 9-B OF THE REAL PROPERTY LAW OF THE

STATE OF NEW YORK

NAME: THE 55 WATER STREET CONDOMINIUM

DECLARANT: NEW WATER STREET CORP.

55 WATER STREET, NEW YORK, NEW YORK 10041

DATE OF DECLARATION: AS OF DECEMBER 1, 1997

SECTION: 1

BLOCK: 32

**LOT: Lot Number formerly known as Lot 1
Lot Numbers now known as Lots 1001 through 1052**

COUNTY: New York

RECORD AND RETURN TO:

**Fried, Frank, Harris, Shriver & Jacobson
One New York Plaza
New York, New York 10004
Attn: Meyer Last, Esq.**

**COMMONWEALTH LAND TITLE
INSURANCE COMPANY
635 THIRD AVENUE
NEW YORK, NY 10017-5617**

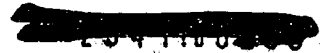


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DECLARATION OF CONDOMINIUM

(Pursuant to Article 9-B of the Real Property Law)

This Declaration made as of the 1st day of December, 1997, by NEW WATER STREET CORP., having an office at 55 Water Street, New York, New York 10041 ("Declarant").

WITNESSETH:

WHEREAS, Declarant is the owner in fee simple of the real property described in Exhibit A ("Real Property") and intends to submit the Real Property (together with the structures erected and to be erected thereon and all appurtenances thereto) to the provisions of Article 9-B of the Real Property Law of the State of New York (the "Condominium Act").

NOW, THEREFORE, Declarant, pursuant to the Condominium Act, hereby declares and states on behalf of itself, its successors and assigns, and on behalf of all Persons having or seeking to acquire any interest of any nature whatsoever in the Real Property and the structures erected and to be erected thereon, as follows:

ARTICLE I

Definitions

The following terms when used in this Declaration have the following meanings:

"Assessment" has the meaning specified in Section 6.01 of the By-Laws.

"A Units" as of any given date means Units which are not B Units on such date.

"Board" means the Persons responsible for Operation of the Property constituted in accordance with the By-Laws.

"Building" means the improvements to the Real Property, as further described in Article III, as the same may be from time to time altered or reconstructed.

"B Units" as of any given date means Units with respect to which an Estate shall be held as of such date by the IDA pursuant to a conveyance by a Special Deed.

"B Units Net Lease" means that certain Overlease Agreement which may be entered into between the IDA and New Water Street Corp. with respect to the B Units, as it may be amended from time to time.

"B Units Net Lessee" means such Person as is the direct lessee under the B Units Net Lease.

"By-Laws" means the By-Laws annexed to this Declaration, as the same may be from time to time amended.

"Changes" has the meaning specified in Section 9.01.

"Common Charges" means each Unit's share of the Common Expenses determined in accordance with Section 6.01 of the By-Laws.

"Common Elements" means:

- (i) the Real Property;
- (ii) the foundations, columns, girders, beams, supports, exterior and main walls, interior load-bearing walls, pillars, floors, ceilings, roofs, stairs, stairways, glass facades, fire escapes (if any) and entrances and exits of the Building (excluding stairs and stairways which are Installations);
- (iii) central and appurtenant installations for services such as power, light, gas, hot and cold water, heating, refrigeration, air-conditioning, ventilating and incinerating and all pipes, wires, conduits, ducts, vents and other services and utility lines which are used in connection therewith (exclusive of Installations);
- (iv) all apparatus and installations existing for common use including, without limitations, all elevators, escalators, fire-safety and other emergency systems, tanks, pumps, motors, fans, compressors and ducts;
- (v) the plazas and private sidewalk areas which are part of the Property and surround the Building;
- (vi) the 6 parking levels on the north side of the Building constituting the garage and the halls, corridors, lobbies and underground pedestrian concourse areas, if any, but only to the extent shown as Common Elements on the Condominium Plans;
- (vii) ramps, delivery and loading areas, but only to the extent shown as Common Elements on the Condominium Plans;
- (viii) storage spaces and premises for the use of cleaning and security personnel and other Persons employed for Operation of the Property, but only to the extent shown as Common Elements on the Condominium Plans;
- (ix) machinery, electrical and telephone equipment rooms and vaults, but only to the extent shown as Common Elements on the Condominium Plans; and
- (x) all other spaces and facilities shown as Common Elements on the Condominium Plans.

"Common Expenses" means (without duplication) all expenses (ordinary or extraordinary, foreseen or unforeseen, of every kind and nature) in connection with the operation, maintenance, repair and replacement of the Common Elements, a reasonable reserve for working capital purposes, a reasonable reserve for maintenance, repair, rebuilding and replacement of the Common Elements, reasonable reserves for such other purposes as shall be reasonably determined by the Board and all other expenses of Operation of the Property which are consistent with the operation and maintenance of the Building as a first-class office environment, but shall not include Unit Expenses or expenses otherwise paid by an Owner or the Common Owner towards Operation of the Property.

"Common Interest" has the meaning specified in Section 6.01.

"Common Owner" means a person who simultaneously is all of the following: (i) the Owner of all A Units, (ii) the Future Estate Holder as to the B Units and (iii) the B Units Net Lessee.

"Condominium" means The 55 Water Street Condominium.

"Condominium Act" has the meaning specified in the recitals to this Declaration.

"Condominium Plans" means the plans prepared by Kohn Pedersen Fox Associates PC and filed in the Office of the Register of The City of New York, New York County, pursuant to Section 339-p of the Condominium Act.

"Control" means (a) the ownership, direct or indirect, of more than 50% of the voting stock of a corporation or (b) in the case of any Person which is not a corporation, the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of such Person.

"Declarant" has the meaning specified in the first paragraph of this Declaration.

"Declaration" means this instrument (as the same may be from time to time amended) and the By-Laws.

"Estate" means the title in a Unit granted to the IDA pursuant to a Special Deed.

"Estate Holder" means the IDA to the extent that an Estate is in existence from time to time.

"Foreclosure" means any foreclosure of any mortgage on a Unit, the acquisition of a Unit pursuant to a deed in lieu of foreclosure or other acquisition of a Unit by exercise or enforcement of any of the mortgagee's rights or remedies under such mortgage or at law.

"Future Estate" means the presently vested future estate in any B Unit, the right to possession of which shall commence as provided in a Special Deed.

"Future Estate Holder" means the holder of the Future Estate.

"IDA" means The New York City Industrial Development Agency or any entity which succeeds to its rights and interests in accordance with the terms of the B Units Net Lease.

"Installations" means pipes, wires, conduits, ducts, vents, systems, service and utility lines, equipment and facilities installed on or constructed within or upon or located within the Building or any other installation of any kind and which as of the date of recordation of this Declaration are not identified on the Condominium Plans as Common Elements or which do not become Common Elements pursuant to the provisions of Section 6.03 of this Declaration.

"Interest Rate" has the meaning specified in Section 15.05.

"Laws and requirements of public authorities" and words of like import mean laws and ordinances of any or all of the federal, state, city, county and borough governments and rules, regulations, orders and directives of any or all departments, subdivisions, bureaus, agencies or offices thereof, or of any other governmental, public or quasi-public authorities, having jurisdiction over the Property and the direction of any public officer pursuant to law.

"McGraw-Hill Lease" means that certain lease between New Water Street Corp., as Landlord (together with its successors and assigns, the "McGraw-Hill Lease Landlord"), and the McGraw-Hill Companies, Inc., as Tenant (together with its successors and assigns, the "McGraw-Hill Lease Tenant"), respecting certain portions of the Property, a memorandum of which lease was recorded immediately prior to the recording of this Declaration, as such lease may be amended from time to time (and including any subsequent lease between the McGraw-Hill Lease Landlord and the McGraw-Hill Lease Tenant with respect to any portion of the Building).

"Obligations of the McGraw-Hill Lease Landlord" means those such obligations, and all acts in reasonable furtherance of such obligations, of the McGraw-Hill Lease Landlord, pursuant to the provisions of the McGraw-Hill Lease.

"Occupant" means, with respect to any Unit, the Owner thereof, whether or not occupying such Unit or any portion thereof, and any Person entitled to occupy such Unit; however, the Estate Holder shall not be deemed an Occupant.

"Operation of the Property" means (i) the administration and operation of the Common Elements and the maintenance and repair and replacement of, and the making of any additions and improvements to, the Common Elements, and (ii) to the extent not already included in the preceding clause (i), performance of the Obligations of the McGraw-Hill Lease Landlord.

"Owner" or "Unit Owner" with respect to the A Units means the Person or Persons owning the fee simple interest in the A Units and with respect to the B Units means the Person or Persons who are simultaneously (i) the Future Estate Holder and (ii) the B Units Net Lessee, provided that if both positions described in (i) and (ii) are not held by the same Person or Persons, then the Owner of the B Units shall mean the Future Estate Holder (it being understood that the Estate Holder shall not be deemed to be the Owner of the B Units).

"Person" means a natural person, corporation, partnership, association, trustee or other legal entity.

"Property" means the Real Property and the Building.

"Repair" or "repairs" include restoration, replacement and rebuilding, ordinary or extraordinary, structural or non-structural, as well as ordinary and customary maintenance and minor repairs.

"Requirements of insurance bodies" and words of like import mean rules, regulations, orders and other requirements of the New York Board of Fire Underwriters or the New York Fire Insurance Rating Organization or any other similar body performing the same or similar functions and having jurisdiction or cognizance of the Property.

"Special Deed" means an instrument creating the Estate, in form and substance agreed upon by the Estate Holder and the Future Estate Holder.

"Tax Agreement" means that certain agreement which may be entered into between The City of New York and New Water Street Corp., regarding the allocation of real estate taxes among Units.

"Transfer" means any direct or indirect sale, net lease, gift, hypothecation, pledge or other disposition, whether voluntary or by operation of law or otherwise. A transfer of a controlling ownership interest in the stock or general partnership interests of an Owner or the Estate Holder shall be deemed a "Transfer" of each Unit owned by such Owner or of the Estate held by the Estate Holder, as the case may be.

"Unit" has the meaning set forth in Article IV.

"Unit Expense" means any amount other than Common Charges that is required by this Declaration to be paid by an Owner to or on behalf of the Board.

ARTICLE II

Submission to Condominium Ownership

Declarant states that it is the owner in fee simple of the Property and hereby submits the Property to the provisions of the Condominium Act.

ARTICLE III

Description of the Building

The Building contains 53 stories above the first floor, and 2 sublevels (including 6 parking levels) and 1 concourse level below the first floor. The Building has a steel framework, metal and glass and pre-cast concrete exterior curtain wall and concrete filled steel-supported floors.

ARTICLE IV

Description of Condominium Units

Section 4.01. There shall be 52 commercial Units (individually, a "Unit"), all as shown on the Condominium Plans and described in Exhibit B.

Section 4.02. Each Unit consists of that part of the Building containing the Unit which lies within the boundaries of the Unit (exclusive of Common Elements) with the boundaries of a Unit being measured as follows: The boundaries of the horizontal dimension of each Unit are measured from and include the exterior surfaces of the exterior glass walls of the Building. The boundaries of the vertical dimension of each floor of the Building are measured from the horizontal plane at the center of the lower concrete slab bounding such Unit to the horizontal plane at the center of the upper concrete slab bounding such Unit, and with respect to any opening in the floor or ceiling, the boundary shall be the surface resulting from the imaginary extension(s) of such horizontal plane. The concrete floor slabs of a Unit consisting of two or more contiguous floors shall be part of such Unit. The concrete floor slab between two Units shall be part of (1) the lower Unit from the underside of such slab to the center line thereof and (2) the upper Unit from the center line thereof to the top of such slab. Except as is otherwise set forth in the preceding provisions of this Section 4.02, where the Unit consists in whole or in part of unenclosed space, the boundary defining such space is the boundary as shown on the Condominium Plans.

Section 4.03. Notwithstanding any other provisions of this Declaration to the contrary, the Common Owner shall have the right (recognizing that the Common Owner may be obligated to do so in accordance with the McGraw-Hill Lease), without the requirement of any other or further consents, to perform such lawful work as the Common Owner may desire to subdivide or combine space in the Units. The Board and all Owners shall cooperate with all such activities by the Common Owner pursuant to the provisions of this Section 4.03, and such cooperation shall include, without limitation, the provision of information reasonably required to plan such work or to make any applications with appropriate governmental agencies in connection with such work, as well as the execution and prosecution of any applications with appropriate governmental agencies (including, without limitation, applications for work permits and amendments of the certificate of occupancy, if necessary). If required by the Common Owner, this Declaration and the Condominium floor plans shall be amended to reflect a change in the number of Units, with the Common Interest allocated to the newly created Units to be determined in accordance with the principles in Section 6.01.

ARTICLE V

Use of Units

Each Unit may be used for any lawful purpose.

ARTICLE VI

The Common Elements

Section 6.01. The percentage of interest in the Common Elements applicable to each Unit (the "Common Interests"), as set forth on Exhibit B, were determined pursuant to the formulation of Section 339-i(1)(iv) of the Condominium Act, and are based upon floor space, subject to location of such space and the additional factors of relative value to other space at the Property, the uniqueness of the Unit, the availability of Common Elements for exclusive or shared use, and the overall dimensions of the particular Unit. The aggregate Common Interest for all Units is 100%.

Section 6.02. Subject to the provisions of this Declaration, each Occupant may use the Common Elements in accordance with the purposes for which they were intended without hindering or encroaching upon the lawful rights of any other Occupant.

Section 6.03. Installations shall not be Common Elements, but shall be parts of the Units to which they relate. However, if a feature which would otherwise be an Installation is explicitly designed by the Common Owner (or if there is no Common Owner, then by the Board) as a Common Element, then such feature shall be a Common Element.

ARTICLE VII

Transfers of Units: Subordination and Superiority of Certain Leases

Section 7.01. Each Owner may Transfer all or any part of its Units, together with their respective Common Interests, on such terms and conditions as it deems proper without the approval of the Board or any other Owner. Each deed for a Unit (other than any such deeds to the IDA) shall include an explicit provision that the grantee thereunder expressly acknowledges and confirms that this Declaration (including all the provisions thereof) is subject and subordinate to the McGraw-Hill Lease.

Section 7.02. Any lease entered into by an Owner after the date of this Declaration shall be subject and subordinate to this Declaration, subject, however, to the provisions of Section 7.04 of this Article.

Section 7.03. Each Owner by its acceptance of a deed for any Unit shall be deemed to have agreed that title to such Unit and its Common Interests shall not be transferred, and the Estate Holder by its acceptance of a Special Deed shall be deemed to have agreed that the Estate created by such Special Deed shall not be transferred, except (a) in connection with a filed offering plan pursuant to Section 352-e of the New York General Business Law or a no-action letter or other prior written approval from the New York State Department of Law of an exemption from the filing requirements of the General Business Law; (b) to the IDA or an entity owned and controlled by the IDA; (c) in a bulk transfer by the then Common Owner of all of its interest in the Units (including, without limitation, any such transfer resulting from a Foreclosure); (d) by the Estate Holder to the Future Estate Holder; or (e) to the Board, in the event of a partial taking of such Unit that cannot be repaired, as more particularly set forth in Section 13.03(b) below.

Section 7.04. (a) Notwithstanding any other provisions of this Declaration and any amendment thereto to the contrary and regardless of the order of recordation of this Declaration and/or any memorandum recorded with respect to the McGraw-Hill Lease or the B Units Net Lease or any amendments to any of them or any other document, this Declaration and amendments thereto and the rights and obligations of Unit Owners shall, at all times, be subject and subordinate to (x) the provisions and priority of the McGraw-Hill Lease and any amendments thereto (whether relating to the McGraw-Hill Lease in the form entered into prior to or simultaneously with the execution of this Declaration, or relating to a subsequent McGraw-Hill Lease) and (y) the provisions and priority of the B Units Net Lease and any amendments thereto (whether relating to the B Units Net Lease in the form entered into at the time of execution of the B Units Net Lease or relating to a subsequent B Units Net Lease). From time to time upon the reasonable request and at the expense of the McGraw-Hill Lease Tenant, the Board, the Unit Owners, and/or the Common Owner shall execute, acknowledge and deliver any and all instruments which are reasonably necessary or desirable to confirm such subordination. All Unit Owners by recordation of this Declaration and/or by the acceptance of a deed to their Units, shall be presumed to acknowledge and agree to this and any other provisions of this Declaration respecting the McGraw-Hill Lease and/or the B Units Net Lease. As a matter of construction, the mention in a particular provision of this Declaration that an obligation or provision is subject and subordinate to the provisions of the McGraw-Hill Lease and/or the B Units Net Lease shall not be deemed to suggest that provisions where this fact is not explicitly separately set forth are any the less subject and subordinate to the provisions of the McGraw-Hill Lease and/or the B Units Net Lease.

(b) By its execution and/or recordation of this Declaration and/or by the acceptance of a deed to a Unit, each Board, Unit Owner and the Common Owner have and

shall be deemed to acknowledge familiarity with the terms of the McGraw-Hill Lease, and hereby agree not to act in such a manner as would interfere with the relationship between the McGraw-Hill Lease Landlord and the McGraw-Hill Lease Tenant including, without limitation, as to the provision of services or other McGraw-Hill Lease Landlord Obligations and to act in such a manner as is required pursuant to the terms of the McGraw-Hill Lease so as to perform their respective obligations to provide the McGraw-Hill Lease Landlord Obligations to the McGraw-Hill Lease Tenant, subject to the provisions and limitations with respect thereto as may be contained in the provisions of the McGraw-Hill Lease. By its execution and/or recordation of this Declaration and/or by the acceptance of a deed to a Unit, the Board, each Unit Owner and the Common Owner acknowledge and shall be deemed to have acknowledged familiarity with the terms of the B Units Net Lease, and each of the Board, each Unit Owner and the Common Owner hereby agrees and shall be deemed to have agreed that it shall not act in such a manner as would interfere with the relationship between the IDA and the B Units Net Lessee.

Section 7.05. In addition to the foregoing provisions of Section 7.03, the Estate Holder by the acceptance of a Special Deed shall be deemed to have agreed that the Estate for any or all B Units shall not be transferred by the Estate Holder except in accordance with the provisions of the B Units Net Lease.

Section 7.06. Declarant acknowledges that prior to the submission of this Declaration, it was the McGraw-Hill Lease Landlord, and that this Declaration is being submitted to facilitate the availability to the McGraw Hill Lease Tenant of certain tax incentives in connection with the creation of the McGraw-Hill Lease, but that it is generally intended that the Operation of the Property shall continue as if Declarant remained the McGraw-Hill Lease Landlord as well as the owner of the entire Property outside the condominium form of ownership and that the McGraw-Hill Lease Tenant's rights shall not be limited or changed because of the form of ownership or because there may be different owners of Units in the Condominium.

ARTICLE VIII

Operation of the Condominium

Section 8.01. It is the general intention of the parties that the Common Owner shall operate the Property as if the Common Owner were the owner and operator of the entire Property and the Property were not owned in the condominium form of ownership, and this Declaration shall be interpreted to give effect to such intention. To the maximum extent lawfully permitted, the Operation of the Property shall be the responsibility of and shall be attended to by the Common Owner acting on behalf of the Board (or if there is no Common Owner, or, if as a matter of law, the Common Owner may not so act on behalf of the Board, then by the Board), with the expenses of Operation of the Property to be the responsibility of such Common Owner (or if there is no Common Owner or the extent that such an expense is for an item which cannot as a matter of law be delegated to the Common Owner, then of the Owners). In general, it is intended that the Common Owner shall fulfill such obligations and perform the activities which otherwise would be the duties of the Board. Notwithstanding any other provisions of this Declaration, the Board shall perform such of its duties only to the extent that the Common Owner fails to do so, or as a matter of law is unable to do so. In furtherance of the foregoing, the Owners

(and the Estate Holder to the extent, if any, that its consent may be required by law) and the Board shall be deemed (a) to have designated the Common Owner (if there is one) to perform such duties, (b) to have delegated to the Common Owner such powers as are necessary to perform such duties, and (c) to have agreed that such actions of the Common Owner shall be in discharge of any such responsibilities of the Board to so act.

Section 8.02. The Board shall be responsible for:

- (a) maintenance and repair of the Common Elements to the extent not otherwise performed by the Owners or the Common Owner;
- (b) obtaining and maintaining insurance in its discretion; and
- (c) collection of Common Charges and Unit Expenses.

Section 8.03. The Common Owner (or if there is no Common Owner, then the Board) shall have the right to make or cause to be made such alterations and improvements to the Common Elements as in its opinion may be beneficial and necessary.

Section 8.04. Neither the Estate Holder nor any Owner, except for the Common Owner, shall repair, alter or move any of the Common Elements (except that an Owner may in connection with an emergency, make emergency repairs, without the prior written consent of the Board). If any Owner, except for the Common Owner, shall make such emergency repairs, such Owner shall be entitled to reimbursement for the cost thereof by the Board, and any reimbursement shall be deemed a Common Expense.

Section 8.05. If there is no Common Owner, then the Board shall keep Common Charges and Unit Expenses received in a separate bank account and shall maintain records of all charges or sums received and of all expenditures or disbursements made, and such records shall be available to all Owners for inspection at reasonable times and on reasonable notice. If there is a Common Owner, then neither the Common Owner nor the Board nor any other Person shall be obligated by this Declaration or by the By-Laws to maintain the accounts and records described in the preceding sentence.

Section 8.06. Subject to such rights of access or limitations on access as are provided in leases or similar occupancy agreements involving the parties, the Common Owner and the Board or their respective designees shall have access to each Unit from time to time, upon reasonable notice during reasonable hours, except in the case of an emergency where no notice will be necessary, to the extent necessary, in order (a) to inspect and, where the responsibility therefor is upon the Common Owner or the Board, make repairs or improvements or (b) to prevent damage to the Common Elements or a Unit, or to abate any violation of laws and requirements of public authorities or requirements of insurance bodies.

ARTICLE IX

Maintenance, Alteration, Repair of Units

Section 9.01. (a) Each Owner, the Common Owner and any other Occupant who has been given such right by an Owner or the Board pursuant to a lease, license agreement or otherwise, may make or have made such alterations, additions, installations, substitutions, improvements and decorations in and to its Unit and in and to all utility service lines and related facilities now or hereafter exclusively serving its Unit (collectively, "Changes") as such party may desire, provided that each such Change is made in accordance with all laws and requirements of public authorities. Except in the case of Changes made by the Common Owner (for which no consent shall be required), any Change which shall affect a Unit other than the Unit occupied by the Person making such Change or which would affect the Common Elements shall be permitted only if prior to its commencement it has been approved in writing by the Common Owner (or if there is no Common Owner, then by the Board). Notwithstanding any other provisions of this Declaration or of the By-Laws, the Owners and the Board agree that the Common Owner may make or allow to be made any Change respecting any Unit and/or the Common Elements in the name of and on behalf of all Owners and the Board.

(b) Each Owner (for the purpose of this paragraph (b), the "Indemnifying Owner") shall defend, indemnify and hold harmless the Board, all other Owners and the Estate Holder against all liability, loss or damage (including reasonable attorneys' fees and other expenses reasonably incurred by the Board or such other Owners) which the Board or such other Owners or the Estate Holder shall suffer by reason of the Indemnifying Owner performing any Change that subjects the Board or such other Owners to laws and requirements of public authorities or insurance requirements to which the Board or such other Owners would not otherwise be subject.

Section 9.02. (a) Except when there is a Common Owner, each Owner shall give prompt notice to the Board of any written notice it receives of the violation of any laws and requirements of public authorities affecting any Unit or the Building and, subject to Section 9.02(b), shall comply, and cause all Occupants of its Unit to comply, with all applicable laws and requirements of public authorities.

(b) Each Owner may (and, if necessary, in the name of, but without expense to, the Board) contest, by appropriate proceedings prosecuted diligently and in good faith, the validity, or applicability to its Unit, of any laws and requirements of public authorities and the Board shall cooperate with such Owner in such proceedings, provided that:

(i) such Owner shall be deemed to have agreed to defend, indemnify and hold harmless the Board (and each other Owner and the Estate Holder) against all liability, loss or damage which the Board or such other Owner or the Estate Holder shall suffer by reason of such contest (and any noncompliance in connection therewith), including reasonable attorneys' fees and other expenses reasonably incurred by the Board or such other Owner or the Estate Holder; and

(ii) such Owner shall keep the Board advised as to the status of such proceedings.

An Owner need not comply with any laws and requirements of public authorities so long as such Owner shall be contesting the validity thereof, or the applicability thereof to its Unit, in accordance with this Section 9.02(b).

ARTICLE X

By-Laws

The By-Laws, a true copy of which is annexed hereto, are made a part of this Declaration.

ARTICLE XI

Insurance

The Common Owner shall have the right, but not the obligation, from time to time to obtain such insurance policies and coverage as it may in its sole discretion desire with respect to the Property. If there is no Common Owner, the Board may adopt such requirements with regard to insurance, and may obtain such insurance policies and coverage, as may be reasonably prudent for a commercial property of the kind and nature of the Property.

ARTICLE XII

Repair or Reconstruction: New Building

Section 12.01. Except as provided in Section 12.02, damage to or destruction of the Common Elements shall be repaired by the Common Owner (or if there is no Common Owner then by the Board), with reasonable diligence, using the proceeds of insurance, if any, for that purpose. Deficiencies arising out of the repair of the Common Elements shall be charged to the Common Owner (or if there is no Common Owner then to the Owners as Common Expenses) (unless the repair is attributable to the fault or neglect of an Owner or an Occupant or any of their respective employees, invitees, agents or contractors, in which case deficiencies shall be charged to the Owner involved as a Unit Expense). Damage to or destruction of a Unit shall be repaired by the Common Owner (or if there is no Common Owner then by the Owner thereof) with reasonable diligence to a complete, independent and self-contained architectural whole which is safe and has no adverse effect on any other Unit or any Common Element. The Common Owner (or if there is no Common Owner, then the Board) shall promptly pay to each Owner commensurate with the stage of repair any insurance proceeds received and available after payment of the cost of repair of the Common Elements. If there is no Common Owner and an

Owner shall fail to undertake such repair within a reasonable time after the damage or destruction of its Unit, the Board may cause such repair to be made on behalf of such Owner using the proceeds of any insurance available for the purpose. Deficiencies arising out of the repair by the Board of a damaged or destroyed Unit shall be charged to that Owner as a Unit Expense.

Section 12.02. If 75% or more of the Building is destroyed or substantially damaged and 75% or more of the Owners do not duly and promptly agree to proceed with repair, then the Property or so much thereof as shall remain shall be subject to an action for partition at the suit of any Owner as if owned in common, and the net proceeds of sale, together with the net proceeds of any insurance policies, shall be considered one fund and shall be divided among the Owners in accordance with their respective interests as they may appear. No payment shall be made to any Owner until there has first been paid out of its share of such fund all Common Charges, liens and Unit Expenses applicable to its Unit. In any vote to determine whether or not to rebuild pursuant to the foregoing provisions of this Section 12.02 when there is a Common Owner, the determination of the Common Owner shall be binding, and all Owners hereby grant or by the acceptance of their deeds for their Units shall be deemed to grant such Common Owner (or, if there is no Common Owner, then the McGraw-Hill Lease Landlord) an irrevocable power of attorney and proxy coupled with an interest (which, to the extent required by law, they agree to renew and in connection with which they agree to execute such documentation as is reasonably required by such Common Owner or the McGraw-Hill Lease Landlord, as the case may be) in connection with any vote that may be conducted with regard to this matter.

Section 12.03. Any repair made pursuant to Section 12.01 shall be substantially in accordance with plans and specifications therefor reasonably approved by the Common Owner (and if there is no Common Owner then by the Board) and, to the extent undertaken by any Owner other than the Common Owner, shall be subject to Section 9.01.

Section 12.04. When there is no Common Owner, the Board shall promptly obtain reasonably detailed estimates of the cost to repair the damaged or destroyed improvements in all instances when the Board has the responsibility of repair, and such costs may include professional fees, premiums for bonds and such other charges as the Board may reasonably incur.

Section 12.05. When there is no Common Owner, the proceeds of insurance collected on account of casualty and the sums received by the Board from collections of assessments against the Owners on account of such casualty shall constitute a construction fund which shall be disbursed in payment of the costs of repair as provided herein. If there is any surplus of monies in such construction fund after the repair has been fully completed and all costs paid, such sums shall be distributed to the Owners in accordance with their Common Interests.

Section 12.06. Notwithstanding any other provisions of this Article XII or of the Declaration to the contrary, to the extent not prohibited by the Condominium Act, the provisions of this Declaration relating to casualty, repair and the payment of insurance proceeds shall be subject to any applicable provisions of the McGraw-Hill Lease, and any payment of insurance proceeds which is to be held on or on behalf of a Unit Owner shall instead, to the extent, if any, required by the provisions of the McGraw-Hill Lease regarding casualty and repair, be paid to or

held on behalf of the McGraw-Hill Lease Tenant or the McGraw-Hill Lease Landlord, as the case may be.

ARTICLE XIII

Eminent Domain

Section 13.01. If all or any part of the Property shall be taken or condemned by any competent authority for any public or quasi-public use or purpose, except as otherwise provided herein, all compensation therefor shall be paid to the Common Owner (or if there is no Common Owner then to the Board) which shall hold such funds in trust as provided herein.

Section 13.02. If substantially all of the Property shall be so taken or condemned, the condemnation award shall be distributed to the Common Owner, or if there is no Common Owner, then as follows: to the Board (to the extent that such award relates to the Common Elements) and to the Owners to the extent that such award relates to their Units and the replacement costs of their respective Installations.

Section 13.03. (a) In the event of a partial taking and reasonable determination by the Common Owner (or if there is no Common Owner then by the Board) that the Unit affected thereby can be repaired in a suitable manner so that it can continue to be used for the purposes intended, the Common Owner (or if there is no Common Owner then the Owner thereof) shall repair the remainder of the Unit with reasonable diligence to a complete, independent and self-contained architectural whole which is safe and has no adverse effect on any other Unit or any Common Element, using the condemnation award for that purpose. Such repair shall be subject to Section 9.01.

(b) In the event of a partial taking and reasonable determination by the Common Owner (or if there is no Common Owner then by the Board) that the Unit affected thereby cannot be repaired in a suitable manner so that it can continue to be used for the purposes intended, then the Common Owner shall receive the award (or if there is no Common Owner then the Board shall pay to such Owner the condemnation award made to and received by the Board for the taking of such Unit). The Common Owner shall receive any award for consequential damages, or if there is no Common Owner then the Board shall pay to the remaining Owners the award, if any, for consequential damages. Upon payment of the award with respect to a Unit which cannot be repaired, title to such Unit and its Common Interests shall vest in the Board and such Owner shall cease to have any rights, privileges or powers as an Owner under this Declaration.

(c) If all the property taken is a portion of the Common Elements, and the Common Elements can, in the reasonable opinion of the Common Owner (or if there is no Common Owner then of the Board), be reconstructed or replaced, the Common Owner (or if there is no Common Owner then the Board) shall undertake such reconstruction in accordance with this Declaration. If the cost of reconstruction exceeds the condemnation award, the

deficiency shall be paid by the Common Owner, or if there is no Common Owner then the deficiency shall be a Common Expense. If the award is in excess of the costs of reconstruction, the excess shall be distributed to the Common Owner, or if there is no Common Owner then to the Owners in accordance with their respective Interests.

(d) If a Unit or a portion of the Common Elements is repaired in accordance with this Article, the Common Interest of each Owner shall be adjusted by the Common Owner, or if there is no Common Owner then by the Board to reflect any change in accordance with the formulation of Section 339-i(1)(iv) of the Condominium Act as set forth in Section 6.01.

(e) In the event of a temporary taking of a portion (but not all) of the Property, the Common Owner (or if there is no Common Owner then the Board) shall distribute the award in respect of such taking among the affected Owners in accordance with their respective interests or in such other manner as shall be equitable.

Section 13.04. No payment shall be made to any Owner pursuant to this Article XIII until there has first been paid out of its share of such funds all Common Charges, liens and Unit Expenses applicable to its Unit.

Section 13.05. The Estate Holder shall have no interest in and to any condemnation award or damages arising in a condemnation or taking with respect to the Estate and/or the B Units.

Section 13.06. Notwithstanding any other provisions of this Article XIII or of the Declaration to the contrary, the provisions of this Declaration relating to the payment of condemnation awards shall be subject to any applicable provisions of the McGraw-Hill Lease, and any payment of such compensation which is to be held on or on behalf of a Unit Owner shall instead, to the extent, if any, required by the provisions of the McGraw-Hill Lease regarding condemnation, be paid to or held on behalf of the McGraw-Hill Lease Tenant or the McGraw-Hill Lease Landlord, as the case may be.

ARTICLE XIV

Encroachments, Easements

If any portion of the Common Elements encroaches upon any Unit, or if any Unit or any feature servicing such Unit encroaches upon any other Unit or upon any portion of the Common Elements as a result of settling or shifting of the Building, a valid easement shall exist for the encroachment and for the maintenance of the same so long as the Building stands. If the Building, any Unit or any adjoining Common Element shall be partially or totally destroyed as a result of fire or other casualty, or as a result of condemnation or eminent domain proceedings, and then repaired, encroachments of parts of the Common Elements upon the Unit, or of one Unit upon any other Unit, or upon any portion of the Common Elements, due to such repair, shall be permitted, and valid easements for such encroachments and the maintenance thereof shall exist so

long as the Building shall stand. Each Owner shall have a valid easement for the maintenance of all utility service lines and related facilities permitted under Section 9.01(a).

ARTICLE XV

Compliance and Default, Unit Expenses

Section 15.01. All Owners shall be governed by and shall comply with this Declaration.

Section 15.02. Each Owner shall be liable for the expense of any maintenance or repair rendered necessary by its acts or omissions to the extent that such expense is not met by the proceeds of insurance carried by the Common Owner or by or on behalf of the Board. Such liability shall include any increase in fire or other 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 15.03. In any proceeding arising because of an alleged default by any Owner, the prevailing party shall be entitled to recover the costs of the proceeding and such attorneys' fees as may be determined by the court.

Section 15.04. All rights, remedies and privileges granted to the Board and the covenants and conditions of this Declaration shall be deemed to be cumulative and shall be deemed to be granted to the Common Owner when there is one, 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 other and additional rights, remedies or privileges as may be granted to such party by this Declaration or at law or in equity.

Section 15.05. Any Unit Expense charged against an Owner shall be payable by such Owner to the Board within 10 days after notice of the amount thereof and if not so paid shall (a) be a lien on the Unit of such Owner collectible as provided in Section 339-z of the Condominium Act and (b) bear interest at a rate per annum (the "Interest Rate") equal to the lesser of (i) 2% above the prime commercial lending rate from time to time announced by The Chase Manhattan Bank (or, if The Chase Manhattan Bank shall not exist or shall cease to announce such rate, such other bank in New York, New York as the Board may designate) to be in effect at its principal office in New York City or (ii) the highest rate permitted by law. If a court of competent jurisdiction shall make a final and non-appealable determination that any Unit Expense paid by an Owner is in excess of the actual amount of such Unit Expense, such Owner shall be entitled to interest on the amount of such excess at the Interest Rate for the period from the date of payment until the date of repayment of such excess to such Owner, and such interest shall be deemed a Common Expense.

Section 15.06. Notwithstanding Section 15.05 or any other provision hereof, in connection with the foreclosure of any lien arising out of any nonpayment of Unit Expenses with respect to any B Unit (a) the Estate Holder shall not be named as a party defendant or otherwise (unless required by law, but such naming shall not cause a disturbance of the legal title of the

Estate Holder to such Unit) and (b) the legal title of the Estate Holder with respect to such B Unit (as opposed to the beneficial ownership interest of the Owner of such B Unit) shall not be disturbed by reason of such foreclosure.

Section 15.07. By taking beneficial ownership of any Unit, the Owner of such Unit shall be deemed to have agreed to be bound by the Tax Agreement insofar as it pertains to such Unit.

Section 15.08. Notwithstanding any other provisions of this Declaration to the contrary, (a) at no time may the McGraw-Hill Lease be terminated in any manner in connection with the foreclosure of a lien on any Unit that is the subject of the McGraw-Hill Lease, all as described in the McGraw-Hill Lease and (b) at no time may the B Units Net Lease be terminated in any manner in connection with the foreclosure of a lien on any Unit that is the subject of the B Units Net Lease.

ARTICLE XVI

Amendments

This Declaration (including the By-Laws) may be amended by an instrument recorded in the Register's Office of the City of New York, New York County and executed by the Common Owner (or, if there is no Common Owner, by Owners owning a majority of the Common Interests). Any such amendment shall expressly provide that this Declaration, as so amended, continues to be subject and subordinate to the McGraw-Hill Lease and the B Units Net Lease. Notwithstanding the preceding provisions of this Article XVI, (a) this Declaration may not be amended without the prior written consent, in each instance, of the Estate Holder, if any, if the subject amendment materially and adversely affects the rights of the Estate Holder (but this provision shall not be construed to create any voting or similar right in the Estate Holder) and (b) the provisions of Articles 7 and 12, and Sections 4.03, 13.06, 15.08 and 24.07 of this Declaration may not be amended without the prior written consent of the McGraw-Hill Lease Tenant and the B Units Net Lessee and by the recordation of an instrument in the aforesaid Register's Office which has been executed by both of them.

ARTICLE XVII

Covenants Running with the Land

The acceptance of a deed to (including a Special Deed) or any other conveyance of, or the entering into a lease, license agreement or other agreement for occupancy of, any Unit shall constitute an agreement that the provisions of this Declaration are accepted and ratified by the Person accepting or entering into such instrument. All provisions of this Declaration shall be covenants running with the land and with every part thereof or interest therein, and the Owners, any Common Owner and any claimant of the Property or any part thereof or interest therein and

its heirs, executors, administrators, legal representatives, successors and assigns shall be bound by all of the provisions of this Declaration.

ARTICLE XVIII

Termination

Section 18.01. This Declaration shall terminate when all Owners authorize withdrawal of the Property from the Condominium Act, in which event the provisions of Section 339-t of the Condominium Act shall become applicable.

Section 18.02. In addition to and not in limitation of the provisions of the foregoing Section 18.01, and subject to the provisions of Section 18.03, the Unit Owners may by unanimous consent by the recordation of an appropriate document, withdraw the Property from the provisions of the Condominium Act, in which event they will be deemed to be tenants-in-common as to the entire Property with their respective percentage ownership interests being equal to their Common Interests, and their rights and obligations as to profits and expenses being commensurate with their rights and obligations in and for common expenses and common profits as set forth herein or, if not provided herein then as set forth in the Condominium Act. In the event of such withdrawal, any lien affecting a Unit shall after such withdrawal be deemed to affect the interest as a tenant-in-common of the owner of the Unit which was subject to such lien, and such Unit Owner by consenting to the withdrawal of the Property from condominium ownership, shall agree to indemnify and hold harmless all other Unit Owners against all costs and expenses and damages occasioned by the existence of, or the foreclosure of or attempt to foreclose, such lien, or by the collection of or the attempt to collect any amounts which were or were purportedly secured by such lien.

Section 18.03. Notwithstanding any provisions of the foregoing Section 18.01 or 18.02 or Section 24.03 hereof, the Owner of a B Unit may not authorize or consent to any termination of this Declaration or withdrawal of the Property from the provisions of the Condominium Act without the prior written consent of the Estate Holder, if any, (it being understood that this provision shall not be deemed to create any voting or similar right in the Estate Holder).

Section 18.04. The Common Owner (or if there is no Common Owner then the members of the Board acting collectively as agent for all Owners) shall continue to have such powers as in this Article are granted with respect to the winding-up of the affairs of the Condominium, notwithstanding that the Board and the Condominium may be dissolved upon termination.

ARTICLE XIX

Notices

All notices, approvals, requests, demands, consents and other communications required or permitted hereunder shall be in writing and shall be deemed to have been given when deposited in the United States mail and sent by postage prepaid, registered or certified mail, return receipt requested, addressed to an Owner or Occupant at the address of the Building and addressed to the Common Owner or the Board in care of New Water Street Corp., 55 Water Street, New York, New York 10041, and addressed to the Estate Holder in care of the New York City Industrial Development Agency, 110 Williams Street, New York, New York 10038, Attention: Executive Director or to such other address as any of the foregoing designate from time to time by notice to all Owners.

ARTICLE XX

Waiver

No provision contained in this Declaration shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, regardless of the number of violations or breaches which may occur.

ARTICLE XXI

Service of Process

New Water Street Corp., having an office at 55 Water Street, New York, New York is hereby designated to receive service of process on behalf of the Board. In addition, the Secretary of State of the State of New York is and shall be designated as agent of the Board upon whom process against the Board may be served. The Secretary of State of the State of New York shall mail a copy of any process against the Board served upon the Secretary of State to the Retirement System of Alabama, 135 South Union Street, Montgomery, Alabama 36104, Attention: General Counsel.

ARTICLE XXII

Severability

The invalidity of any provision of this Declaration or of the By-Laws shall not be deemed to impair or affect in any manner the validity, enforceability or effect of the remainder of this Declaration or the By-Laws, as the case may be, and, in such event, all of the other provisions of this Declaration or the By-Laws, as the case may be, shall continue in full force and effect as if such provision had not been included herein.

ARTICLE XXIII

Further Assurances

Each Owner and the Estate Holder shall, at the request of the Board or any Owner, execute, acknowledge and deliver to the requesting party, at the expense of the requesting party, such instruments, in addition to those specifically provided for herein, and take such other action as such requesting party may reasonably request, to effectuate the provisions of this Declaration or any transactions contemplated herein or to confirm or perfect any right to be created or transferred hereunder or pursuant to any such transaction, provided that the foregoing shall not impose any material new obligation on such party.

ARTICLE XXIV

Miscellaneous Provisions

Section 24.01. No Owner or Estate Holder nor any of their officers, members, employees, agents or directors, shall have any personal liability hereunder in any capacity. No party shall have recourse to an Owner or Estate Holder other than to their interests in the Units and the Estate held by them, and no provision, covenant or agreement contained in this Declaration or any obligations herein imposed upon an Owner or Estate Holder or the breach of any thereof shall constitute or give rise to or impose upon an Owner or Estate Holder a pecuniary liability or a charge upon its general credit. All covenants, stipulations, promises, agreements and obligations of an Owner or Estate Holder contained herein shall be deemed to be covenants, stipulations, promises, agreements and obligations of such Owner and Estate Holder and not of any member, director, officer, employee or agent of such Owner or Estate Holder in his individual capacity (when the Owner or Estate Holder is a natural person), and no recourse shall be had for the payment of the principal of any debt or interest thereon or for any claim based thereon or hereunder against any member, director, officer, employee or agent of such Owner or Estate Holder. No covenant herein contained shall be deemed to constitute a debt of the State of New York, The City of New York or any of their respective subdivisions or instrumentalities, and neither the State of New York nor the City of New York shall be liable on any covenant herein contained, nor shall any obligation created by this Declaration on the part of IDA, if it is the Estate Holder, be payable out of any funds of IDA.

Section 24.02 (a) Subject to the foregoing, any Person entitled to enforce the provisions of this Declaration shall be entitled in appropriate instances to equitable relief, including without limitation specific performance or injunctive relief, to enforce the obligations of the Estate Holder or any Owner hereunder.

(b) By its acceptance of a Special Deed with respect to any B Unit, the Estate Holder shall be deemed to have acknowledged that it shall not have any beneficial ownership interest in such B Unit, or any right to vote or otherwise exercise any right that is afforded to Owners under this Declaration, it being the intention of the Declarant and the Estate Holder that the Person that shall be simultaneously both (i) the Future Estate Holder with respect to the B Units and (ii) the B Units Net Lessee shall be recognized as the beneficial owner of the B Units and the "Owner" thereof (provided that if both positions described in (i) and (ii) are not held by the same Person, then the "Owner" of the B Units shall mean the Future Estate Holder), for all purposes of this Declaration, and that such Person shall accordingly have the power to act as such on its own behalf with respect to all matters arising out of or relating to the Condominium or this Declaration. Nonetheless, solely to the extent, if any, required by law in order to allow such Person to act as the Owner of the B Units pursuant to and for purposes of the Condominium Act, the Estate Holder shall be deemed, by its acceptance of any Special Deed, to have irrevocably appointed such Person as its attorney-in-fact, coupled with an interest, and/or to have given such Person its irrevocable proxy, to vote as the Owner of the B Units. Notwithstanding the foregoing, the Estate Holder shall not be deemed to have approved such Person or any other Person as its attorney-in-fact for purposes of exercising any rights of the Estate Holder under Article XVI or Section 18.03.

(c) Each Owner by the acceptance of a deed or other instrument by which it obtains its interest for itself, and the Board for itself, recognizes and acknowledges that if there is a Common Owner, the beneficial interest of such Owners and the Board rests with the Common Owner. Each of the Owners and the Board, to the extent permitted by law, by the acceptance of a deed shall be deemed to have irrevocably designated the Common Owner their respective attorneys-in-fact pursuant to an irrevocable power of attorney coupled with an interest, and to have granted their proxies to the Common Owner pursuant to an irrevocable proxy.

Section 24.03. Notwithstanding any other provisions of this Declaration or the By-Laws, no Person shall be deemed to be the beneficiary of any rights, or the beneficiary of performance required by other Persons of any obligations, under this Declaration or the By-Laws except for Persons who are Owners, the Estate Holder, the B Units Net Lessee, and/or the Common Owner. Accordingly, no Occupant and no lessee or other Person shall be entitled or empowered to commence or maintain a lawsuit to enforce or to recover damages or seek any equitable relief on account of a breach of the provisions of this Declaration or the By-Laws. However, nothing in the preceding provisions of this Section 24.03 shall be deemed to limit rights of third persons insofar as they are damaged because of the exercise of any power of attorney or other authorization which is granted in this Declaration or the By-Laws.

Section 24.04. Notwithstanding any other provisions of this Declaration or of the By-Laws, any act performed by the Common Owner which it was either not authorized to perform pursuant to this Declaration or the By-Laws or which it was not able to perform as a matter of law, may be ratified by the Board on behalf of itself and all Owners, which by such ratification shall adopt such act as its own and on behalf of all Owners as of the date of the original performance of such act by the Common Owner.


Section 24.05. With respect to any obligation of an Owner pursuant to the provisions of this Declaration or of the By-Laws, an Owner may designate another Person to perform such obligation, and the performance by such designated Person (including, without limitation, an Occupant of the Unit) shall be deemed to be in satisfaction of the Owner's obligation to perform such obligation.

Section 24.06. If any Owner shall fail to perform such Owner's obligations under this Declaration, and if the failure to perform such obligations would adversely affect the other Owners of any other Units, the Board may (a) immediately, in the case of a failure which could result in personal injury or material property damage or (b) upon not less than 15 days' notice in the case of any other failure, perform such obligations for the account of such Owner. If the Board makes any expenditures or incurs obligations for the payment of money, including reasonable attorneys' fees in instituting, prosecuting or defending any action or proceeding by reason of any default of such Owner, such sums paid or obligations incurred shall be charged to such Owner as a Unit Expense. The foregoing provisions of this Section 24.06 shall not pertain if there is a Common Owner.

Section 24.07. It is recognized that the responsibility of the Unit Owners and the other parties with respect to their obligations under the McGraw-Hill Lease, and to the McGraw-Hill Lease Landlord and the McGraw-Hill Lease Tenant, particularly with respect to the McGraw-Hill Lease Landlord Obligations, are set forth in the McGraw-Hill Lease and, to the extent which they may conflict with any provisions of this Article XXIV or any other provisions of this Declaration, the provisions of the McGraw-Hill Lease shall be superior to the provisions set forth herein and shall govern.

IN WITNESS WHEREOF, the Declarant has executed this Declaration as of this 1st day of December, 1997.

NEW WATER STREET CORP.

By: 
Harold A. Bridgwood
Executive Vice President

REEL 2549 PG 0313

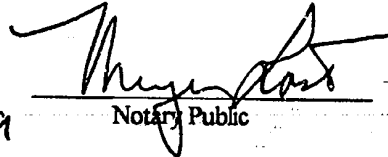
STATE OF NEW YORK)

ss.:

COUNTY OF NEW YORK)

On the 1st day of December, 1997, before me personally came Harold A. Bridgwood, residing at 55 Water Street, New York, New York, to me known, and known to me to be the individual who executed the foregoing instrument, who being by me duly sworn, did depose and say that he is Executive Vice President of New Water Street Corp., that he executed the foregoing instrument in the name of New Water Street Corp.; that he has the authority to me that he executed the same as the act and deed of said New Water Street Corp. for the uses and purposes therein mentioned.

MEYER LAST
NOTARY PUBLIC, State of New York
No. 31-4784774
Qualified in New York County
Commission Expires June 30, 1999



Notary Public

EXHIBIT A
LEGAL DESCRIPTION

ALL that certain plot, piece or parcel of land, situate, lying and being in the Borough of Manhattan, City of New York, County of New York and State of New York, bounded and described as follows:

BEGINNING at the corner formed by the intersection of the southerly side of Old Slip and the westerly side of South Street;

THENCE Southerly along the westerly side of South Street, a distance of $422.11\frac{1}{8}$ feet to an angle point;

THENCE still southerly along the westerly side of South Street on a line forming an interior angle of 171 degrees 40 minutes 24 seconds with the last described line a distance of $49.2\frac{1}{2}$ feet to a point;

THENCE Westerly along a line forming an angle of 99 degrees 28 minutes 29 seconds on its northerly side with the westerly side of South Street, a distance of $349.4\frac{3}{8}$ feet to the easterly side of Water Street;

THENCE Northerly along the easterly side of Water Street, on a line forming an interior angle of 68 degrees 51 minutes 45 seconds with the last described line, a distance of $56.5\frac{7}{8}$ feet to an angle point in said street;

THENCE continuing northerly along the easterly side of Water Street, on a line forming an interior angle of 202 degrees 29 minutes 25 seconds with the last described line, a distance of $414.3\frac{7}{8}$ feet to the southerly side of Old Slip;

THENCE Easterly along the southerly side of Old Slip, a distance of $355.4\frac{3}{4}$ feet to the westerly side of South Street, at a point or place of BEGINNING.

EXHIBIT B

SCHEDULE

TO THE DECLARATION OF THE 55 WATER STREET CONDOMINIUM

Unit Designation	Tax Lot No.	Location (in Portion of Building Facing in the Direction Set Forth Below)	Approx. Area in Sq. Ft.	Common Elements to Which Unit Has Immediate Access	Percentage of Interest in the Common Elements
Sublevel 2	1001	N&S Below grade	101,904.32	Public corridor, fire stairs, elevators	3.766
Sublevel 1	1002	N&S Below grade	87,283.41	Public corridor, fire stairs, elevators	2.433
Concourse	1003	N&S Below grade	79,422.15	Public corridor, fire stairs, elevators	2.410
First	1004	N,S	28,898.13	Public lobby, fire stairs, elevators	1.593
2	1005	N,S	30,006.39	Fire stairs, elevators	2.371
3	1006	N,S	63,482.04	Fire stairs, elevators	2.052
4	1007	N,S	68,702.78	Fire stairs, elevators	2.475
5	1008	N,S	68,039.13	Fire stairs, elevators	2.454
6	1009	N,S	67,456.06	Fire stairs, elevators	2.428
7	1010	N,S	66,818.59	Fire stairs, elevators	2.411
8	1011	N,S	66,224.70	Fire stairs, elevators	2.389
9	1012	N,S	65,093.38	Fire stairs, elevators	2.431
10	1013	N,S	64,278.94	Fire stairs, elevators	2.322
11	1014	N,S	64,640.97	Fire stairs, elevators	2.336
12	1015	N,S	63,971.61	Fire stairs, elevators	2.311
13	1016	N,S	63,327.94	Fire stairs, elevators	2.289
14	Mechanical Floor - All Common				
15	Mechanical Floor - All Common				
16	1017	N,S	44,570.89	Fire stairs, elevators	1.620
17	1018	N,S	45,332.84	Fire stairs, elevators	1.649
18	1019	N,S	45,332.84	Fire stairs, elevators	1.649
19	1020	N,S	45,166.72	Fire stairs, elevators	1.646
20	1021	N,S	45,400.72	Fire stairs, elevators	1.648
21	1022	N,S	45,389.33	Fire stairs, elevators	1.654
22	1023	N,S	46,076.89	Fire stairs, elevators	1.678
23	1024	N,S	46,263.60	Fire stairs, elevators	1.686
24	1025	N,S	45,936.70	Fire stairs, elevators	1.683

Unit Designation	Tax Lot No.	Location (in Portion of Building Facing in the Direction Set Forth Below)	Approx. Area in Sq. Ft.	Common Elements to Which Unit Has Immediate Access	Percentage of Interest in the Common Elements
25	1026	N,S	45,955.53	Fire stairs, elevators	1.674
26	1027	N,S	46,815.21	Fire stairs, elevators	1.705
27	1028	N,S	46,480.97	Fire stairs, elevators	1.693
28	1029	N,S	46,632.96	Fire stairs, elevators	1.700
29	1030	N,S	46,630.58	Fire stairs, elevators	1.686
30	1031	N,S	46,628.21	Fire stairs, elevators	1.697
31	1032	N,S	47,309.48	Fire stairs, elevators	1.721
32	1033	N,S	47,398.62	Fire stairs, elevators	1.728
33	1034	N,S	47,020.57	Fire stairs, elevators	1.715
34	1035	N,S	47,052.27	Fire stairs, elevators	1.714
35	1036	N,S	47,878.71	Fire stairs, elevators	1.743
36	1037	N,S	47,859.21	Fire stairs, elevators	1.743
37	1038	N,S	47,522.41	Fire stairs, elevators	1.730
38	1039	N,S	47,633.39	Fire stairs, elevators	1.735
39	1040	N,S	47,631.01	Fire stairs, elevators	1.734
40	1041	N,S	46,164.13	Fire stairs, elevators	1.680
41	1042	N,S	48,319.08	Fire stairs, elevators	1.757
42	1043	N,S	48,113.59	Fire stairs, elevators	1.752
43	1044	N,S	47,928.11	Fire stairs, elevators	1.748
44	1045	N,S	47,947.87	Fire stairs, elevators	1.749
45	1046	N,S	47,947.87	Fire stairs, elevators	1.745
46	1047	N,S	47,790.40	Fire stairs, elevators	1.739
47	1048	N,S	48,290.83	Fire stairs, elevators	1.757
48	1049	N,S	48,263.12	Fire stairs, elevators	1.752
49	1050	N,S	48,237.69	Fire stairs, elevators	1.751
50	1051	N,S	48,840.28	Fire stairs, elevators	1.773
51	1052	N,S	48,830.17	Fire stairs, elevators	1.695
52	Mechanical Floor - All Common				
53	Mechanical Floor - All Common				
			Total Area	2,742,143.34	

REEL 2549 PG 0317

EXHIBIT C

BY-LAWS OF THE CONDOMINIUM

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BY-LAWS OF THE CONDOMINIUM

ARTICLE I

Definitions

Terms used and not otherwise defined in these By-Laws have the meanings set forth in the Declaration to which these By-Laws are annexed.

ARTICLE II

Board of Managers

Section 2.01. Number - Qualifications. There shall be a Board of the Condominium consisting of three Managers, which Managers shall be elected at each annual meeting of the Owners, or, in the case of failure to act at any such meeting, at a special meeting called for such purpose. No Manager need be an Owner, and a Manager may be any Person (including without limitation a natural person, corporation, partnership, association, trustee or other legal entity). Two Managers shall be elected collectively by the Owners of the A Units and one Manager shall be elected collectively by the Owners of the B Units. Until the first meeting of Owners after recordation of the Declaration, all three Managers shall be appointed by Declarant. Subject to these By-Laws, the Manager shall hold office until the next annual meeting of Owners and thereafter until his successor is duly elected and qualified. Notwithstanding any other provisions of these By-Laws or of the Declaration, if there is a Common Owner, then there shall be only one Manager and the Common Owner (or its written designee) shall be deemed to be such Manager, and such Manager shall be deemed to have been elected annually on the anniversary of the date of recordation this Declaration, without the necessity of a meeting of Owners, although such annual reinstatement shall be deemed to have been conducted at a meeting of Owners at which all Owners had given their irrevocable proxies to the Common Owner (which proxies they hereby grant or grant by acceptance of a deed to a Unit) with instructions that the Common Owner vote for itself. All Owners hereby waive any conflict of interest with regard to the Common Owner in its actions as Manager.

Section 2.02. Removal. Any Manager may be removed from office, with or without cause, by the Owner or Owners who shall have elected such Manager. If any Manager shall be so removed, a new Manager may be elected by the Owner or Owners who had elected the removed Manager.

Section 2.03. Meetings. The Board shall hold a meeting at the place of the annual meeting of Owners and as soon as practicable after such annual meeting, and no notice thereof shall be necessary. Other meetings may be held at such times and at such places as the business of the Condominium shall require according to resolution of the Board or upon call of the President or any two Managers. The Board may establish regular meetings which may be held at such places and at such times as they may from time to time by vote determine, and when any such meeting or meetings shall be so determined no further notice shall be required. Notice of any other meetings and other notices to the Managers shall be given to each Manager by the Secretary or by the Person or Persons calling the meeting by delivering written notice of such meeting to him not less than two days prior to the meeting. Any Manager may waive notice of any meeting of the Board in writing signed by himself or his duly authorized attorney-in-fact either before or at or after the meeting. The presence of any Manager at any meeting shall be the equivalent of a waiver of the requirement of the giving of notice of said meeting to such Manager. In the case of any meeting of the Board for which a notice is required to be given in accordance with the foregoing provisions of this Section 2.03, there may be transacted at such meeting only such business as is set forth in such notice. If there is a Common Owner, the foregoing provisions of this Section 2.03 shall not pertain, and (i) there shall be no requirement for meetings, but an annual meeting and election shall be deemed to have occurred on each anniversary of the date of recordation of the Declaration and (ii) no notice shall be required with respect to any meeting and any business may be discussed at any such meeting, whether or not there is any notice.

Section 2.04. Quorum - Voting. A majority of the Managers shall constitute a quorum for the transaction of business at any meeting of the Board. If a quorum of the Board is present at a meeting, the vote of a majority of the Managers present at said meeting shall be sufficient to adopt decisions and take action binding upon the Board. The Managers present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of such number of Managers as leaves remaining less than a quorum. Notwithstanding the foregoing or any other provisions of these By-Laws, if there is a Common Owner, a quorum and a majority of Managers shall consist of the sole Manager.

Section 2.05. Written Consent of Managers; Telephonic Meetings. Any action required or permitted to be taken by vote at any meeting of the Managers may be taken without a meeting if a written consent, setting forth the action so taken, is signed by all Managers, except that notwithstanding any other provisions of these By-Laws or of the Declaration, if there is a Common Owner, any action may be taken without a meeting whether or not there is any formal written consent. Managers may participate in a meeting of the Board by means of a conference telephone or similar communications equipment in which all Persons participating in such meeting can hear each other and such participation shall constitute presence at such meeting.

Section 2.06. Powers. The Common Owner (or if there is no Common Owner then the Board) for the benefit of the Owners, shall have the following powers and duties:

(a) to exercise all of the powers of the Condominium with respect to Operation of the Property and any other matters which are conferred upon the Board by the Condominium Act or which may be conferred upon the Board or the Common Owner, as the case may be, by the Declaration or these By-Laws pursuant to the Condominium Act;

(b) subject to Section 339-1 of the Condominium Act, to make contracts and incur liabilities in connection with the exercise of any of the powers and duties of the Board or the Common Owner, as the case may be;

(c) to provide or cause to be provided all goods and services required by the Declaration, these By-Laws or by law, or which the Common Owner (or if there is no Common Owner, then the Board), in its discretion, deems necessary for the proper Operation of the Property;

(d) to render, or cause to be rendered, statements, when required by law, of any Assessment, and to in its sole discretion pursue any legal action it deems appropriate against any Owner who does not timely pay any Assessment against its Unit;

(e) to bring action on behalf of any Owner with respect to any cause of action relating to the Common Elements as the Common Owner (or if there is no Common Owner, then the Board) deems advisable;

(f) to elect the officers of the Condominium, set their compensation, and otherwise exercise the powers regarding officers of the Condominium as set forth in those By-Laws (and if there is a Common Owner, the Common Owner and its designees shall be such officers and shall be deemed to have been elected to such offices);

(g) to determine who shall be authorized to execute or sign all instruments on behalf of the Condominium, the Common Owner and the Board;

(h) to engage the services of a managing agent to perform such duties and services as it shall authorize, to fix the compensation of such managing agent, and to delegate to such managing agent such of its powers and duties as the Common Owner (or if there is no Common Owner, then the Board) deems advisable;

(i) to designate and remove such personnel as may be necessary in connection with Operation of the Property;

(j) to procure such fidelity bonds as the Common Owner (or if there is no Common Owner, then the Board) decides in its sole discretion covering officers and employees of the Condominium handling and responsible for the Condominium's funds and personal property, and to procure such Managers' and officers' liability insurance as the Common Owner (or if there is no Common Owner, then the Board) decides in its sole discretion;

(k) to determine policies and to adopt rules and regulations from time to time governing the details of Operation of the Property and its use, including the Common Elements, and to amend such rules and regulations from time to time in such manner as the Common Owner (or if there is no Common Owner then the Board) decides in its sole discretion:

(l) to enter into leases for all or part of the Common Elements and any property owned or controlled by the Condominium or the Board; and

(m) to perform any and all duties imposed on the Board by laws and requirements of public authorities and requirements of insurance bodies.

Section 2.07. Empowerment of Common Owner. Notwithstanding any other provision of the Declaration or of these By-Laws, and in furtherance of the provisions of Section 8.01 of the Declaration, to the extent permitted by law, the Common Owner, is designated by the Owners and the Board to perform all of the duties, and is empowered with the powers otherwise granted herein to the Board, and in such matters shall act for and on behalf of all Owners and the Board in the same manner and with the same authority as the Board, and, if required, in the name and stead of the Board, in connection with the operation of the Condominium. In so acting, the Common Owner and all Persons acting for and on behalf of the Common Owner in such capacities shall be indemnified to the same extent as the Board and its members and officers are otherwise indemnified hereunder pursuant to Article VII or otherwise, without limitation of any indemnification of Common Owner as an Owner.

Section 2.08. Compensation. There shall be no compensation paid to members of the Board for acting as such.

ARTICLE III

Meetings of Owners

Section 3.01. Annual Meetings. An annual meeting of the Owners for the election of Managers and for the transaction of such other business as may properly come before such meeting shall be held at 10:00 A.M. on the second Tuesday of January in each year, if not a legal holiday, or if a legal holiday then on the next succeeding business day not a legal holiday.

Section 3.02. Special Meetings. Special meetings of the Owner may be called at any time by the President, the First Vice President or the Board, such special meetings to be held at such time as shall be fixed in the notice of such meetings given pursuant to Section 3.05. Only such business may be transacted at a special meeting as is related to the purpose or purposes set forth in the notice thereof given pursuant to Section 3.05.

Section 3.03. Place of Meetings. Meetings of the Owners shall be held at such place within the City of New York, Borough of Manhattan, as shall from time to time be fixed or determined by the Board.

Section 3.04. Adjournment. Any meeting of the Owners may be adjourned for any reason by any Owner to a time and place determined by the Owners. At any such adjourned meeting any business may be transacted which might have been transacted at the meeting as originally called.

Section 3.05. Notice of Meetings. Notice of the date, time and place of each annual or special meeting of the Owners shall be given by the President or the Secretary to each Owner before the meeting. Notice of each special meeting shall also indicate that it is being issued by or at the direction of the Person calling the meeting and shall state the purpose or purposes for which the meeting is called. Notices, if mailed, shall be directed to each Owner at its address as it appears on the records of the Condominium or, if such Owner shall have filed with the Secretary a written request that notices to it be mailed to some other address, at the address so designated.

Notice of any meeting need not be given to an Owner who submits a waiver of notice, in person or by proxy, whether before or after the meeting, or who attends a meeting, in person or by proxy.

Section 3.06. Chairman and Secretary. Each meeting of the Owners shall be presided over by the President of the Condominium or, if he shall not be present, a Person chosen by the Owners at the meeting to act as chairman thereof. The Secretary of the Condominium who shall act as the secretary of each such meeting or, if he shall not be present, a Person chosen by the Owners at the meeting, shall keep minutes of the proceedings thereof and shall cause the same to be recorded in books provided for that purpose.

Section 3.07. Voting.

(a) The total number of votes of the Owners shall be one hundred and shall be divided among the Owners in accordance with their respective Common Interests; and all decisions, except with regard to the election of Managers in accordance with the provisions of Section 2.01, must be approved by Owners owning a majority of the Common Interests.

(b) Each Owner may empower any Person to vote as the proxy of such Owner at any meeting of Owners by written proxy or authorization filed with the Secretary. Such written proxy or authorization, unless specially limited by its terms, shall remain effective until there shall be filed with the Secretary a written revocation of the same or a written proxy or authorization of later date. By the acceptance of a deed by each Owner, as more fully set forth in the Declaration, such irrevocable written proxies are deemed to have been given by each of the Owners in favor of the Common Owner.

Section 3.08. Quorum. Except as otherwise provided by law, the presence at a meeting, in person or by proxy of Owners owning a majority of Common Interests shall be necessary and sufficient to constitute a quorum for the transaction of business.

Section 3.09. Written Consent of Owners. Any action required or permitted to be taken by vote at any meeting of the Owners may be taken without a meeting if a written consent, setting forth the action so taken, is signed by all Owners.

Section 3.10. Miscellaneous Provisions Regarding Common Owner.

Notwithstanding the provisions of Article II or the foregoing provisions of this Article III to the contrary, if there is a Common Owner, then annual meetings shall be deemed to be held on each anniversary of the date of recordation of the Declaration; an election shall be deemed to have occurred at such annual meetings, at which the Common Owner shall be elected the Manager; a special meeting may be called at any time without notice by the Manager; notwithstanding any other provisions of the By-laws, no meetings shall be required to transact business, or if a vote of Owners or of the Board is required as a matter of law, then the act of such Common Owner shall be deemed the decision of a vote of the Owners or the Board, as the case may be; meetings, if any, shall be at any location designated by the Common Owner; there need be no notices of any meetings; all votes and decisions shall be taken by the Common Owner, and the Common Owner shall itself be deemed to constitute a quorum.

ARTICLE IV

Officers

Section 4.01. Number. The officers of the Condominium shall be a President, a First Vice President, such number of other Vice Presidents as the Board may from time to time determine, a Secretary, a Treasurer and such other officers as may be elected in accordance with Section 4.03. Any two or more offices may be held by the same Person, except that no person may hold the offices of both President and Secretary.

Section 4.02. Election, Term of Office and Qualification. Each officer specifically designated in Section 4.01 shall be elected by the Board and shall hold his office until the first meeting of the Board held after the next annual meeting of Owners and until his successor shall have been elected, or until his death, resignation or removal in the manner provided in Section 4.04 or 4.05. No officer, except the President, need be a Manager. No officer need be an Owner.

Section 4.03. Subordinate Officer and Agent. The Board may from time to time elect other officers, including without limitation one or more Assistant Secretaries and/or Assistant Treasurers, each of whom shall hold office for such period, have such authority and perform such

duties as the Board may from time to time determine and shall be subject to removal at the pleasure of the Board.

Section 4.04. Removal. Any officer elected by the Board may be removed at any time, either with or without cause, by the affirmative vote of a majority of the whole number of the Board.

Section 4.05. Vacancies. Any vacancy occurring in any office may be filled by the Board.

Section 4.06. President. The President shall be the chief executive officer of the Condominium and, subject to the control of the Board, shall preside over meetings of the Board and meetings of Owners and exercise general supervision over the property, affairs and business of the Condominium. The President shall, in general, have all powers and perform all duties incident to the office of President and chief executive officer and shall exercise and perform such other powers and duties as may from time to time be assigned to him by the Board or prescribed by these By-Laws.

Section 4.07. Vice Presidents. Each Vice President shall, in general, have all powers and perform all duties incident to the office to the Vice President and shall exercise and perform such other powers and duties as may from time to time be assigned to him by the Board or the President or prescribed by these By-Laws. In the absence or disability of the President, the Vice President or, if more than one, the Vice Presidents in the order of their seniority or such other order as the Board may from time to time determine, shall exercise the powers and perform the duties of the President.

Section 4.08. The Secretary. The Secretary shall act as secretary at, and keep the minutes of, the meetings of Owners and of the Board, and cause the same to be recorded in books provided for that purpose. He shall, in general, have all powers and perform all duties incident to the office of Secretary and shall exercise and perform such other powers and duties as may from time to time be assigned to him by the Board or the President or prescribed by these By-Laws.

Section 4.09. The Treasurer. The Treasurer shall have custody of the funds of the Condominium and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Condominium. He shall cause all moneys and other valuable effects to be deposited in the name and to the credit of the Condominium in such depositories as may be designated by the Board. He shall cause the funds of the Condominium to be disbursed when such disbursements have been duly authorized, taking proper vouchers for such disbursements, and shall render to the President and the Board, whenever requested, (a) an account of all his transactions as Treasurer and of the financial condition of the Condominium, and (b) true copies of all financial statements and/or reports prepared by the Condominium's accountants. He shall, in general, have all powers and perform all duties incident to the office of Treasurer and shall

exercise and perform such other powers and duties as may from time to time be assigned to him by the Board or the President or prescribed by these By-Laws.

Section 4.10. Special Provisions Regarding Common Owner. Notwithstanding any of the provisions of Article III or the foregoing provisions of this Article IV to the contrary, if there is a Common Owner, then the sole Manager shall be deemed to be the Persons holding the office of each of the officers of the Condominium, which shall in that case be the President, a Secretary and a Treasurer (although the Manager may designate other persons to be officers); the Manager shall serve in such offices and shall be deemed re-elected annually at a meeting of the Board which shall be deemed to take place on each anniversary of the date of recordation of the Declaration, although the Common Owner may elect other Persons as officers at any time; and meetings of the Board shall be deemed to take place at any time that the Common Owner acts in respect of the Board, and any such action shall be deemed a vote to approve such action by the Board, in the event that such a vote is required as a matter of law.

ARTICLE V Fiscal Year

The fiscal year of the Condominium shall be the calendar year, unless the Board adopts a different fiscal year.

ARTICLE VI

Assessment for Common Expenses -Payment of Unit Expenses

Section 6.01. Common Expenses. Prior to the commencement of each fiscal year of the Condominium the Board shall determine the estimated Common Expenses for such fiscal year. The Board shall provide each Owner with a copy of the estimated Common Expenses for each fiscal year. The funds required thereby shall be apportioned among the Owners in proportion to their respective Common Interests; provided, however, that (notwithstanding anything to the contrary contained in the Declaration) if in any case apportionment of such proportion would be inequitable the Common Expense in question shall be apportioned to each Owner in such other proportion as shall be fair and equitable. If any Owner shall dispute any apportionment made by the Board, such Owner and the Board shall use good faith efforts to agree on such apportionment at the earliest practicable time, but if they shall fail to agree the matter shall at the request of such Owner be determined by arbitration in the manner specified in Section 6.10. Each amount apportioned to each Owner pursuant to this Section 6.01 is called an "Assessment."

Section 6.02. Payment of Common Expenses. Each Owner shall pay to the Board on the first day of each calendar month 1/12th of such Owners Assessment for the fiscal year in which such month occurs.

Section 6.03. Delay in Preparation of Estimated Common Expenses. Any omission or delay in determining the estimated Common Expenses for any fiscal year shall not relieve the Owner from liability for payment of the same. In such event, the Owner, pending determination thereof, shall pay monthly installments of Common Expenses in an amount not greater than the regular monthly installments on account of Common Expenses for the immediately preceding fiscal year.

Section 6.04. Revisions to Estimated Common Expenses. The Board may, at any time and from time to time, revise the estimated Common Expenses for any fiscal year. If the aggregate amount of any such revised estimated Common Expenses shall be greater than the estimate prior to such revision, each Owner shall pay to the Board within 30 days following receipt of a copy of such revised estimated Common Expenses a sum computed by deducting the payments theretofore made by such Owner for such fiscal year pursuant to Section 6.02 or 6.03 prior to receipt of such revised estimate from the payments that such Owner would have been obligated to make pursuant to Section 6.02 had such revised estimate been adopted prior to the commencement of such fiscal year. Monthly payments pursuant to Section 6.02 becoming due after receipt of a revised estimate shall be made on the basis of such revised estimate.

Section 6.05. Payment of Unit Expenses. Each Owner shall pay to the Board the amount of Unit Expenses in respect of such Owner's Unit within ten days after submission to such Owner of an invoice therefor.

Section 6.06. Books of Account, Audit. The Board, on behalf of all Owners, shall maintain or cause to be maintained separate books of account of Common Expenses and Unit Expenses in accordance with recognized accounting practices, and shall have such books of account available for inspection by each Owner or his authorized representative at reasonable business hours. The Board shall annually render or cause to be rendered a statement to each Owner of all receipts and disbursements during the preceding fiscal year.

Section 6.07. Taxes and Assessments. Subject to the Tax Agreement, each Owner shall be obligated to cause the real property taxes for its Unit and the Common Interest appertaining thereto to be assessed separately by the proper governmental authority and to pay all such real property taxes so determined directly to the proper governmental authority. The foregoing sentence shall apply to all types of taxes which now are or may hereafter be assessed separately by law on each Unit and the Common Interest appertaining thereto or the personal property or any other interest of the Owner. Each Owner shall execute such documents and take such action as may be reasonably specified by the Board to facilitate dealing with the proper governmental authority regarding such taxes, other taxes and assessments. Each Owner shall be obligated to pay, as Common Expenses, a proportionate share (determined in accordance with its Common

Interest) of any assessment by the Board for any portion of taxes or assessments, if any, levied against the entire Property or any part of the Common Elements as a whole and not separately, such payment to be made as directed by the Board. If, in the opinion of the Board, any taxes or assessments may be a lien on the entire Property or any part of the Common Elements, the Board may pay such taxes or assessments and shall assess the same to the Owners in accordance with their respective Common Interests. Such assessments by the Board shall be secured by the lien created by Section 6.10.

Section 6.08. Arbitration.

(a) The Owner invoking arbitration under Section 6.01 shall give a notice (the "Arbitration Notice") to the Board and to all other Owners stating that the Owner sending the Arbitration Notice desires to meet with the Board within 10 days to attempt to agree on a single arbitrator (the "Arbitrator") to determine the matter in dispute. If such Owner and the Board have not agreed on the Arbitrator within 30 days after giving of the Arbitration Notice, then either party, on behalf of both, may apply to the New York City office of the American Arbitration Association or any organization which is the successor thereof (the "AAA") for appointment of the Arbitrator, or, if the AAA shall not then exist or shall fail, refuse or be unable to act such that the Arbitrator is not appointed by the AAA within 60 days after application therefor, then either party may apply to the administrative judge of the Supreme Court of New York, New York County (the "Court") for the appointment of the Arbitrator and the other party shall not raise any question as to the Court's full power and jurisdiction to entertain the application and make the appointment. The date on which the Arbitrator is appointed, by the agreement of the parties, by the AAA or by the Court, is referred to herein as the "Appointment Date." If any Arbitrator appointed hereunder shall be unwilling or unable, for any reason, to serve or to continue to serve, a replacement Arbitrator shall be appointed in the same manner as the original Arbitrator.

(b) The arbitration shall be conducted in accordance with the then prevailing rules of the local office of the AAA, modified as follows:

(i) The Arbitrator shall be disinterested and impartial, shall not be affiliated with any Owner or Occupant or member of the Board and shall be an MAI appraiser with at least 10 years' experience in Manhattan real estate.

(ii) Before hearing any testimony or receiving any evidence, the Arbitrator shall be sworn to hear and decide the controversy faithfully and fairly by an officer authorized to administer an oath and a written copy thereof shall be delivered to the Board and each Owner.

(iii) Within 20 days after the Appointment Date, the Owner who has invoked arbitration and the Board shall deliver to the Arbitrator two copies of their

respective written determinations of the proper apportionment of the Common Expense in question (each, a "Determination"). After the submission of any Determination, the submitting party may not make any additions to or deletions from, or otherwise change, such Determination. If either the Board or such Owner fails to so deliver its Determination within such time period, time being of the essence with respect thereto, such party shall be deemed to have irrevocably waived its right to deliver a Determination and the Arbitrator, without holding a hearing, shall accept the Determination of the submitting party as the proper appointment of the Common Expense in question. If each party submits a Determination within the 20-day period described above, the Arbitrator shall, promptly after its receipt of the second Determination, deliver a copy of each party's Determination to the other party.

(iv) Not less than 15 days nor more than 30 days after the earlier to occur of (x) the expiration of the 20-day period provided for in the foregoing clause (iii), or (y) the Arbitrator's receipt of both of the relevant Determinations (such earlier date being the "Submission Date"), and upon not less than 10 days' notice to the Owner who has invoked arbitration and the Board, the Arbitrator shall hold one or more hearings with respect to the proper apportionment of the Common Expense in question. The hearings shall be held in the City of New York at such location and time as shall be specified by the Arbitrator and, to the extent reasonably possible, the hearings shall be held on successive business days. Such Owner and the Board shall be entitled to present all relevant evidence and to cross-examine witnesses at the hearings. The Arbitrator shall have the authority to adjourn any hearing to such later date as the Arbitrator shall specify; provided, that, in all events, all hearings shall be concluded not later than 45 days after the Submission Date.

(v) Except as otherwise provided in the foregoing clause (iii), the Arbitrator shall be instructed, and shall be empowered only, to select as the proper apportionment of the Common Expense in question that one of the Determinations which the Arbitrator believes is the more accurate determination. Within limiting the generality of the foregoing, in rendering a decision, the Arbitrator shall not add to, subtract from or otherwise modify the provisions of these By-Laws, the Declaration or either of the Determinations.

(vi) The Arbitrator shall render a determination as to the selection of a Determination in a signed and acknowledged written instrument, original counterparts of which shall be sent simultaneously to all Owners and the Board, within 10 days after the earlier to occur of (x) the determination of the proper apportionment of the Common Expense in question pursuant to the foregoing clause (iii) or (y) the conclusion of the hearing(s) required by the foregoing clause (iii).

(c) The arbitration procedures set forth in this Section 6.08 shall constitute a written agreement to submit any dispute regarding the determination of disputes concerning the proper apportionment of Common Expenses.

(d) The arbitration decision, determined as provided in this Section 6.08, shall be conclusive and binding on all Owners and the Board, shall constitute an "award" by the Arbitrator within the meaning of the AAA rules and applicable law, and judgment may be entered thereon in any court of competent jurisdiction.

(e) The non-prevailing party in any arbitration (or if either party fails to submit a Determination within the period provided therefor, such non-submitting party) shall pay all fees and expenses relating to the arbitration, including, without limitation, the fees and expenses of the AAA and the Arbitrator and the appropriate amount (as determined by the Arbitrator) of the fees and expenses of the prevailing party's counsel and of experts and witnesses retained or called by the prevailing party.

Section 6.09. Special Provisions Regarding Common Owner. Notwithstanding any other provisions of these By-Laws or the Declaration, if there is a Common Owner, then the preceding provisions of this Article VI shall not pertain.

Section 6.10. Lien for Common Expenses and Unit Expenses. All sums assessed by the Board but unpaid for the share of the Common Expenses and for Unit Expenses chargeable to the Owner of a Unit shall constitute a lien on such Unit prior to all other liens, except only liens for (a) taxes and assessments lawfully imposed by a governmental authority against such Unit and (b) all sums unpaid on a first mortgage of record. Such lien may be foreclosed in the manner provided in Section 339-aa of the Condominium Act. No action shall be brought to foreclose such lien unless 30 days' written notice of claim of lien is mailed to the Owner of the Unit and any mortgagee of record thereof. The Board, acting on behalf of the Owners (other than the Owner of the Unit subject to foreclosure), shall have power to bid in the amount of its lien on the Unit at the foreclosure sale, and to acquire and hold, lease, mortgage and convey the Unit. Suit to recover a money judgment for unpaid Common Charges or Unit Expenses shall be maintainable without foreclosing or waiving the lien securing such Common Charges or Unit Expenses. Reasonable attorneys' fees and expenses in connection with collection of the debt secured by such lien or foreclosure thereof shall be paid by the Owner against whom such action is brought and secured by such lien.

Section 6.11. Liability of Grantor and Grantee for Unpaid Assessments and Unit Expenses. In a voluntary conveyance the grantee of a Unit shall be jointly and severally liable with the grantor for all unpaid Assessments and Unit Expenses of the grantor up to the time of the grant or conveyance, without prejudice to the grantee's right to recover from the grantor the amounts paid by the grantee therefor. However, any such grantor or grantee shall be entitled to a statement from the Board setting forth the amount of the unpaid Assessments and Unit Expenses of the grantor, and neither such grantor nor such grantee shall be liable for, nor shall the Unit

conveyed be subject to a lien for, any unpaid Assessments or Unit Expenses of the grantor in excess of the amount therein set forth.

Section 6.12. Amendments. These By-Laws may be amended only in the same manner and to the same extent as the Declaration, as set forth in the Declaration.

ARTICLE VII

Indemnification

Section 7.01. Indemnification of Members of the Board, Officers and Employees. To the fullest extent permitted by law, the Owners shall jointly and severally indemnify each Person made or threatened to be made a party to any civil or criminal action or proceeding by reason of the fact that (a) he, or his testator or intestate, is or was a Manager or an officer of the Condominium or (b) he, or his testator or intestate, being or having been a Manager or an officer of the Condominium, served any other corporation of any type or kind, domestic or foreign, in any capacity, at the request of the Condominium or (c) he was the Common Owner acting on behalf of all Owners with respect to Operation of the Property.

The Common Owner (or if there is no Common Owner then the Board) shall have power on behalf of the Condominium to indemnify any Person (other than a Manager or an officer of the Condominium) providing any goods or services to or for the Condominium in the ordinary course of business to such extent as the Common Owner (or if there is no Common Owner, the Board) in its reasonable judgment may from time to time determine.

Section 7.02. Insurance for Indemnification. To the fullest extent permitted by law and to the extent available at commercially reasonable premium costs, the Common Owner (or if there is no Common Owner, then the Board) may purchase and maintain insurance (a) to indemnify the Condominium for any obligation, as required by law or by a court order, incurred as a result of the indemnification of Managers and officers of the Condominium (and the Common Owner pursuant to the foregoing), (b) to indemnify Managers and officers of the Condominium (and the Common Owner pursuant to the foregoing) in instances in which they may be indemnified by the Owners under the provisions of this Article VII and (c) to indemnify Managers and officers of the Condominium (and the Common Owner pursuant to the foregoing) in instances in which they may not otherwise be indemnified by the Condominium under this Article VII. The cost of purchasing and maintaining such insurance shall be included in Common Expenses.

Section 7.03. Provisions in Contracts and Documents. Each contract made, and other document executed by one or more officers or other Persons on behalf of the Condominium or the Common Owner or the Board, shall expressly state (if obtainable and in addition to the limitation of liability of the Managers and the Owners (and the Common Owner) pursuant to the

other provisions of these By-Laws) that the same is made or executed by such officers or Persons on behalf of the Condominium or the Common Owner or the Board solely as agent for the Owners, and that such officers or Persons (or the Common Owner, in such capacity) shall have no liability thereon, except to the extent of their liability, if any, as Owners.

ARTICLE VIII

Operation of the Property; McGraw-Hill Lease

Section 8.01. Article VIII of the Declaration is hereby incorporated in these By-Laws.

Section 8.02. These By-Laws are considered part of the Declaration, and as such are subject and subordinate to the provisions of the McGraw-Hill Lease and the B Units Net Lease to the same effect and extent as the Declaration.



STATE OF NEW YORK
OFFICE OF THE ATTORNEY GENERAL
(212) 416-8162

80 IN ORIGINAL

C. VACCIO
General

PAMELA JONES HARBOUR
Deputy Attorney General

REEL 2549 P0334

November 19, 1997

Meyer Last, Esq.
Fried Frank Shriver & Jacobson
One New York Plaza
New York, NY 10004

Re: 55 Water Street
New York, New York
File No: NA97-127

Dear Mr. Last:

The Department of Law has received and reviewed your application dated, November 21, 1997, for a "no-action letter" concerning a transaction involving the above premises.

On the basis of the facts and circumstances stated in your letter and supporting documentation, the Department has determined that it will not take any enforcement action because the described transaction occurs without filing or registration pursuant to Section 352-e and Section 359-e of the General Business Law. We understand that it is your opinion as counsel that the transaction is not subject to those registration and filing requirements.

This position is based solely upon the limited information supplied and representations made in your letter and supporting documentation. Any different set of facts or circumstances might result in the Department taking a different position. In addition, this letter only expresses the Department's position on enforcement action which could arise from the transaction occurring without filing or registration, and does not purport to express any legal conclusion on this or any subsequent transaction or offering.

The issuance of this letter shall not be construed to be a waiver of or limitation on the Attorney General's authority to take enforcement action for violations of Article 23-A of the General Business Law and other applicable provisions of law.

Very truly yours,

Marissa Piesman
Assistant Attorney General

**CITY REGISTER RECORDING AND ENDORSEMENT PAGE
- NEW YORK COUNTY -**

(This page forms part of the instrument)

Block(s) 32
 Lot(s) FKA 1
NKA 1001 Through 1052

Record & Return to: Mayer Last Esq
Elied Frank Harris
One New York Plaza
New York NY 10004
 Title/Agent Company name: COMMONWEALTH LAND TITLE INS. CO.
 Title Company number: NY 970853M

OFFICE USE ONLY - DO NOT WRITE BELOW THIS LINE

THE FOREGOING INSTRUMENT WAS ENDORSED FOR THE RECORD AS FOLLOWS:

Examined by (s): [Signature]

Mtge Tax Serial No.	
Mtge Amount	\$
Taxable Amount	\$
Exemption (✓) <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/>	
Type: <small>CIRCLE ONE OF</small> [339EE] [255] [OTHER _____]	
Dwelling Type: <small>CIRCLE ONE OF</small> [1 to 2] [3] [4 to 6] [OVER 6]	
TAX RECEIVED ON ABOVE MORTGAGE ▼	
County (basic)	\$
City (Add'l)	\$
Spec Add'l	\$
TASF	\$
MTA	\$
NYCTA	\$
TOTAL TAX	\$
Apportionment Mortgage (✓) YES <input type="checkbox"/> NO <input type="checkbox"/>	

Joy A. Bobrow, City Register

City Register Serial Number → 006486

Indexed By (s): RR Verified By (s): [Signature]

Block(s) and Lot(s) verified by (s): Address Tax Map

Extra Block(s) _____ Lot(s) 52

Recording Fee <u>B</u>	\$ <u>413</u>
Affidavit Fee (C)	\$
TP-584/582 Fee (Y)	\$
RPTT Fee (R)	\$
HPD-A <input type="checkbox"/>	HPD-C <input type="checkbox"/>
New York State Real Estate Transfer Tax ▼	
\$	
Serial Number →	
New York City Real Property Transfer Tax	
Serial Number →	
New York State Gains Tax	
Serial Number →	

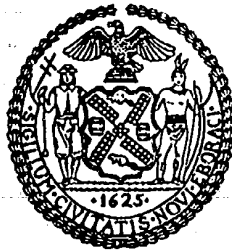
REC 2549 PG 6335

00316 \$ 64916
91869 AND-0

**RECORDED IN NEW YORK COUNTY
OFFICE OF THE CITY REGISTER**

1998 FEB 26 P 2:07

Witness My Hand and Official Seal



J. A. Bobrow
City Register

CRGFMBSN.BPG 153